

Financial Statement

2014-15

Reliance Capital Pension Fund Limited

Draft Independent Auditor's Report

**To,
The Members,
Reliance Capital Pension Fund Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of **Reliance Capital Pension Fund Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, 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 auditor's judgment, including the assessment of the risks of material misstatement of the

Auditor's Report (Continued)

Reliance Capital Pension Fund Limited

financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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 paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

Auditor's Report (*Continued*)

Reliance Capital Pension Fund Limited

- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations which would impact its financial position of the Company.
 - 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 **Chaturvedi & Shah**

Chartered Accountants

Firm's Registration No:101720W

Vijay Napawaliya

Partner

Membership No: 109859

Mumbai

Dated : April 20, 2015

Reliance Capital Pension Fund Limited

Annexure to the Auditor's Report (*Continued*)

(Referred to in our report of even date)

- (i) In respect of its fixed assets: -
 - a. The Company has maintained proper records, showing full particulars including quantitative details and situation of its fixed assets.
 - b. The Company has a program of physical verification of its fixed assets by which all fixed assets has been verified during the year and no discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) The Company is a service company, primarily engaged in the activities of pension fund manager. 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, the Company has not granted any loan secured/unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of clauses (iii) (a) and (iii)(b) of paragraph 3 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to sale of services. During the year the Company did not undertake any activities of purchase of inventories, fixed assets, and sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- (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:

Reliance Capital Pension Fund Limited

Annexure to the Auditor's Report (*Continued*)

(Referred to in our report of even date)

- 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, wealth tax, 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, 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, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited on account of any dispute.
 - c) According to the information and explanations given to us, there is no outstanding amount, which is required to be transferred to investor education and protection fund in accordance with the relevant provision of the Companies Act, 1956 and rules made thereunder.
- (viii) The Company neither has accumulated losses nor it has incurred any cash losses during the current financial year and in the immediate preceding financial year.
- (ix) The Company does not have any dues to financial institutions, banks or debenture holders, hence question of default does not arise.
- (x) The Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xi) The Company has not raised any term loan during the year.
- (xii) 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 or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For **Chaturvedi & Shah**

Chartered Accountants

Firm's Registration No:101720W

Vijay Napawaliya

Partner

Membership No: 109859

Mumbai

Dated : April 20, 2015

RELIANCE CAPITAL PENSION FUND LIMITED

BALANCE SHEET AS AT MARCH 31, 2015

(Rupees)

Particulars	Note No.	As at 31 March 2015	As at 31 March 2014
I. EQUITY AND LIABILITIES :			
1 Shareholders' funds			
(a) Share Capital	3	250,000,000	250,000,000
(b) Reserves & Surplus	4	9,949,662	8,474,911
2 Non-current liabilities			
(a) Long Term Provisions	5	118,391	110,072
3 Current liabilities			
(a) Other Current Liabilities	6	3,113,198	3,146,698
(b) Short Term Provisions	7	826	616
T O T A L		<u><u>263,182,077</u></u>	<u><u>261,732,297</u></u>
II. ASSETS :			
1 Non-current assets			
(a) Fixed Assets	8		
(i) Intangible Assets		76,082	154,726
(b) Non Current Investments	9	48,050,000	48,050,000
(c) Long Term Loans & Advances	10	964,090	953,248
(d) Other Non-Current Assets	11	1,050,448	1,000,000
2 Current assets			
(a) Current Investments	12	209,483,257	202,376,903
(b) Trade Receivables	13	20,453	249,005
(c) Cash & Bank Balance	14	2,810,781	8,237,732
(d) Short Term Loans & Advances	15	255,138	187,944
(e) Other Current Assets	16	471,828	522,739
T O T A L		<u><u>263,182,077</u></u>	<u><u>261,732,297</u></u>

See accompanying notes to the financial statements '1-30'

As per our report of even date

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

For and on behalf of the Board

Sundeep Sikka
(Director)

V. K. Chopra
(Director)

Vijay Napawaliya
Partner
Membership .No. 109859

Manish Shah
(Manager)

Dinesh Kotian
(Chief Financial Officer)

Hemali Mehta
(Company Secretary)

