

**RELIANCE**

Capital

**Annual Report  
2015-16**



**Padma Vibhushan**

**Shri Dhirubhai H. Ambani**

(28th December, 1932 - 6th July, 2002)

Reliance Group - Founder and Visionary

## Profile

Reliance Capital Limited is a constituent of the Reliance Group, one of the leading business houses in India.

Reliance Capital, incorporated in 1986, is one of India's leading and fastest growing private sector financial services companies, and ranks amongst the top private sector financial services and banking companies, in terms of net worth.

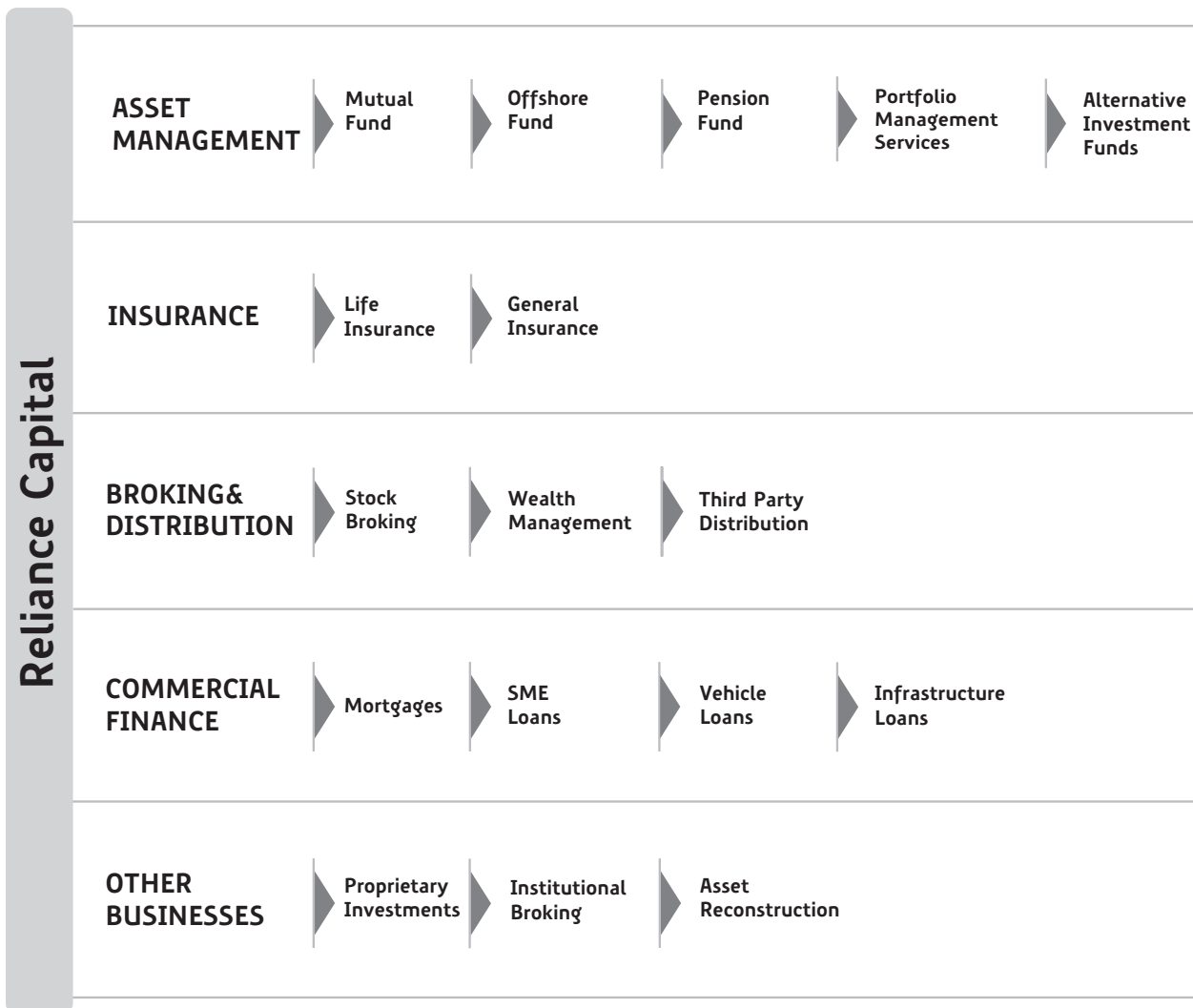
Reliance Capital has interests in asset management and mutual funds, life and general insurance, commercial and home finance, stock broking, wealth management services, distribution of financial products, asset reconstruction, proprietary investments and other activities in financial services.

## Mission: Excellence in Financial Services

- To attain global best practices and become a world-class financial services enterprise – guided by its purpose to move towards greater degree of sophistication and maturity.
- To work with vigour, dedication and innovation to achieve excellence in service, quality, reliability, safety and customer care as the ultimate goal.
- To earn the trust and confidence of all stakeholders, exceeding their expectations and make the Company a respected household name.
- To consistently achieve high growth with the highest levels of productivity.
- To be a technology driven, efficient and financially sound organisation.
- To contribute towards community development and nation building.
- To be a responsible corporate citizen nurturing human values and concern for society, the environment and above all the people.
- To promote a work culture that fosters individual growth, team spirit and creativity to overcome challenges and attain goals.
- To encourage ideas, talent and value systems.
- To uphold the guiding principles of trust, integrity and transparency in all aspects of interactions and dealings.

*This Report is printed on environment friendly paper.*

## Business mix



## Reliance Capital Limited

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Company Secretary		
Shri V. R. Mohan		
Auditors		
M/s. Chaturvedi & Shah		
M/s. B S R & Co. LLP		
Registered Office		
H Block, 1 <sup>st</sup> Floor		
Dhirubhai Ambani Knowledge City		
Navi Mumbai 400 710		
CIN : L65910MH1986PLC165645		
Tel. : +91 22 3303 1000		
Fax : +91 22 3303 6664		
E-mail : rcl.investor@relianceada.com		
Website: www.reliancecapital.co.in		
Registrar and Transfer Agent		
Karvy Computershare Private Limited		
Karvy Selenium Tower – B		
Plot No. 31 & 32, Survey No. 116/22, 115/24, 115/25		
Financial District, Nanakramguda		
Hyderabad 500 032		
Website: www.karvy.com		
Investor Helpdesk		
Toll free no. (India) : 1800 4250 999		
Tel. : +91 40 6716 1500		
Fax : +91 40 6716 1791		
E-mail : rclinvestor@karvy.com		

**30<sup>th</sup> Annual General Meeting on Tuesday, September 27, 2016 at 10:00 A.M.,  
at Birla Matushri Sabha, 19, New Marine Lines, Mumbai 400 020**

# Reliance Capital Limited

## Letter to Shareowners



My dear fellow Shareowners,

It gives me great pleasure to share with you the highlights of our Company's performance during 2015 - 16.

Reliance Capital made significant progress during the year towards improving operational performance across its core businesses, and is fully geared to capitalise on its growth aspirations.

We continue to move forward in fulfilling the vision of our legendary founder and my father, late Shri Dhirubhai Ambani, to attain financial empowerment for millions of ordinary Indians, and, in the process, enable Reliance Capital to become one of India's leading financial services' players.

Today, our Company is one of India's largest non-banking financial services companies. We have diversified interests in asset management, mutual funds, pension funds, life and general insurance, commercial and home finance, stock broking, wealth management services, financial products distribution, asset reconstruction and other activities in the financial services arena.

Our Company is an integral part of the Reliance Group. Reliance Group is amongst India's leading business houses with an 8 million strong shareholders' base. We have a strong presence across the wide array of high growth, consumer facing businesses of telecom, financial services, power, infrastructure and defence.

Today, each of us can claim with pride and humility that the Reliance Group touches the life of one in every five Indians, every single day. This proud association defines our vision and values. It defines who we are, what we stand for and what we aspire to achieve.

### Performance Review

The key financial highlights on a consolidated basis are:

- **Total income of ` 9,998 crore** (US\$ 1.5 billion), against ` 8,929 crore in the previous year, an increase of 12 per cent
- **Net profit of ` 1,101 crore** (US\$ 167 million), against ` 1,001 crore in the previous year, an increase of 10 per cent
- **Earnings Per Share (EPS) of ` 43.6** (US\$ 0.7), against ` 40.7 in the previous year
- **Total assets of ` 67,112 crore** (US\$ 10.2 billion), against ` 47,440 crore in the previous year, an increase of 41 per cent

- **Total net worth of ` 15,390 crore** (US\$ 2.3 billion) as against ` 13,762 crore in the previous year, an increase of 12 per cent

These robust financial numbers have enabled us to recommend a dividend of ` 10.00 per share against ` 9.00 per share in the previous year.

### Highest credit ratings

Our Company's short term debt programme has been assigned a rating of "A 1+" by ICRA and CRISIL, the highest credit quality rating assigned by the respective agency to short-term debt instruments. Instruments rated in this category carry the lowest credit risk in the short term. A third agency, CARE, assigned our long term debt paper a rating of "CARE AAA". Instruments with this rating are considered to have the best credit quality and offer investors the highest degree of safety for timely servicing of debt obligations. Such instruments carry lowest credit risk.

### Achievements during the year across key operating businesses

**Reliance Nippon Life Asset Management** managed over ` 2,87,431 crore (US\$ 43.6 billion) across its mutual funds, pension funds, managed accounts and hedge funds. The income from operations rose by 38 per cent to ` 1,314 crore (US\$ 199 million), and profit before tax was at ` 502 crore (US\$ 76 million) as against ` 455 crore in the previous year. Post completion of the stake sale to Nippon Life Insurance Company in March 2016, the company has been renamed as 'Reliance Nippon Life Asset Management'.

**Reliance Mutual Fund (RMF)** maintained its position amongst the top asset managers in the country with a market share of 12 per cent. The Average Assets Under Management (AAUM) for RMF rose by 16 per cent to ` 1,58,408 crore (US\$ 24.0 billion).

**Reliance Nippon Life Insurance (RNLI)** is amongst the leading private sector life insurers with a market share of 4 per cent in the private sector. RNLI's total premium was ` 4,371 crore (US\$ 662 million) in the year. Renewal premium for the year rose by 11 per cent to ` 2,840 crore (US\$ 430 million). RNLI's New Business Achieved Profit (NBAP) margin was at 28.8 per cent for the year, as against 27.7 per cent for the previous year. The total funds under management stood at ` 15,970 crore (US\$ 2.4 billion). After Nippon Life Insurance

### Letter to Shareowners

Company acquired an additional 23 per cent stake in March 2016, the company has been renamed as 'Reliance Nippon Life Insurance'.

**Reliance General Insurance (RGI)** is amongst the leading private sector general insurance companies in India with a market share of 7 per cent. RGI's gross written premium for the year ended March 31, 2016, increased by 4 per cent to ₹ 2,868 crore (US\$ 435 million). RGI's profit before tax was at ₹ 99 crore (US\$ 15 million) as against a profit of ₹ 81 crore in the previous year.

**The broking business** consists of Reliance Securities, one of the leading retail broking houses in India, and provides customers with access to equities, options and futures products, wealth management, portfolio management services and mutual funds. We had nearly 7,75,000 broking accounts as on March 31, 2016. The average daily equity broking turnover was ₹ 1,894 crore (US\$ 287 million).

**Reliance Money - the distribution business of Reliance Capital**, is a comprehensive financial services and solutions provider, providing customers with access to mutual funds, life and general insurance products, and other financial products. It has a pan-India distribution network of over 150 branches.

**Reliance Commercial Finance** is amongst the leading SME lenders in the Indian non banking finance space. It offers a wide range of products which include SME loans, Loans Against Property (LAP), Infrastructure financing, Agriculture loans and Supply chain financing. The focus in this business continues to be on asset backed lending and productive asset creation. As on March 31, 2016, 100 per cent of the loan book was secured. With rise in disbursements to over ₹ 8,100 crore (US\$ 1.2 billion), the Assets Under Management grew by 7 per cent to ₹ 15,157 crore (US\$ 2.3 billion) as on March 31, 2016. This loan book is spread across 55,600 customers from top 44 Indian cities.

**Reliance Home Finance (RHF)** provides a wide range of loan solutions like home loans, LAP, construction finance, flexi LAP, and affordable housing. RHF also provides property solutions' services that help customers find their dream homes / property, along with financing. The Assets Under Management increased by 27 per cent to ₹ 7,358 crore (US\$ 1.1 billion) as on

March 31, 2016. The total income increased by 59 per cent to ₹ 815 crore (US\$ 124 million), while profit before tax rose by 29 per cent to ₹ 137 crore (US\$ 21 million).

### Future Plans

We have drawn up exciting growth plans for the next three to five years:

- Increase our customer base - from 20 million to 50 million
- Increase the distribution reach - from 5 thousand to 25 thousand cities and towns
- Increase the number of business partners - from half a million to one million

Together, these initiatives will further accelerate our growth and lead to substantial value creation for all.

### Corporate Governance

Reliance Capital has always maintained the highest governance standards and practices by adopting, as is the norm for all constituent companies of the Group, the "Reliance Group - Corporate Governance Policies and Code of Conduct". These Policies and Code prescribe a set of systems, processes and principles, which conform to the highest international standards and are reviewed periodically to ensure their continuing relevance, effectiveness and responsiveness to the needs of investors, both local and global, and all other stakeholders.

### Social Commitments

The Company continued to contribute actively to community welfare activities and took up several initiatives and measures related to education and healthcare.

### Our Commitment

Our founder, the legendary Shri Dhirubhai Ambani, gave us a simple mantra: to aspire to the highest global standards of quality, efficiency, operational performance and customer care. We remain committed to upholding that vision. Dhirubhai exhorted us to think big. With your continued support, we will think bigger. Indeed not just bigger but better, creating ever greater value for all our stakeholders.



Anil Dhirubhai Ambani  
Chairman

# Reliance Capital Limited

## Highlights - at a glance (Standalone)

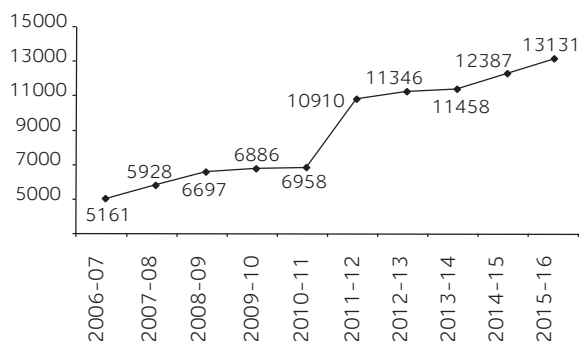
(` in crore)

Year ended March 31	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Turnover	4 145	3 988	3 254	3 868	3 317	1 971	2 390	3 014	2 080	884
Earnings Before Depreciation, Interest & Tax (EBDIT)	3 510	3 232	2 777	2 912	2 712	1 472	1 724	2 335	1 597	783
Depreciation	37	31	34	29	26	14	18	21	17	7
Profit after Tax	977	757	409	662	519	229	339	968	1 025	646
Equity Dividend %	100	90	85	80	75	65	65	65	55	35
Dividend Payout	279	257	225	212	191	161	187	187	158	101
Equity Share Capital	253	253	244	246	246	246	246	246	246	246
Reserves and Surplus	13 028	12 330	11 390	11 266	10 798	6 782	6 713	6 560	5 779	4 915
Net Worth	13 131	12 387	11 458	11 346	10 910	6 958	6 886	6 697	5 928	5 161
Total Assets	36 354	35 702	36 515	33 557	30 183	26 608	20 025	21 137	15 374	6 573
Market Capitalisation	9 306	10 726	8 496	7 681	9 625	14 280	18 537	8 684	30 169	16 416
Number of Employees (Core)	132	124	124	119	115	139	54	48	216	196

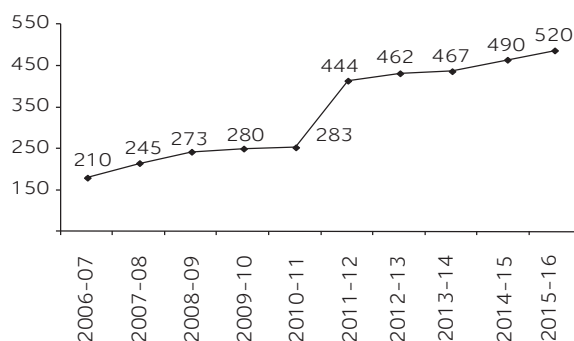
## Key Indicators

Year ended March 31	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
EBDIT/Gross Turnover %	85	81	85	75	32	76	72	77	74	89
Net Profit Margin %	24	19	13	17	16	12	14	32	49	73
Earnings Per Share (`)	39	31	17	27	21	9	14	39	42	28
Book Value Per Share (`)	520	490	467	462	444	283	280	273	245	210
Debt : Equity Ratio	1.64:1	1.76:1	2:1	1.84:1	1.67:1	2.66:1	1.71:1	2:1	1.5:1	0.28:1

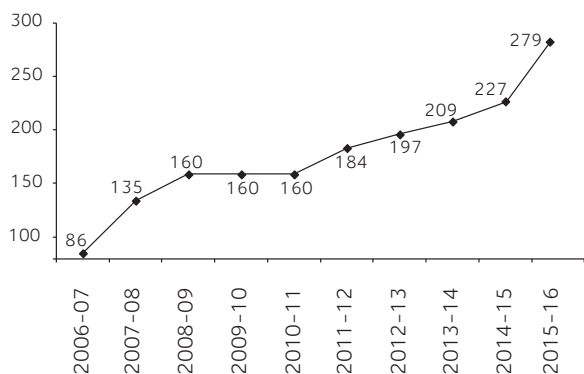
Net Worth (` in crore)