Mumbai
Date: April 20, 2015

Mumbai
Date: April 20, 2015

RELIANCE CAPITAL PENSION FUND LIMITED

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

(Rupees)

Particulars	Note No.	2014-15	2013-14
REVENUE			
I Revenue from operations	17	452,880	808,350
II Other Income	18	17,090,341	18,113,079
III TOTAL REVENUE (I+II)		17,543,221	18,921,429
IV EXPENSES			
Employee Benefit Expense	19	11,500,522	9,228,814
Depreciation and Amortisation	8	78,644	78,644
Other Expenses	20	4,489,304	5,735,510
TOTAL EXPENSES		16,068,470	15,042,968
V PROFIT BEFORE TAX (III-IV)		1,474,751	3,878,461
VI TAX EXPENSE :			
Current Tax		-	665,201
Deferred Tax		-	-
VII PROFIT AFTER TAX (V-VI)		1,474,751	3,213,260
VIII EARNING PER EQUITY SHARE :	26		
Basic & Diluted		0.06	0.13

See accompanying notes to the financial statements '1-30'

As per our report of even date

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

Vijay Napawaliya
Partner
Membership .No. 109859

Mumbai
Date: April 20, 2015

For and on behalf of the Board

Sundeep Sikka
(Director)

Manish Shah
(Manager)

Hemali Mehta
(Company Secretary)
Mumbai
Date: April 20, 2015

V. K. Chopra
(Director)

Dinesh Kotian
(Chief Financial Officer)

RELIANCE CAPITAL PENSION FUND LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(Rupees)

Particulars	2014-15	2013-14
<u>A. Cash Flow from Operating Activities</u>		
Net Profit / (Loss) Before Tax	1,474,751	3,878,461
Adjusted for		
Depreciation and Amortisation	78,644	78,644
(Profit)/ Loss on Sale of Investments	(12,806,355)	(17,132,002)
Interest on Tax Free Debentures or Bonds	(4,136,181)	(887,122)
Interest on Fixed Deposit	(147,448)	(91,207)
Operating Profit/(Loss) before Working Capital Changes	(15,536,589)	(14,153,226)
Adjusted for		
Trade Receivable & Loans and advances	144,933	(373,204)
Trade Payables and Liabilities	(24,971)	1,572,309
Cash Generated from Operation	(15,416,627)	(12,954,121)
Taxes (Paid)/ Refund	5,584	(665,201)
Net Cash from / (used in) Operating Activities	(15,411,043)	(13,619,322)
<u>B. Cash Flow from Investing Activities</u>		
Purchase of Long Term Investments	-	(48,050,000)
Sale of Current Investments (Net)	5,700,001	68,869,355
Fixed Deposit with Bank	(1,000,000)	-
Interest Received	4,284,091	455,590
Net Cash from / (used in) Investing Activities	8,984,092	21,274,944
<u>C. Cash Flow from Financing Activities</u>		
Issue of Equity Share capital	-	-
Net Cash from / (used in) Financing Activities	-	-
Net increase / (decrease) in Cash and Cash Equivalents (A + B + C)	(6,426,951)	7,655,622
Opening Balance of Cash and Cash Equivalents	8,237,732	582,110
Closing Balance of Cash and Cash Equivalents	1,810,781	8,237,732

Note :

1. The Previous year's figures have been regrouped and reclassified wherever necessary.

As per our report of even date

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

For and on behalf of the Board

Sundeep Sikka
 (Director)

V. K. Chopra
 (Director)

Vijay Napawaliya
Partner
 Membership .No. 109859

Manish Shah
 (Manager)

Dinesh Kotian
 (Chief Financial Officer)

Hemali Mehta
 (Company Secretary)

Mumbai
 Date: April 20, 2015

Mumbai
 Date: April 20, 2015

RELIANCE CAPITAL PENSION FUND LIMITED

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

1 Background

Reliance Capital Pension Fund Limited ("the Company") was incorporated on March 31, 2009 with the Registrar of Companies (RoC), Maharashtra, Mumbai. Subsequently as on April 30, 2009 the Company was registered as a "Pension Fund Manager" with the Pension Fund Regulatory and Development Authority (PFRDA) to act as a pension fund manager to manage the pension assets under the New Pension System (NPS).