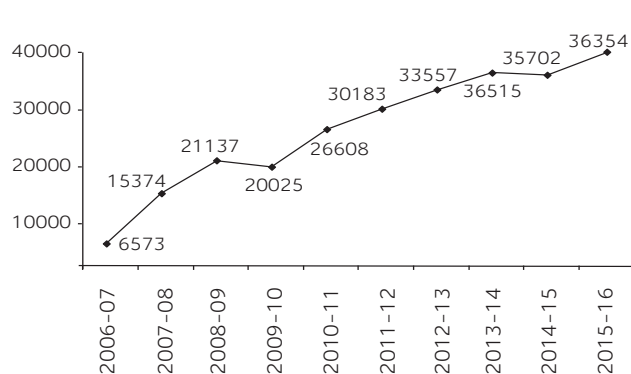
Book Value Per Share (`)



Dividend Payout (Excluding Tax) (` in crore)



Total Assets (` in crore)





## Notice

Notice is hereby given that the 30<sup>th</sup> Annual General Meeting of the Members of **Reliance Capital Limited** will be held on Tuesday, September 27, 2016 at 10:00 A.M., at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020, to transact the following business:

### Ordinary Business:

1. To consider and adopt:
  - a) the audited financial statement of the Company for the financial year ended March 31, 2016 and the reports of the Board of Directors and Auditors thereon, and
  - b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2016 and the report of the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri Soumen Ghosh (DIN:01262099), who retires by rotation under the provisions of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard, to consider and, if thought fit, to pass the following resolutions as **Ordinary Resolutions**:

"a) RESOLVED THAT M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), be and are hereby appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as shall be fixed by the Board of Directors."

"b) RESOLVED THAT M/s. Pathak H.D. & Associates, Chartered Accountants (Firm Registration No. 107783W), be and are hereby appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 35<sup>th</sup> Annual General Meeting of the Company, on such remuneration as shall be fixed by the Board of Directors."

### Special Business:

5. **Appointment of Shri Jai Anmol Ambani as Executive Director**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Jai Anmol Ambani (Shri Anmol) (DIN:07591624), who was appointed by the Board of Directors as an Additional Director of the Company on August 23, 2016, pursuant to the provisions of Section 161 of the Act and Article 135 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting ("Meeting") and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to such sanctions, as may be necessary, approval of the Company be and is hereby accorded

to the appointment of Shri Anmol as a Whole-time Director designated as an Executive Director of the Company, for a period of 5 (five) years with effect from September 27, 2016, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Shri Anmol, subject to the same not exceeding the limits specified under Schedule V to the Act or any statutory modification(s) or re-enactment(s) thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. **Private Placement of Non-Convertible Debentures and/ or other Debt Securities**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the provisions of the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (SEBI) (Issue and Listing of Debt Securities) Regulations, 2008, as amended, and other applicable SEBI regulations and guidelines, and subject to such other applicable laws, rules and regulations and guidelines, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this Resolution) for making offer(s) or invitation(s) to subscribe to Secured / Unsecured / Redeemable Non-Convertible Debentures (NCDs) including but not limited to subordinated Debentures, bond, and/or other debt securities, etc., on a private placement basis, in one or more tranches, within the overall borrowing limits of the Company, as may be approved by the Members from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/Committee be and is hereby authorised to determine the terms of issue including the class of investors to whom NCDs are to be issued, time of issue, securities to be offered, the number of NCDs, tranches, issue price, tenor, interest rate, premium / discount, listing and to do all such acts and things and deal with all such matters and take all such steps as may be necessary and to sign and execute any deeds / documents / undertakings / agreements / papers / writings, as may be required in this regard."

7. **Issue of securities to the Qualified Institutional Buyers**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"a) RESOLVED THAT pursuant to the provisions of Section 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and provisions of the Memorandum

### Notice

and Articles of Association of the Company, the Listing Agreements entered into with the Stock Exchanges and subject to the provisions of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations"), the provisions of the Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, applicable rules, regulations, guidelines or laws and/or any approval, consent, permission or sanction of the Central Government, Reserve Bank of India and any other appropriate authorities, institutions or bodies (hereinafter collectively referred to as the "appropriate authorities"), and subject to such conditions as may be prescribed by any one of them while granting any such approval, consent, permission and/or sanction (hereinafter referred to as the "requisite approvals"), which may be agreed to by the Board of Directors of the Company (hereinafter called the "Board" which term shall include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this Resolution), the Board be and is hereby authorised to create, issue, offer and allot equity shares/fully convertible debentures/partly convertible debentures/non-convertible debentures with warrants/ any other securities (other than warrants), which are convertible into or exchangeable with equity shares on such date as may be determined by the Board but not later than 60 months from the date of allotment (collectively referred to as "QIP Securities"), to the Qualified Institutional Buyers (QIBs) as predefined in the SEBI ICDR Regulations, whether or not such QIBs are Members of the Company, on the basis of placement document(s), at such time or times in one or more tranche or tranches, at par or at such price or prices, and on such terms and conditions and in such manner as the Board may, at its absolute discretion determine, in consultation with the Lead Managers, Advisors or other intermediaries, provided however that the aggregate amount raised by issue of QIP Securities as above shall not result in increase of the issued and subscribed equity share capital of the Company by more than 15 per cent of the then issued and subscribed equity share capital of the Company.

- b) RESOLVED FURTHER THAT the Relevant Date for the determination of applicable price for the issue of the QIP Securities shall be the date on which the Board of the Company decide to open the proposed issue, or the date on which the holders of the securities which are convertible into or exchangeable with equity shares at a later date becomes entitled to apply for the said shares, as the case may be ("Relevant Date").
- c) RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any Securities referred to in paragraph (a) above or as may be necessary in accordance with the terms of the offering, all such shares shall rank pari passu with the then existing shares of the Company in all respects, as may be provided under the terms of the issue and in the offering document.
- d) RESOLVED FURTHER THAT such of these QIP Securities to be issued as are not subscribed may be disposed of

by the Board to such person or persons and in such manner and on such terms as the Board may in its absolute discretion thinks fit in accordance with the provisions of law.

- e) RESOLVED FURTHER THAT the issue to the holders of the QIP Securities with equity shares underlying such securities shall be, *inter-alia*, subject to suitable adjustment in the number of shares, the price and the time period, etc., in the event of any change in the equity capital structure of the Company consequent upon any merger, demerger, amalgamation, takeover or any other re-organisation or restructuring in the Company.
- f) RESOLVED FURTHER THAT the Board may at its absolute discretion issue Equity Shares at a discount of not more than five per cent or such other discount as may be permitted under the applicable regulations to the QIP Floor Price as determined in accordance with the SEBI ICDR Regulations.
- g) RESOLVED FURTHER THAT the QIP Securities shall be issued and allotted within twelve months from the date of this resolution or such other time as may be allowed under the SEBI ICDR Regulations.
- h) RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of QIP Securities or instruments representing the same, as described in paragraph (a) above, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may at its absolute discretion, deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing and institution/trustees/agents and similar agreements/and to remunerate the managers, underwriters and all other agencies/intermediaries by way of commission, brokerage, fees and the like as may be involved or connected in such offerings of Securities, with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit.
- i) RESOLVED FURTHER THAT for the purpose aforesaid, the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in regard to the issue, offer and allotment of QIP Securities and utilisation of the issue proceeds including but without limitation to the creation of such mortgage/hypothecation/charge on the Company's assets under Section 180 (1)(a) of the said Act in respect of the aforesaid QIP Securities either on pari passu basis or otherwise or in the borrowing of loans as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.
- j) RESOLVED FURTHER THAT the Board shall have the authority and power to accept any modification in the proposal as may be required or imposed by the Government of India / Reserve Bank of India / Securities and Exchange Board of India / Stock Exchanges where the shares of the Company are listed or such other appropriate authorities at the time of according / granting their approvals, consents, permissions and sanctions to issue, allotment and listing thereof and as agreed to by the Board.

### Notice

- k) RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any other Officer(s)/Authorised Representative(s) of the Company to give effect to this resolution."

By Order of the Board of Directors

V. R. Mohan  
President & Company Secretary

Registered Office:  
H Block, 1<sup>st</sup> Floor  
Dhirubhai Ambani Knowledge City  
Navi Mumbai 400 710  
CIN : L65910MH1986PLC165645  
Website: www.reliancecapital.co.in

August 23, 2016

#### Notes:

1. Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the special business to be transacted at the Annual General Meeting (the "Meeting") is annexed hereto.
2. **A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll, instead of herself / himself and the proxy need not be a member of the Company. The instrument appointing the Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before commencement of the Meeting. A Proxy form is sent herewith.**
3. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. However, a member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other shareholder.
4. Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send to the Company a certified true copy of their board resolution authorising their representatives to attend and vote on their behalf at the Meeting.
5. Members / Proxies are requested to bring their duly filled attendance slip sent herewith along with their copy of the annual report to the Meeting.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members who hold shares in electronic form are requested to write their DP ID and Client ID numbers and those who hold shares in physical form are requested to write their Folio number in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.
8. Clause 49 of the Listing Agreement with the Stock Exchanges for the period April 1, 2015 to November 30, 2015 and relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period December 1, 2015 to March 31, 2016 are referred to as Listing Regulations in this Annual Report.
9. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays between 11:00 A.M. and 1:00 P.M. up to the date of the Meeting. The certificate from the Statutory Auditors of the Company confirming the compliance of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 with respect to the Company's ESOS Plans will be available for inspection at the Meeting.
10.
  - a. The Company's Register of Members and Transfer Books will remain closed from Saturday, September 17, 2016 to Tuesday, September 27, 2016 (both days inclusive) for the purpose of Annual General Meeting and for determining the names of members eligible for dividend, if declared, on equity shares for the year ended March 31, 2016.
  - b. The dividend on equity shares, as recommended by the Board of Directors, if declared at the Meeting, will be paid after the Meeting.
  - c. Members may please note that the dividend warrants shall be payable at par at the designated branches of the Bank for an initial period of three months only. Thereafter, the dividend warrants on revalidation shall be payable only at limited centres / branches of the said Bank. Members are therefore, requested to encash dividend warrants within the initial validity period.
11. Members may please note that for shares in electronic form, bank particulars registered against their depository accounts will be used by the Company for payment of dividend. Members are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. The Company or its Registrar and Transfer Agent cannot change bank particulars or bank mandates for shares held in electronic form.
12. Members holding shares in physical form are requested to advise any change of address or bank mandates immediately to the Company / Registrar and Transfer Agent, Karvy Computershare Private Limited.
13. The corresponding provisions of the Companies Act, 2013 with reference to Section 205A(5) and Section 205C of the Companies Act, 1956 is not yet notified. The Company has transferred, the unpaid or unclaimed dividend for the financial years 1995-96 to 2007-08, to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts of dividend lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 30, 2015 (date of last Annual General Meeting) on the website of the Company: www.reliancecapital.co.in, as also on the Ministry of Corporate Affairs' website.
14. Non-Resident Indian members are requested to inform Karvy Computershare Private Limited immediately on:
  - a. the change in the residential status on return to India for permanent settlement; and
  - b. the particulars of the bank account(s) maintained in India with complete name, branch, account type, account number and address of the bank, if not furnished earlier.

## Reliance Capital Limited

### Notice

#### 15. Re-appointment of Director:

At the ensuing Meeting, Shri Soumen Ghosh, Executive Director & Group CEO of the Company who was first appointed as a Director of the Company on May 29, 2015 and who retires by rotation under the provisions of the Companies Act, 2013 and being eligible, offers himself for re-appointment. Remuneration proposed to be paid to him is as per the existing terms and conditions.

The details pertaining to Shri Soumen Ghosh pursuant to the requirements of Regulation 36(3) of the Listing Regulations are furnished in the Corporate Governance Report forming part of this Annual Report.

#### 16. Members are advised to refer to the section titled "Investor Information" provided in this Annual Report.

#### 17. Members are requested to fill in and submit online the Feedback Form provided in the 'Investor Relations' section on the Company's website [www.reliancecapital.co.in](http://www.reliancecapital.co.in) to aid the Company in its constant endeavour to enhance the standards of service to investors.

#### 18. The Statement containing the salient features of the balance sheet, the statement of profit and loss and auditors' report on the Abridged Financial Statement, is sent to the members, along with the Abridged Consolidated Financial Statement. Any member interested in obtaining a copy of the full Annual Report, may write to the Registrar and Transfer Agent of the Company.

#### 19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Transfer Agent.

#### 20. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail this facility may send their nomination in the prescribed Form SH-13 duly filled in to Karvy Computershare Private Limited, Karvy Selenium Tower - B, Plot No. 31 & 32, Survey No. 116/22, 115/24, 115/25, Financial District, Nanakramguda, Hyderabad 500 032 or call on Toll free no.: 1 800 4250 999; Tel.: +91 40 6716 1500; Fax: +91 40 6716 1791/ E-mail: [rclinvestor@karvy.com](mailto:rclinvestor@karvy.com). The prescribed form in this regard may also be obtained from Karvy Computershare Private

Limited at the address mentioned above. Members holding shares in electronic form are requested to contact their Depository Participant directly for recording their nomination.

#### 21. Members who hold shares in physical form, in multiple folios, in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Transfer Agent for consolidation into a single folio.

#### 22. Members who have not registered their E-mail addresses so far are requested to register their E-mail address so that they can receive the Annual Report and other communications from the Company electronically.

#### 23. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rules made thereunder and Regulation 44 of the Listing Regulations, the Company is offering e-voting facility to all Members of the Company through Notice dated August 23, 2016 (remote e-voting). A person, whose name is recorded in the register of members or in the register of beneficial owner (in case of electronic shareholding) maintained by the depositories as on the cut-off date i.e. September 20, 2016 only shall be entitled to avail the facility of remote e-voting/voting. Karvy Computershare Private Limited, our Registrar and Transfer Agent will be facilitating remote e-voting to enable the Members to cast their votes electronically. The Members can cast their vote online from 10:00 A.M. on September 24, 2016 to 5:00 P.M. on September 26, 2016. The Members shall refer to the detailed procedure on remote e-voting given in the e-voting instruction slip.

The facility for voting shall also be available at the meeting. The members who have cast their votes by remote e-voting prior to the meeting may also attend the meeting, but shall not be entitled to cast their votes again at the meeting.

The Board of Directors have appointed Shri Anil Lohia, Partner or in his absence Shri Rinkit Kiran Uchat, Partner, M/s. Dayal and Lohia, Chartered Accountants as the Scrutiniser to scrutinise the voting process in a fair and transparent manner. The Scrutiniser will submit his report to the Chairman after completion of the scrutiny and the results of voting will be announced after the meeting of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting. The result of the voting will be submitted to the Stock Exchanges, where the shares of the Company are listed and posted on the website of the Company at [www.reliancecapital.co.in](http://www.reliancecapital.co.in) and posted on the website of Karvy Computershare Private Limited.

### Statement pursuant to Section 102 (1) of the Companies Act, 2013 to the accompanying Notice dated August 23, 2016.

#### Item No. 5 Appointment of Shri Jai Anmol Ambani as Executive Director.

Shri Jai Anmol Ambani (Shri Anmol) was appointed as an Additional Director of the Company by the Board with the recommendation of the Nomination and Remuneration Committee (hereinafter referred to as the 'NR Committee'), with effect from August 23, 2016, in accordance with the provisions of Section 161 of the Companies Act, 2013 (the "Act") and Article 135 of the Articles of Association of the Company. Pursuant to Section 161 of the Act, Shri Anmol holds office upto the date of the ensuing Annual General Meeting.

As required under Section 160 of the Act, the Company has received a notice in writing from a member proposing the candidature of Shri Anmol for appointment as a Director of the Company, liable to retire by rotation.

Shri Anmol is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Director.

Details of Shri Anmol have been furnished in the Report on Corporate Governance.

The NR Committee and the Board of Directors of the Company at their meetings held on August 23, 2016, have, subject to the approval of the Central Government, if necessary, proposed to obtain the approval of members for the appointment of Shri Anmol as Whole-time Director of the Company, liable to retire by rotation and designated as an Executive Director for a period of 5 (five) years commencing from the date of approval by the members at the ensuing Annual General Meeting i.e. September 27, 2016 at the remuneration recommended by the NR Committee of the Board and approved by the Board.

### Statement pursuant to Section 102 (1) of the Companies Act, 2013 to the accompanying Notice dated August 23, 2016.

It is proposed to seek the members' approval for the appointment of and remuneration payable to Shri Anmol as a Whole-time Director, designated as an Executive Director, in terms of the applicable provisions of the Act and the relevant Rules made thereunder.

Broad particulars of the terms of appointment and remuneration payable to Shri Anmol are as under:

The salary ` 10 lacs per month. The perquisites and allowances shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and / or allowances for utilisation of gas, electricity, water, furnishing and repairs and leave travel concession for self and family including dependents and other perquisites and allowances as per the rules of the Company. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment(s) thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual costs.

The Company's contribution to provident fund, superannuation or annuity fund, to the extent these singly or together are not taxable under the Income Tax law, gratuity payable and encashment of leave, as per the rules of the Company and to the extent not taxable under the Income Tax law, shall not be included for the purpose of computation of the overall ceiling on remuneration payable to Shri Anmol.

Any increment in salary and perquisites and remuneration by way of incentive / bonus / performance linked incentive payable to Shri Anmol as may be determined by the Board and / or the NR Committee of the Board, shall not be included for the purpose of computation of the aforesaid ceiling of remuneration provided that such payment shall be within the overall ceiling of remuneration as per the provisions of Schedule V to the Act or any statutory modification(s) or re-enactment(s) thereof.