2 Significant Accounting Policies

a Basis of Preparation of Financial Statements

The 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 Act, 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 recognized in the period in which the results are known/materialized.

c Revenue Recognition

i) Investment Management Fees

Investment Management fees (net of service tax) are recognised on an accrual basis in accordance with the Investment Management Agreement, on average Assets Under Management (AUM), confirmed by Schemes.

ii) Profit or Loss on Sale of Investments

Profit or loss earned from sale of investments is recognized on a trade date basis.

iii) Interest Income

Interest income is recognised as it accrues on a time proportion basis taking into account the amount outstanding and the rate applicable.

iv) Other Income

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

d Fixed Assets

Fixed Assets are stated at cost of acquisition less accumulated depreciation / amortisation and Impairment loss, if any. Cost includes all expenses incidental to the acquisition of the fixed assets.

e Intangible Assets

Intangible assets include software purchased/developed and licensing costs which comprises purchase price and any attributable cost of bringing the asset to its workable condition for its intended use.

f Depreciation/Amortisation

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.

Intangible assets are depreciated/amortised on straight line basis over the useful life of the software up to a maximum of three years commencing from the date on which such software is first put to use.

g 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.

h Investments

Investments are classified into Current Investments and Long-term Investments. 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, determined separately for each individual investment. Cost of investments is computed based on the "weighted average cost" method.

i Earnings per share

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

RELIANCE CAPITAL PENSION FUND LIMITED

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

j Provision for Current Tax and Deferred Tax

(i) Current tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit entitlement is recognised where there is convincing evidence that the same can be realised in future.

(ii) Deferred tax

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only 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.

k Provisions, Contingent Liabilities and Contingent Assets

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. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

3 Share Capital		(Rupees)			
Particulars	As at 31 March 2015		As at 31 March 2014		
a) Authorised:					
27,000,000 Equity Shares of Rs. 10 each (March 31, 2014 : 27,000,000 Equity Shares of Rs. 10 each)	270,000,000		270,000,000		
	<u>270,000,000</u>		<u>270,000,000</u>		
b) Issued, Subscribed & Paid up					
25,000,000 Equity Shares of Rs. 10 each fully paid (March 31, 2014 : 25,000,000 Equity Shares of Rs. 10 each)	250,000,000		250,000,000		
	<u>250,000,000</u>		<u>250,000,000</u>		
c) Par Value per Share					
Equity	Amount in Rs. 10		Amount in Rs. 10		
d) Reconciliation of Issued, subscribed and fully paid up Share Capital					
	No of Shares	Amount in Rs.	No of Shares	Amount in Rs.	
<u>Equity Shares</u>					
Opening Balance	25,000,000	250,000,000	25,000,000	250,000,000	
Add: Addition during the year	-	-	-	-	
Less : Reduction during the year	-	-	-	-	
Closing Balance	<u>25,000,000</u>	<u>250,000,000</u>	<u>25,000,000</u>	<u>250,000,000</u>	

e) Rights, Preferences and Restrictions :

i) Each holder of Equity shares is entitled to one vote per share and carries 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.

ii) On December 21, 2012 the Company's holding Company i.e. Reliance Capital Asset Management Ltd. (RCAM) and a fellow subsidiary i.e. Reliance Gilts Limited (RGL) have entered into a Share Purchase Agreement and Option Agreement with respect to the shares of the Company, to which the Company is also a party.

a) As per Share Purchase Agreement, RGL has acquired 3,750,000 equity share (Option Share) of the Company from RCAM.

b) As per Option Agreement, RGL has irrevocably granted RCAM the Option to purchase the Option shares at any time by issuing a notice in writing to RGL to exercise the Option.

c) From the date of receipt of the Option Exercise Notice up to Option Completion, RGL will deal with the Option shares, exercise or refrain from exercising any voting or other consensual rights arising from or in respect of the Option shares in accordance with RCAM's instruction and hold any distributions in respect of Option shares in trust of RCAM and deal with such distributions only in accordance with RCAM's instruction.