In addition to the salary, perquisites and allowances as set out above, Shri Anmol shall be entitled to receive commission based on net profits of the Company as computed in the manner laid down in Section 198 of the Act or any statutory modification(s) or re-enactment(s) thereof, subject to the condition that the total remuneration payable to Shri Anmol shall not exceed the overall limits laid down under Section 197 of the Act. Such commission based on net profits payable to him shall be determined by the Board and / or the NR Committee of the Board for each financial year.

Expenses incurred for travelling, board and lodging including for his attendant(s) during business trips, any medical assistance provided including for his family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.

The Whole-time Director will perform duties with regard to all work of the Company and he will manage and attend to such business and carry out the directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.

The Whole-time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.

The Whole-time Director shall adhere to the Company's Code of Conduct & Ethics for Directors and Senior Management.

The office of the Whole-time Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months' prior notice in writing.

Shri Anmol satisfies all the conditions as set out in Part-I of Schedule V to the Act and sub-section (3) of Section 196 of the Act, for being eligible for his appointment.

Shri Anmol does not hold directorship in any other Company. Brief resume of Shri Anmol, nature of his expertise in specific functional areas and relationships amongst directors, *inter-se*, as stipulated under Listing Regulations are provided in the Corporate Governance Report forming part of this Annual Report.

Shri Anmol is the son of Shri Anil D. Ambani, Promoter and Chairman of the Company and both of them and their relatives are interested in the resolution set out at Item No. 5 of the Notice.

None of the other Directors, Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in this resolution.

The above may be treated as a written memorandum setting out the terms of appointment of Shri Anmol under Section 190 of the Act.

This statement may also be regarded as a disclosure under Regulation 33 of the Listing Regulations.

The Board accordingly recommends the Ordinary Resolution set out at Item No. 5 of the accompanying Notice for the approval of the Members.

#### **Item No. 6 Private Placement of Non-Convertible Debentures and/or other Debt Securities.**

As per the provisions of Section 42 of the Companies Act, 2013 (the "Act") and its Rules thereunder, a Company offering or making an invitation to subscribe to redeemable secured / unsecured non-convertible debentures (NCD's) on a private placement basis is required to obtain the prior approval of the Members by way of a Special Resolution. Such approval by a Special Resolution can be obtained once a year for all the offers and invitations for such NCD's to be made during the year.

NCD's including subordinated debentures, bonds, and/or other debt securities, etc., issued on a private placement basis constitute a significant source of borrowings for the Company.

It is proposed to offer or invite subscriptions for NCD's including subordinated debentures, bonds, and/or other debt securities, etc., on private placement basis, in one or more tranches, within the overall borrowing limits of the Company, as may be approved by the Members from time to time, with authority to the Board to determine the terms and conditions, including the issue price of the NCD's, interest, repayment, security or otherwise, as it may deem expedient and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of the Resolution. Accordingly, the approval of the members is being sought by way of a Special Resolution under Section 42 and other applicable provisions, if any, of the Act and its rules thereunder as set out in Item No. 6 appended to this notice.

None of the Directors, Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in this resolution.

The Board accordingly recommends the Special Resolution set out at Item No. 6 of the accompanying Notice for the approval of the Members.

## Reliance Capital Limited

Statement pursuant to Section 102 (1) of the Companies Act, 2013 to the accompanying Notice dated August 23, 2016.

### Item No. 7 Issue of securities to the Qualified Institutional Buyers.

The Company, in order to enhance its global competitiveness and its ability to compete with the peer groups in the domestic and international markets, needs to strengthen its financial position and net worth by augmenting its long term resources.

In order to meet the requirements for the above purposes and for general corporate purposes, as may be decided by the Board from time to time, it is proposed to seek authorisation of the Members of the Company in favour of the Board of Directors ("Board" which expression for the purposes of this resolution shall include any Committee of Directors constituted / to be constituted by the Board), without the need for any further approval from the Members, to undertake the Qualified Institutional Placement ("QIP") with the Qualified Institutional Buyers ("QIB"), in accordance with the provisions of Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time ("SEBI ICDR Regulations"), as set out in the Special Resolution at Item No. 6 of the accompanying Notice.

In view of above, the Board may, in one or more tranches, issue and allot equity shares / fully convertible debentures / partly convertible debentures / non-convertible debentures with warrants / any other securities, which are convertible into or exchangeable with equity shares on such date(s) as may be determined by the Board but not later than 60 months from the date of allotment (collectively referred to as "QIP Securities"). The QIP Securities proposed to be issued by the Board shall be subject to the provisions of the SEBI ICDR Regulations including the pricing, which will not be less than the average of the weekly high and low of the closing prices of the related shares quoted on the stock exchanges during the two weeks preceding the Relevant Date and premium / discount as may be decided by the Board. The Relevant Date for the determination of applicable price for the issue of the QIP Securities shall be the date of the meeting in which the Board of the Company decides to open the proposed issue or in case of securities which are convertible into or exchangeable with equity shares at a later date, the date on which the holder of such securities becomes entitled to apply for the said shares, as the case may be.

The pricing of the Equity Shares that may be issued to QIBs pursuant to SEBI ICDR Regulations shall be freely determined subject to such price not being less than the floor price calculated in accordance with Chapter VIII of the SEBI ICDR Regulations ("QIP Floor Price"). Further, the Board may also offer a discount of not more than five per cent or such other percentage as permitted on the QIP Floor Price calculated in accordance with the pricing formula provided under SEBI ICDR Regulations.

For the reasons aforesaid, an enabling Special Resolution is therefore proposed to be passed to give adequate flexibility and discretion to the Board to finalise the terms of the issue. The QIP Securities issued pursuant to the offering would be listed on the Indian stock exchanges.

The proposed issue of QIP Securities as above may be made in one or more tranches such that the aggregate amount raised by the issue of QIP Securities shall not result in the increase of the issued and subscribed equity share capital of the Company by more than 15 per cent of the then issued and subscribed equity shares of the Company as on the Relevant Date. The proposed Special Resolution is only enabling in nature and the Board may from time to time consider the extent, if any, to which the proposed securities may be issued.

The QIP Securities issued pursuant to the offer, if necessary, may be secured by way of mortgage / hypothecation of the Company's assets as may be finalised by the Board in consultation with the Security Holders / Trustees in favour of Security Holders / Trustees for the holders of the said securities. The security that may have to be created for the purposes of this issue, as above may come within the purview of Section 180(1)(a) of the Companies Act, 2013. Necessary approval under Section 180(1)(a) of the Act has already been obtained.

Section 62(1)(c) of the Companies Act, 2013 and Listing Agreement entered into with the Stock Exchanges, provide, *inter-alia*, that where it is proposed to increase the subscribed share capital of the Company by allotment of further shares, such further shares shall be offered to the persons, who on the date of the offer are holders of the equity shares of the Company, in proportion to the capital paid-up on those shares as of that date unless the Members decide otherwise. The Special Resolution seeks the consent and authorisation of the Members to the Board of Directors to offer, issue and allot the QIP Securities, in consultation with the Lead Managers, Legal Advisors and other intermediaries to any persons, whether or not they are Members of the Company.

None of the Directors, Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in this resolution.

The Board accordingly recommends the Special Resolution set out at Item No. 7 of the accompanying Notice for the approval of the Members.

By Order of the Board of Directors

V. R. Mohan  
President & Company Secretary

Registered Office:  
H Block, 1<sup>st</sup> Floor  
Dhirubhai Ambani Knowledge City  
Navi Mumbai 400 710  
CIN : L65910MH1986PLC165645  
Website: [www.reliancecapital.co.in](http://www.reliancecapital.co.in)

August 23, 2016

## Directors' Report

Dear Shareowners,

Your Directors have pleasure in presenting the 30<sup>th</sup> Annual Report and the audited financial statement for the financial year ended March 31, 2016.

### Financial Results

The standalone performance of the Company for the financial year ended March 31, 2016 is summarised below:

Particulars	Financial Year ended March 31, 2016		*Financial Year ended March 31, 2015	
	(` in crore)	(US\$ in million**)	(` in crore)	(US\$ in million**)
Total revenue	4145	625	3 988	637
Profit before exceptional items	1176	177	844	135
Profit before tax	1176	177	844	135
Tax expense	199	30	87	14
Profit after tax	977	147	757	121
Add: Opening surplus in statement of profit and loss	1598	241	1309	209
Profit available for appropriation	2575	388	2066	330
Proposed dividend including tax on proposed dividend	279	42	257	41
Tax on proposed dividend for earlier years	-	-	(16)	(3)
Transfer to statutory reserve fund	195	29	151	24
Transfer to general reserve	-	-	76	12

\* Figures of previous year have been regrouped and reclassified, wherever required.

\*\* Exchange Rate ` 66.333 = US\$ 1 as on March 31, 2016 (` 62.5908 = US\$1 as on March 31, 2015).

### Financial Performance

The Company's gross income for the financial year ended March 31, 2016 increased to ` 4,145 crore, from ` 3,988 crore in the previous year, increase of 4 per cent. The operating profit (PBDIT) of the Company increased by 9 per cent to ` 3,510 crore during the year, from ` 3,232 crore, in the previous year. Interest expenses for the year decreased by 3 per cent to ` 2,297 crore from ` 2,357 crore, in the previous year. Depreciation was at ` 37 crore as against ` 31 crore in the previous year. The net profit for the year increased by 29 per cent to ` 977 crore from ` 757 crore, in the previous year. An amount of ` 195 crore was transferred to the Statutory Reserve Fund pursuant to Section 45-IC of the Reserve Bank of India Act, 1934.

### Dividend

Your Directors have recommended a dividend of ` 10 (100 per cent) per equity share each of ` 10 aggregating to ` 279 crore (inclusive of dividend tax) for the financial year ended March 31, 2016, which, if approved at the ensuing 30<sup>th</sup> Annual General Meeting (AGM), will be paid to (i) all those equity shareholders whose names appear in the Register of Members as on September 16, 2016, and (ii) to those whose names appear as beneficial owners, as on September 16, 2016 as furnished by the National Securities Depository Limited and Central Depository Services (India) Limited for the purpose.

The Dividend payout as proposed is in accordance with the Company's policy of paying sustainable dividend linked to long term performance, keeping in view of the capital needs of the Company's growth plans and desire to achieve optimal financing of such plans through internal accruals.

### Scheme of Arrangement

During the year under review, your Directors had approved the Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 (the 'Scheme') for demerger of Commercial Finance Business of the Company to its wholly owned subsidiary viz. Reliance Gilts Limited. The Appointed Date for the Scheme is April 1, 2016. The Scheme is subject to requisite approvals, including sanction of the Hon'ble High Court of Judicature at Bombay.

### Management Discussion and Analysis

Management Discussion and Analysis Report for the year under review as stipulated under Listing Regulations is presented in a separate section forming part of this Annual Report.

### Resources and Liquidity

The Company's Net Worth as on March 31, 2016, stood at ` 13,131 crore. The Company has raised ` 21,851 crore during the financial year 2015-16 by issuance of Commercial Paper, Non-Convertible Debentures (NCDs) and other money market instruments. The funds were deployed in providing commercial finance and other business requirement. RCL's debt equity ratio as on March 31, 2016 stood at 1.64:1.

### Capital Adequacy Ratio

Your Company's Capital to Risk Assets Ratio (CRAR) calculated in line with the Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 ("RBI Directions") stood at 24.81 per cent, well above the regulatory minimum of 15 per cent. Your Company's asset size is ` 36,354 crore. The Company has received a certificate from the Auditors of

# Reliance Capital Limited

## Directors' Report

the Company, M/s. Chaturvedi & Shah, Chartered Accountants and M/s. B S R & Co. LLP, Chartered Accountants, pursuant to Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2008, confirming compliance of the conditions with respect to Systemically Important Non-Deposit taking Non-Banking Financial Companies.

### Deposits

The Company has neither accepted nor renewed any fixed deposits during the year. There are no unclaimed deposits, unclaimed / unpaid interest, refunds due to the deposit holders or to be deposited to the Investor Education and Protection Fund as on March 31, 2016.

### Particulars of Loans, Guarantees or Investments

Pursuant to Section 186(11) of the Companies Act, 2013 (the "Act") loans made, and acquisition of securities by a Non-Banking Financial Company in the ordinary course of its business are exempted from disclosure in the Annual Report.

### Subsidiary and Associate companies

During the year under review, Reliance Life Insurance Company Limited became a subsidiary of the Company.

The performance and financial position of the major subsidiary companies are presented in Management Discussion and Analysis Report forming part of this Annual Report. Also, a report on the performance and financial position of each of the subsidiary companies and associate companies as per the Act is provided in the consolidated financial statement. The Policy for determining material subsidiary companies may be accessed on the Company's website at [http://www.reliancecapital.co.in/pdf/Policy\\_for\\_Determining\\_Material\\_Subsiary.pdf](http://www.reliancecapital.co.in/pdf/Policy_for_Determining_Material_Subsiary.pdf).

### Consolidated Financial Statement

The Audited Consolidated Financial Statement for the financial year ended March 31, 2016, based on the financial statement received from subsidiary companies and associate companies, as approved by their respective Board of Directors have been prepared in accordance with Accounting Standard (AS) - 21 on 'Consolidated Financial Statements' read with AS-23 on 'Accounting for Investments in Associates', notified under the Act, read with the Accounting Standards Rules as applicable.

### Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under the Act and Listing Regulations.

The details of programme for familiarization of Independent Directors with the Company, nature of the industry in which the Company operates and related matters are put up on the website of the Company at the link [http://www.reliancecapital.co.in/cg\\_policies.html](http://www.reliancecapital.co.in/cg_policies.html).

Shri Jai Anmol Ambani was appointed as an Additional Director w.e.f. August 23, 2016. The Company has received a notice in writing from a member proposing his candidature for the office of Director. It is proposed to appoint him as an Executive Director at the ensuing AGM of the Company.

In terms of the provisions of the Companies Act, 2013, Shri Soumen Ghosh, Executive Director & Group CEO of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing AGM.

A brief resume of Shri Jai Anmol Ambani and Shri Soumen Ghosh, nature of expertise in specific functional areas and names of the companies in which they hold directorship and membership or chairmanships of committees of the respective boards, shareholding and relationship between directors, *inter-se*, as stipulated under Regulation 36 (3) of Listing Regulations, is given in the section on Corporate Governance Report forming part of this Annual Report.

### Key Managerial Personnel

During the year, there was no change in the Key Managerial Personnel.

### Evaluation of Directors, Board and Committees

The Company has devised a policy for performance evaluation of the individual directors, Board and its Committees, which includes criteria for performance evaluation.

Pursuant to the provisions of the Act and Regulation 17(10) of Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of the Committees of the Board. The Board performance was evaluated based on inputs received from all the Directors after considering criteria such as Board composition and structure, effectiveness of Board / Committee processes, and information provided to the Board, etc. A separate meeting of the Independent Directors was also held during the year for the evaluation of the performance of non-independent Directors, performance of the Board as a whole and that of the Chairman.

The Nomination and Remuneration Committee has also reviewed the performance of the individual directors based on their knowledge, level of preparation and effective participation in Meetings, understanding of their roles as directors, etc.

### Policy on appointment and remuneration for Directors, Key Managerial Personnel and Senior Management Employees

The Nomination and Remuneration Committee of the Board has devised a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Employees and their Remuneration. The Committee has formulated the criteria for determining qualifications, positive attributes and independence of a Director, which has been put up on the Company's website. The policy on the above is attached as Annexure - A.

### Directors' Responsibility Statement

Pursuant to the requirements under Section 134(5) of the Act with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i. In the preparation of the annual financial statement for the financial year ended March 31, 2016, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance



### Directors' Report

with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv. The Directors had prepared the annual financial statement for the financial year ended March 31, 2016 on a 'going concern' basis;
- v. The Directors had laid down proper internal financial controls to be followed by the Company and such financial controls are adequate and are operating effectively; and
- vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### Contracts and Arrangements with Related Parties

All contracts/ arrangements/ transactions entered into/ by the Company during the financial year under review with related parties were on an arm's length basis and in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons, which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions were placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which were of a repetitive nature. The transactions entered into pursuant to the omnibus approval so granted were reviewed and statements giving details of all related party transactions were placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at the link [http://www.reliancecapital.co.in/pdf/Policy\\_for\\_Related\\_Party\\_Transaction.pdf](http://www.reliancecapital.co.in/pdf/Policy_for_Related_Party_Transaction.pdf). Your Directors draw attention of the members to Note No. 35 to the financial statement which sets out related party disclosures.

#### Material Changes and Commitments if any, affecting the financial position of the Company

There were no material changes and commitments affecting the financial position of the Company.

#### Meetings of the Board

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, five Board Meetings were held, details of which are given in the Corporate Governance Report.

#### Audit Committee

The Audit Committee of the Board consists of Independent Directors namely Shri Rajendra P. Chitale, Chairman, Dr. Bidhubhusan Samal, Shri V. N. Kaul, Smt. Chhaya Virani and Non-Independent Directors Shri Amitabh Jhunjhunwala and Shri Soumen Ghosh as members. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

#### Auditors and Auditors' Report

M/s. Chaturvedi & Shah, Chartered Accountants and M/s. B S R & Co. LLP, Chartered Accountants, the Auditors of the Company

hold office until the conclusion of the ensuing AGM and are eligible for re-appointment. The existing Statutory Auditors' would be completing 10 years at the forthcoming AGM.

The Company is required to retire one of the Statutory Auditors at the ensuing AGM pursuant to the provisions of Section 139 of the Act read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014.

M/s Chaturvedi and Shah, Chartered Accountants retires and M/s. Pathak H.D. & Associates, Chartered Accountants are proposed to be appointed as Joint Auditors in place of M/s. Chaturvedi & Shah, Chartered Accountants.