RELIANCE CAPITAL PENSION FUND LIMITED

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

iii) On February 18, 2015 the Company's holding Company i.e. Reliance Capital Asset Management Ltd. (RCAM) and a fellow subsidiary i.e. Reliance Gilts Limited (RGL) have entered into a Share Purchase Agreement and Option Agreement with respect to the shares of the Company, to which the Company is also a party.

a) As per Share Purchase Agreement, RGL has acquired 50,00,000 equity share (Option Share) of the Company from RCAM.

b) As per Option Agreement, RGL has irrevocably granted RCAM the Option to purchase the Option shares at any time by issuing a notice in writing to RGL to exercise the Option.

c) From the date of receipt of the Option Exercise Notice up to Option Completion, RGL will deal with the Option shares, exercise or refrain from exercising any voting or other consensual rights arising from or in respect of the Option shares in accordance with RCAM's instruction and hold any distributions in respect of Option shares in trust of RCAM and deal with such distributions only in accordance with RCAM's instruction.

d) The original option agreement, shall be amended and restated so that it shall be read and construed for all purposes as set out as per this agreement.

f) **Shares held by holding company i.e. Reliance Capital Asset Management Limited including jointly held**

Particulars	As at 31 March 2015		As at 31 March 2014	
	No of Shares	% of Holding	No of Shares	% of Holding
i) Reliance Capital Asset Management Limited	16,249,994	65.00%	21,249,994	85.00%
ii) Reliance Gilts Limited	8,750,000	35.00%	3,750,000	15.00%
iii) Reliance Capital Asset Management Limited Jointly with its nominees	6	0.00%	6	0.00%
	25,000,000	100%	25,000,000	100%

4. **Reserves and Surplus**

Particulars	(Rupees)	
	As at 31 March 2015	As at 31 March 2014
a) Surplus in Statement of Profit & Loss		
As Per Last Balance Sheet	8,474,911	5,261,651
Add: Transfer from Statement of Profit & Loss	1,474,751	3,213,260
	9,949,662	8,474,911

5. **Long Term Provisions**

Particulars	(Rupees)	
	As at 31 March 2015	As at 31 March 2014
Provision For Employees Benefits (Refer Note 23)		
Gratuity	118,391	110,072
	118,391	110,072

6. **Other Current Liabilities**

Particulars	(Rupees)	
	As at 31 March 2015	As at 31 March 2014
Other Payables #	3,113,198	3,146,698
	3,113,198	3,146,698
# Includes Statutory Dues Payables & Other Liabilities		

7. **Short Term Provisions**

Particulars	(Rupees)	
	As at 31 March 2015	As at 31 March 2014
Provision For Employees Benefits (Refer Note 23)		
Gratuity	826	616
	826	616

RELIANCE CAPITAL PENSION FUND LIMITED

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

Note "8" - Fixed Assets

(Rupees)

Sr. No.	Particulars	Gross Block				Depreciation				Net Block		
		As at April 1,2014	Addition	Deduction	As at March 31, 2015	Upto April 1,2014	Depreciation for the year	Deduction	Upto March 31, 2015	As at March 31, 2015	As at March 31, 2014	March 31, 2014
(i)	Tangible Assets											
	Data Processing Machinery	11,410	-	11,410	-	11,410	-	11,410	-	-	-	-
	(Refer Note 1 below)											
	Total	11,410	-	11,410	-	11,410	-	11,410	-	-	-	-
	Previous Year	11,410	-	-	11,410	11,410	-	-	11,410	-	-	-
(i)	Intangible Assets											
	Computer Software	2,337,956	-	-	2,337,956	2,183,230	78,644	-	2,261,874	76,082	154,726	154,726
	Total	2,337,956	-	-	2,337,956	2,183,230	78,644	-	2,261,874	76,082	154,726	154,726
	Previous Year	2,337,956	-	-	2,337,956	2,104,586	78,644	-	2,183,230	154,726	154,726	154,726

Notes :

- 1 In respect of Data Processing Machinery, the same has been removed from Fixed Assets Schedule, by an accounting entry, as the amount in Net Block was Rs.Nil.
- 2 In respect of Intangible Assets,
 - a) it is other than internally generated.
 - b) Average remaining useful life of assets for addition during the Financial Year 2012-13, is 11 months (Previous Year 23 months)

RELIANCE CAPITAL PENSION FUND LIMITED

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

9. Non Current Investments						(Rupees)
Particulars	Face Value /Issue Price Rs.	Quantity		Value		
		As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014	
Investments in Debentures or Bonds Quoted, fully paid-up						
8.50% Tax Free, Secured, Redeemable, Non-Convertible Bonds of National Highway Authority of India (NHAI), February 5, 2029	1,000	20,000	20,000	20,000,000	20,000,000	
8.76% Tax Free, Secured, Redeemable, Non-Convertible Bonds of National Housing Bank (NHB), January 13, 2034	5,000	3,610	3,610	18,050,000	18,050,000	
				38,050,000	38,050,000	
Investments in Debentures or Bonds Unquoted, fully paid-up						
8.55% Tax Free, Secured, Redeemable, Non-Convertible Bonds of India Infrastructure Finance Company Limited (IIFCL), March 27, 2029	1,000	10,000	10,000	10,000,000	10,000,000	
				10,000,000	10,000,000	
				48,050,000	48,050,000	

Notes :

1) The aggregate value of investments:

	(Rupees)			
	As at 31 March 2015		As at 31 March 2014	
	Book Value	Market Value *	Book Value	Market Value *
Quoted	3 80 50 000	42,765,581	38,050,000	39,126,150
Unquoted	10,000,000	-	10,000,000	-
TOTAL	48,050,000	42,765,581	48,050,000	39,126,150

2) Basis of Valuation

As at 31 March 2015
at cost

As at 31 March 2014
at cost

* Market value is based on last traded quote.

10. Long -term loans and advances			(Rupees)
Particulars	As at		As at
	31 March 2015		31 March 2014
Unsecured Considered Good			
Other Loans & Advances			
Balance with Service Tax Authority		807,886	859,784
Taxes Paid		156,204	93,464
[Net off Income Tax Provision Rs. 665,201 (Previous year Rs. 665,201)]			
		964,090	953,248

11. Other non-current assets			(Rupees)
Particulars	As at		As at
	31 March 2015		31 March 2014
Fixed Deposit with Bank (Lien against bank guarantee)		1,000,000	1,000,000
Interest Accrued on Fixed Deposit with Bank		50,448	-
		1,050,448	1,000,000

RELIANCE CAPITAL PENSION FUND LIMITED

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

12. Current Investments						(Rupees)
Particulars	Face Value / Issue Price Rs.	Quantity		Value		
		As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014	
Investments Units of Mutual Funds Quoted, fully paid-up						
Reliance Fixed Horizon Fund - XXVI - Series 18 - Direct Plan - Growth Plan	10	2,000,000	-	20,000,000	-	
Reliance Fixed Horizon Fund - XXVI - Series 32 - Direct Plan - Growth Plan	10	200,000	-	2,000,000	-	
Reliance Yearly Interval Fund - Series 3 - Direct Plan - Growth Plan	10	912,925	-	10,000,000	-	
				32,000,000	-	
Investments Units of Mutual Funds Unquoted, fully paid-up						
Reliance Short Term Fund - Direct Growth Plan - Growth Option	10	1,490,574	-	38,685,189	-	
Reliance Money Manager Fund - Direct Growth Plan - Growth Option	1,000	19,770	15,876	37,807,997	28,000,000	
Reliance Medium Term Fund - Direct Growth Plan - Growth Option	10	1,300,282	-	37,500,000	-	
Reliance Gilt Securities Fund - Direct Growth Plan - Growth Option	10	3,003,375	3,003,375	44,123,480	44,123,480	
Reliance Yearly Interval Fund - Series 3 - Direct Plan - Growth Plan	10	-	912,925	-	10,000,000	
Reliance Liquidity Fund - Direct Growth Plan - Growth Option	1,000	4,455	63,023	9,366,591	120,253,423	
Reliance Income Fund - Direct Plan Growth Plan - Growth Option	10	215,584	-	10,000,000	-	
				177,483,257	202,376,903	
				209,483,257	202,376,903	