The Company has also received letters from M/s. B S R & Co. LLP, Chartered Accountants and M/s. Pathak H.D. & Associates, Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3) of the Act and that they are not disqualified from appointment as Statutory Auditors of the Company.

Your Directors have therefore proposed to appoint M/s. B S R & Co. LLP, Chartered Accountants and M/s. Pathak H.D. & Associates, Chartered Accountants, as Joint Statutory Auditors of the Company, subject to the approval of the members at the ensuing AGM.

The observations and comments given by the Auditors in their report read together with notes on financial statements are self explanatory and hence do not call for any further comments under Section 134 of the Act.

#### Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed Aashish K. Bhatt & Associates, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company. There is no qualification, reservation or adverse remark made in their Secretarial Audit Report. The Audit Report of the Secretarial Auditor is attached as Annexure - B.

#### Extract of Annual Return

Extract of the Annual Return of the Company in form MGT-9 is attached as Annexure - C.

#### Employees Stock Option Scheme

Employees Stock Option Scheme (ESOS 2015) was approved and implemented by the Company and Options were granted to the employees in accordance with guidelines applicable to ESOS.

During the year under review, the Company has granted 6,46,080 Options to the employees of the Company under ESOS 2015.

The Nomination and Remuneration Committee of the Board monitors the Scheme. The existing ESOS Scheme and Plans are in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (SEBI Regulations).

All Options granted during the financial year 2009-10 under ESOS Plan A and ESOS Plan B have either been surrendered or lapsed.

# Reliance Capital Limited

## Directors' Report

The applicable disclosures for ESOS 2015 as stipulated under the Companies (Share Capital and Debentures) Rules, 2014 as on March 31, 2016 are given below:

Particulars	ESOS 2015
a) Total Options granted	6 46 080 Options
b) Number of Options surrendered	Nil
c) Options vested	Nil
d) Options exercised	Nil
e) Total number of equity shares arising as a result of exercise of Option	Nil
f) Options lapsed	3 520 Options
g) Exercise Price	The options were granted at the market price i.e. ₹ 396
h) Variation of terms of Options	Nil
i) Money realized by exercise of Options	Nil
j) Total number of Options in force at the end of the year	6 42 560 Options
k) Employee wise details of Options granted to:	
i. key managerial personnel	
(a) Shri Soumen Ghosh – Executive Director & Group CEO	1 00 000 Options
(b) Shri Amit Bapna – Chief Financial Officer	40 900 Options
ii. any other employee who receives a grant of options in any one year of option amounting to five per cent or more of options granted during that year	Nil
iii. identified employees who were granted option, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil

The Company has received a certificate from the auditors of the Company that the ESOS 2015 has been implemented in accordance with the SEBI Regulations and as per the resolution passed by the members of the Company authorising issuance of the said Options. The other details as required under SEBI Regulations are disclosed on the Company's website at [www.reliancecapital.co.in/ESOS-Disclosure.aspx](http://www.reliancecapital.co.in/ESOS-Disclosure.aspx).

### Particulars of Employees and related disclosures

In terms of the provisions of Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annexure to the Directors' Report. However, having regard to the provisions of Section 136 of the Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. The said information is available for inspection at the registered office of the Company on all working days, except Saturdays between 11:00 A.M. and 1:00 P.M. up to the date of the Meeting and any member interested in obtaining the same may write to the Company Secretary. Upon such request the information shall be furnished.

Disclosures relating to the remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are provided in Annexure – D.

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The Company is a Non-Banking Financial Company and does not involve in any manufacturing activity, most of the information

as required under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 are not applicable. However, the information as applicable has been given in Annexure – E forming part of this Report.

### Corporate Governance

The Company has adopted "Reliance Group-Corporate Governance Policies and Code of Conduct" which sets out the systems, process and policies conforming to the international standards. The report on Corporate Governance as stipulated under Regulation 34(3) read with Para C of Schedule V of the Listing Regulations is presented in separate section forming part of this Annual Report.

A Certificate from the auditors of the Company M/s. Chaturvedi & Shah, Chartered Accountants and M/s. B S R & Co. LLP, Chartered Accountants conforming compliance to the conditions of Corporate Governance as stipulated under Para E of Schedule V of the Listing Regulations, is enclosed to this Report.

### Vigil Mechanism

In accordance with Section 177 of the Act and the Listing Regulations, the Company has formulated a Vigil Mechanism to address the genuine concerns, if any, of the directors and employees. The details of the same have been stated in the Report on Corporate Governance and the policy can be accessed on the Company's website.

## Directors' Report

### Risk Management

The Company has laid down a robust Risk Management Policy, defining Risk profiles involving Strategic, Technological, Operational, Financial, Organisational, Legal and Regulatory risks within a well defined framework. The Risk Management Policy acts as an enabler of growth for the Company by helping its businesses to identify the inherent risks, assess, evaluate and monitor these risks continuously and undertake effective steps to manage these risks.

A Risk Management Committee (RMC) consisting of Shri V. N. Kaul, Chairman, Smt. Chhaya Virani and Shri Soumen Ghosh as members, periodically reviews the robustness of the Risk Management Policy. The periodical update on the risk management practices and mitigation plan of the Company and subsidiaries are presented to the Audit Committee and Board of Directors. The Audit Committee and Board periodically review such updates and findings and suggest areas where internal controls and risk management practices can be improved.

Asset Liability Committee (ALCO) consisting of senior management executives, monitors liquidity and interest rate risks of the Company. The functioning of ALCO is reviewed by the RMC which meets quarterly and reports to the Board of Directors.

### Compliance with provisions of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to uphold and maintain the dignity of woman employees and it has in place a policy which provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints. During the year no such complaints were received.

### Corporate Social Responsibility

The Company has constituted Corporate Social Responsibility Committee in compliance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Corporate Social Responsibility Committee has formulated a Corporate Social Responsibility Policy (CSR policy) indicating the activities to be undertaken by the Company. The CSR policy may be accessed on the

Company's website at the link; [http://www.reliancecapital.co.in/pdf/Group\\_CSR\\_Policy\\_Document.pdf](http://www.reliancecapital.co.in/pdf/Group_CSR_Policy_Document.pdf).

The CSR Committee consists of Dr. Bidhubhusan Samal as Chairman, Shri Amitabh Jhunjhunwala and Shri V. N. Kaul, Directors as members. The disclosures with respect to CSR activities is given in Annexure - F.

### Order, if any, passed by Regulators or Courts or Tribunals

No orders have been passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.

### Internal Financial Controls and their adequacy

The Company has in place adequate internal financial controls across the organization. The same is subject to review periodically by the internal audit cell for its effectiveness. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

### Business Responsibility Statement

Business Responsibility Report has been uploaded on a voluntary basis on the website of the Company at [www.reliancecapital.co.in](http://www.reliancecapital.co.in).

### Acknowledgement

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from shareholders, debenture holders, debenture trustee, bankers, financial institutions, regulatory bodies and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance of the Company during the year.

**For and on behalf of the Board of Directors**

**Anil Dhirubhai Ambani**  
Chairman

Mumbai  
August 23, 2016

#### Policy on appointment and remuneration for Directors, Key Managerial Personnel and Senior Management Employees

- 1. Introduction**
  - 1.1 Reliance Capital Limited considers human resources as its invaluable assets. This policy aims to harmonise the aspirations of the directors/ employees with the goals of the Company.
  - 1.2 Human capital is a strategic source of value creation. As part of our progressive HR philosophy, it is necessary to have in place a comprehensive Compensation Policy, which is in line with the industry trend and is employee friendly.
- 2. Objectives**
  - 2.1 Ensuring that the quantum and composition of remuneration is reasonable and sufficient to attract, retain and motivate, employees to run the Company successfully.
  - 2.2 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
  - 2.3 Ensure that annual compensation review considers industry/ business outlook and strategies adopted by industry peers, differentiates employees based on their performance/skill sets and also protects employees, particularly those in junior cadre, against inflationary pressures.
  - 2.4 Retention of high performers at all levels and those playing critical roles.
- 3. Scope**

The Board has constituted the "Nomination and Remuneration Committee" in line with the requirements under the provisions of the Companies Act, 2013. This Policy sets out the broad guiding principles for the Committee for recommending to the Board the appointment and remuneration of the directors, key managerial personnel, senior managerial personnel of the Company.
- 4. Definitions**
  - 4.1 "Director" means a director appointed to the Board of the Company.
  - 4.2 "Key Managerial Personnel" means
    - (i) the Chief Executive Officer or the Managing Director or the Manager;
    - (ii) the Company Secretary;
    - (iii) the Whole-time Director;
    - (iv) the Chief Financial Officer; and
    - (v) such other officer as may be prescribed under the Companies Act, 2013.
  - 4.3 "Senior Management" means personnel of the company who are members of its core management team excluding Board of Directors comprising of all members of management one level below the executive directors, if any.
- 5. Policy**
  - 5.1 Appointment of Directors/ Key Managerial / Senior Management personnel**