Notes :

a) The aggregate value of investments:

	As at 31 March 2015		As at 31 March 2014	
	Book Value	Market Value	Book Value	Market Value
Quoted	32,000,000	35,048,701	-	-
Unquoted	177,483,257	190,358,900	202,376,903	205,930,582
TOTAL	209,483,257	225,407,601	202,376,903	205,930,582

b) Basis of Valuation

	As at 31 March 2015	As at 31 March 2014
	at cost or fair value, whichever is lower	at cost or fair value, whichever is lower

c) Market value of unquoted investments is based on Net Asset Value (NAV) declared by the Mutual Fund.

13. Trade Receivables			(Rupees)
Particulars	As at		
	31 March 2015	31 March 2014	
Unsecured Considered Good			
Trade receivables outstanding for a year less than six months from the date they are due for payment	20,453	2 49 005	
	20,453	249,005	

RELIANCE CAPITAL PENSION FUND LIMITED

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

14. Cash & Bank Balance		(Rupees)	
Particulars	As at 31 March 2015	As at 31 March 2014	
Cash & Cash Equivalents			
Balances with banks in current account	1,810,781	8,237,732	
Other Bank Balances			
Fixed Deposit with Bank	1,000,000	-	
	<u>2,810,781</u>	<u>8,237,732</u>	
15 Short-term loans and advances		(Rupees)	
Particulars	As at 31 March 2015	As at 31 March 2014	
Unsecured, considered good			
Advances to :			
Related Party (Refer Note 25)	154,376	110,000	
Others	73,922	-	
Prepaid expenses	26,840	77,944	
	<u>255,138</u>	<u>187,944</u>	
16. Other Current Assets		(Rupees)	
Particulars	As at 31 March 2015	As at 31 March 2014	
Interest Accrued on :			
Debentures or Bonds	424,131	428,786	
Fixed Deposit with Bank	47,697	93,953	
	<u>471,828</u>	<u>522,739</u>	
17. Revenue from operations		(Rupees)	
Particulars	2014-15	2013-14	
Investment Management Fees	508,856	908,262	
Less : Service Tax Recovered	55,976	99,912	
	<u>452,880</u>	<u>808,350</u>	
18. Other Income		(Rupees)	
Particulars	2014-15	2013-14	
Profit on Sale of Current Investments (Net)	12,806,355	17,132,002	
Interest on Fixed Deposit	147,448	91,207	
Interest on Tax Free Debentures or Bonds	4,136,181	887,122	
Interest on Income Tax Refund	357	-	
Miscellaneous Income	-	2,748	
	<u>17,090,341</u>	<u>18,113,079</u>	
19. Employee Benefit Expense		(Rupees)	
Particulars	2014-15	2013-14	
Salaries and Wages	10,210,399	8,605,261	
Contribution to provident and other funds	1,190,460	618,506	
Staff Welfare Expenses	99,663	5,047	
	<u>11,500,522</u>	<u>9,228,814</u>	

RELIANCE CAPITAL PENSION FUND LIMITED

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

20. Other Expenses	(Rupees)	
	Particulars	2014-15
PFRDA Annual Fees	687,500	1,000,000
PFRDA Registration Fees	-	500,000
Auditor's Remuneration		
Statutory Audit Fees	74,158	67,416
Other Services	-	33,708
Directors' Sitting Fees (including service tax)	382,024	337,080
Legal & Professional Fees	1,121,021	1,006,609
Miscellaneous Expenses #	261,178	184,974
Rent (Refer Note 22)	456,272	1,441,629
Rates and Taxes	15,000	2,415
Repairs & Maintenance - Others	142,198	578,662
Travelling & Conveyance	1,349,291	583,017
Interest on Income Tax	662	-
	4,489,304	5,735,510

includes Rs. 12,500 (Previous Year Rs. Nil) Prior Period Expenses.

- 21 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.
- 22 Rent reimbursed to its holding company i.e. Reliance Capital Asset Management Limited.
- 23 **Employee Benefits**
The Company has classified various employees benefit are as under :

I - Defined Contribution Plan

- (a) Provident Fund
(b) Employee's Pension Scheme.

The provident fund and employee's pension scheme are operated by the regional provident fund Commissioner. Under the Schemes, the Company is required to contribute as a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

Sr. No.	Particulars	(Amount in Rupees)	
		2014-15	2013-14
a)	Employer's Contribution to Provident Fund	470,442	359,429
b)	Employer's Contribution to Pension Scheme	141,275	123,800
	Total	611,717	483,229

II - Defined Benefit Plan

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

I. Table showing change in the present value of defined benefit obligation	Gratuity Benefit	Gratuity Benefit
	Unfunded	Unfunded
	2014-15	2013-14
Present value of Defined Benefit		
Obligation at the beginning of the year	110,688	12,547
Interest cost	10,305	1,035
Current service cost	111,618	51,965
Transitional Liability incurred during the period	-	-
Past Service Cost (non vested benefit) incurred during the period	-	-
Past Service Cost (vested benefit) incurred during the period	-	-
Liability Transferred In	-	-
Liability Transferred Out	-	-
Benefits paid	(525,163)	-
Actuarial (Gains) / Losses on Obligations - Due to Demographic Assumptions	(109,360)	-
Actuarial (Gains) / Losses on Obligations - Due to change in Financial Assumptions	29,567	-
Actuarial (Gains) / Losses on Obligations - Due to Experience	491,562	45,141
Present value of Benefit Obligation at the close of the year	119,217	110,688
II. Table of recognition of Actuarial Gains/ Losses		
Actuarial (Gains) / Losses on obligation for the period	411,769	45,141
Actuarial (Gains) / Losses on asset for the period	-	-
Subtotal	411,769	45,141
Actuarial (Gains) / Losses recognized in income & expenses statement	411,769	45,141

RELIANCE CAPITAL PENSION FUND LIMITED

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

III. Table of recognition of Transitional Liability		
Unrecognized transitional liability at the start of the year	-	-
Unrecognized transitional liability incurred during the year (Transitional liability recognized during the year)	-	-
Unrecognized Transitional Liability at the end of the year	-	-
IV. Amount recognized in the Balance Sheet		
Fair value of plan assets at the end of the year	-	-
(Present value of benefit obligation as at the end of the year)	(119,217)	(110,688)
Funded Status	(119,217)	(110,688)
Unrecognized past service cost at the end of the year	-	-
Unrecognized transitional liability at the end of the year	-	-
Net (Liability)/ asset recognized in the Balance Sheet	(119,217)	(110,688)
V. Expense recognized in the Income Statement		
Current service cost	111,618	51,965
Interest Cost	10,305	1,035
Actuarial (Gains) / Losses	411,769	45,141
Past Service Cost (non vested benefit) recognized during the year	-	-
Past Service Cost (vested benefit) recognized during the year	-	-
Transitional liability recognized during the year	-	-
Expense recognized in P&L	533,692	98,141
I. Table showing change in the present value of defined benefit obligation		
	Gratuity Benefit Unfunded	Gratuity Benefit Unfunded
	2014-15	2013-14
VI. Balance Sheet Reconciliation		
Opening net liability	(110,688)	12,547
Expense as above	533,692	98,141
Net Transfer In	-	-
(Net Transfer Out)	-	-
(Benefit Paid)	(525,163)	-
(Benefit Paid on account of settlements)	-	-
Net (Liability)/ asset recognized in the Balance Sheet	(119,217)	(110,688)
VII. Assumptions		
Discount Rate (Current)	9.31%	9.31%
Salary Escalation (Current)	5.00%	5.00%
Attrition Rate (Current)	2.00%	2.00%
VIII. Other Details		
No of members	5	6
Salary per month	319,800	340,191
IX. Experience Adjustment		
On plan liability (gains) / losses	119,217	56,072
On plan assets (losses) / gains	-	-

24 **Segment Reporting :**

The Company is mainly engaged in the business of acting as a pension fund manager to manage the pension assets under the New Pension System (NPS). All other activities of the Company revolve around the main business, and as such, there is no separate reportable segment in accordance with Accounting Standard (AS -17), "Segment Reporting" notified by the Companies (Accounting Standards) Rules, 2006.

25 **Related Party Disclosure :**

As per Accounting Standard (AS-18) on "Related Party Disclosure" notified by the Companies (Accounting Standards) Rules, 2006, the disclosures of transactions with the related parties are as given below:

List of related parties with whom transactions have taken place and relationships

Name of Related Party	Relationship
Reliance Innoventures Pvt. Ltd.	Ultimate Holding Company
Reliance Capital Limited	Holding Company of Reliance Capital Asset Management Limited
Reliance Capital Asset Management Limited	Holding Company
Reliance General Insurance Co. Limited	Fellow Subsidiary
Reliance Gilts Limited	Associate (w.e.f. February 18, 2015) & Fellow Subsidiary
Mr. Gurbeer Singh Chopra	Chief Executive Officer
Mr. Ranganathan Seshagiri	Manager (Up to September 17, 2013)
Mr. Manish Shah	Manager
Mr. Dinesh Kotian	Chief Financial Officer (w.e.f. April 21, 2014)
Ms. Hemali Rajeev Mehta	Company Secretary (w.e.f. April 21, 2014)

RELIANCE CAPITAL PENSION FUND LIMITED

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

Transaction With Related Parties :-

Particulars	(Rupees)	
	2014-15	2013-14
Holding Company		
Share Capital		
Equity shares issued during the year	-	-
Balance as at March 31, 2015	162,500,000	212,500,000
Expenditures		
Reimbursement of Expenses paid	-	67,991
Rent paid	456,272	1,441,629
Fellow Subsidiary - Reliance Gilts Limited		
Equity Share Capital Balance as at March 31, 2015	87,500,000	37,500,000
Fellow Subsidiary - Reliance General Insurance Co. Limited		
Advance Paid during the year	44,376	110,000
Advance outstanding as at March 31, 2015	154,376	110,000
Managerial Remuneration Paid (Including Reimbursements of Expenses)		
Mr. Gurbeer Singh Chopra	7,195,033	-
Mr. Manish Shah	2,132,352	809,445
Mr. Ranganathan Seshagiri	-	1,174,706
Mr. Dinesh Kotian	765,732	-
Ms. Hemali Rajeev Mehta	618,449	-

Note:

1. Expenses incurred towards public utilities services such as Insurance, telephone and electricity charges have not been considered for related party transaction.

26 Basic and Diluted Earnings Per Share

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

Particulars	(Rupees)	
	2014-15	2013-14
a) Amounts used as the numerators		
Net Profit/(Loss) After Tax	1,474,751	3,213,260
Net Profit/(Loss) available for equity shareholders	1,474,751	3,213,260
b) Amounts used as the Denominators		
Weighted average number of equity shares (Nos.)	25,000,000	25,000,000
c) Basic & Diluted Earnings/(Loss) Per Share of Rs. 10 each (a/b)	0.06	0.13

27 Contingent Liability & Commitments (Subject to confirmation)

Particulars	(Rupees)	
	As at 31 March 2015	As at March 31, 2014
Contingent Liability		
Bank Guarantees	1,000,000	1,000,000

28 Micro, Small and Medium Enterprises (as certified by the Management)

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 .

29 Till March 31, 2014 all the tangible assets are depreciated as per written down value basis at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 and with effect from April 1, 2014 the Company has provided depreciation on all tangible assets, as per the provision of Schedule II of the Companies Act, 2013 but there is no effect on the current year depreciation.

Had the Company continued to use the earlier method of depreciation, the profit after tax for the current year would have not been change.

RELIANCE CAPITAL PENSION FUND LIMITED

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

30 Previous year's figures have been regrouped / restated where necessary, to conform to the presentation of current year's financial statements.

As per our report of even date

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

Vijay Napawaliya
Partner
Membership .No. 109859

Mumbai
Date: April 20, 2015

For and on behalf of the Board

Sundeep Sikka
(Director)

V. K. Chopra
(Director)

Manish Shah
(Manager)

Dinesh Kotian
(Chief Financial Officer)

Hemali Mehta
(Company Secretary)
Mumbai
Date: April 20, 2015