The Nomination and Remuneration Committee, *inter-alia*, considers qualifications, positive attributes, areas of expertise and number of Directorships and Memberships held in various committees of other companies by such persons for selection. The Board considers the recommendation of the Committee's and takes appropriate decisions. The Company also considers the requirement of skills and effectiveness of persons contributing to the Company's business and policy decisions.
  - 5.2 Remuneration to Directors/ Key Managerial Personnel**
    - 5.2.1 The remuneration of the Directors/ Managing Directors/ Whole-time Directors and Managers etc. will be governed as per provisions contained in the Companies Act, 2013 and rules made therein from time to time.
    - 5.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof as approved by the Board of Directors from time to time. The Non-Executive Directors shall also be entitled to profit related Commission, if approved by the Board, in addition to the sitting fees.
    - 5.2.3 The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Directors/ Key Managerial Personnel/ Senior Management Personnel of the Company within the overall limits, if any, approved by the shareholders.
    - 5.2.4 The remuneration structure shall include the following components:
      - (i) Basic Pay
      - (ii) Perquisites and Allowances
      - (iii) Stock Options, if any.
      - (iv) Commission (Applicable in case of Executive Directors/ Directors)
      - (v) Retiral Benefits
      - (vi) Performance Linked Incentives
    - 5.2.5 The Annual Plan, Objectives, financial results of the Company shall be reviewed by the Nomination and Remuneration Committee and performance incentives, increment, revision in remuneration etc. will be proposed based on the achievements.
  - 5.3 Remuneration to other employees**

Employees shall be assigned grades/bands according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade/bands and shall be based on various factors such as job profile, skill sets, seniority, experience, performance and prevailing remuneration levels for equivalent jobs.
- 6. Retention Features as part of Compensation Package**

Based on the organizational need for retaining performing employees and those in critical roles, certain retention features may be rolled out as part of the overall compensation package. These may take form of Retention Bonuses (RBs); Special Monetary Programs (SMPs), Long-term Incentives (LTIs), Employee Stock Options, etc.
- 7. Modification and Amendment**

The policy is subject to modification, amendment and alterations by the management at any time without assigning any reasons.

**Form No. MR-3  
Secretarial Audit Report**

**For the financial year ended March 31, 2016**

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To  
**The Members,  
Reliance Capital Limited**

H Block, 1<sup>st</sup> Floor,  
Dhirubhai Ambani Knowledge City,  
Navi Mumbai - 400 710

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Reliance Capital Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on the verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has followed proper Board - processes and have required compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016, according to the provisions of:

- (i) The Companies Act, 2013 (the 'Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder for compliance in respect of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 till May 14, 2015 and thereafter The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client (Not applicable)
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable).

# Reliance Capital Limited

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## Directors' Report

I have also examined compliance with applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of the Company Secretaries of India w.e.f July 1, 2015 for General Meetings, Board and Committees Meetings (i.e. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee); and
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines mentioned above.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- (a) Reserve Bank of India Act, 1934 and its circulars, Master Circulars, notifications and its Directions as prescribed for NBFCs; and
- (b) Prevention of Money Laundering Act, 2002.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non – Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or on shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The decisions at Board Meetings and Committee Meetings are carried out and recorded in the minutes of the Board of Directors and Committee of the Board accordingly.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has undertaken event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

- a. Board approval for Scheme of Arrangements for Demerger of its Commercial Finance Division into a wholly-owned subsidiary;
- b. Appointment of Independent and Whole Time Director;
- c. Issuance of Non-Convertible Debentures on Private Placement Basis and its redemption; and
- d. Declaration of Dividend.

For **Aashish K. Bhatt & Associates**  
**Company Secretaries**  
**(ICSI Unique Code S2008MH100200)**

**Aashish Bhatt**  
**Proprietor**

ACS No.: 19639  
COP No.: 7023

Date : May 6, 2016  
Place : Mumbai

**FORM NO. MGT - 9  
EXTRACT OF ANNUAL RETURN**

as on the financial year ended March 31, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

i) CIN	L65910MH1986PLC165645
ii) Registration Date	March 5, 1986
iii) Name of the Company	Reliance Capital Limited
iv) Category / Sub-Category of the Company	Public Company / NBFC
v) Address of the Registered Office and contact details	H Block, 1 <sup>st</sup> Floor Dhirubhai Ambani Knowledge City Navi Mumbai 400 710 Tel. : +91 22 3303 1000 Fax : +91 22 3303 6664 E-mail : rcl.investor@relianceada.com Website: www.reliancecapital.co.in
vi) Whether listed company	Yes
vii) Name, address and contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower - B, Plot No. 31 & 32 Survey No. 116/22, 115/24, 115/25 Financial District, Nanakramguda Hyderabad 500 032 Toll free no.: 1800 4250 999 Tel. : +91 40 6716 1500 Fax : +91 40 6716 1791 E-mail : rclinvestor@karvy.com Website:www.karvy.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the Business Activities contributing 10 per cent or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1.	Non-Banking Financial Services	649	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
(1)	Reliance Capital Asset Management Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710, Maharashtra	U65910MH1995PLC220793	Subsidiary	51.00	2(87)
(2)	Reliance Asset Management (Singapore) Pte Limited 65, Chulia Street, #27-06/ 07/08 OCBC Centre, Singapore, 049513	N.A.	Subsidiary	51.00	2(87)
(3)	Reliance Asset Management (Mauritius) Limited Suite 2005, Level 2, Alexander House, 35 Cybercity, Ebene, Republic of Mauritius	N.A.	Subsidiary	51.00	2(87)
(4)	Reliance Capital Asset Management (UK) Plc Barbican House, 26-34, Old Street, London, EC1V 9QR	N.A.	Subsidiary	51.00	2(87)
(5)	Reliance Capital Pension Fund Limited Reliance Centre, 7 <sup>th</sup> Floor, South Wing, Off. Western Express Highway, Santacruz (East), Mumbai 400 055, Maharashtra	U66020MH2009PLC191340	Subsidiary	68.15	2(87)
(6)	Reliance AIF Management Company Limited Reliance Centre, 7 <sup>th</sup> Floor, South Wing, Off. Western Express Highway, Santacruz (East), Mumbai 400 055, Maharashtra	U74999MH2000PLC127497	Subsidiary	51.00	2(87)
(7)	Reliance Capital Trustee Co. Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710, Maharashtra	U65910MH1995PLC220528	Subsidiary	100.00	2(87)
(8)	Reliance General Insurance Company Limited Reliance Centre 19, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001, Maharashtra	U66603MH2000PLC128300	Subsidiary	99.46	2(87)

## Reliance Capital Limited

### Directors' Report

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
(9)	Reliance Life Insurance Company Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai, 400 710, Maharashtra	U66010MH2001PLC167089	Subsidiary	51.00	2(87)
(10)	Reliance Gilts Limited Reliance Centre 19, Walchand Hirachand Marg, Mumbai 400 001, Maharashtra	U66010MH2000PLC128301	Subsidiary	100.00	2(87)
(11)	Reliance Money Express Limited 11 <sup>th</sup> Floor, R-Tech IT Park, Western Express Highway, Goregaon (East), Mumbai 400 063, Maharashtra	U74999MH2002PLC138032	Subsidiary	100.00	2(87)
(12)	Reliance Money Precious Metals Private Limited 7 <sup>th</sup> Floor, B-Wing, Trade World, Kamala Mills Compound, S. B. Marg, Lower Parel, Mumbai - 400 013, Maharashtra	U74999MH2006PTC165070	Subsidiary	100.00	2(87)
(13)	Reliance Home Finance Limited 570, Rectifier House, 3 <sup>rd</sup> Floor, Naigaum Cross Road, Wadala, Mumbai 400 031, Maharashtra	U67190MH2008PLC183216	Subsidiary	100.00	2(87)
(14)	Reliance Securities Limited 11 <sup>th</sup> Floor, R-Tech IT Park, Western Express Highway, Goregaon (East), Mumbai 400 063, Maharashtra	U65990MH2005PLC154052	Subsidiary	100.00	2(87)
(15)	Reliance Commodities Limited 11 <sup>th</sup> Floor, R-Tech IT Park, Western Express Highway, Goregaon (East), Mumbai 400 063, Maharashtra	U51100MH2005PLC154611	Subsidiary	100.00	2(87)
(16)	Reliance Financial Limited 570, Rectifier House, Naigaum Cross Road, Wadala, Mumbai 400 031, Maharashtra	U65990MH2005PLC155675	Subsidiary	100.00	2(87)
(17)	Reliance Wealth Management Limited 570, Rectifier House, Naigaum Cross Road, Wadala, Mumbai 400 031, Maharashtra	U65999MH2009PLC189285	Subsidiary	100.00	2(87)
(18)	Reliance Money Solutions Private Limited 7 <sup>th</sup> Floor, 'B'-Wing, Trade World, Kamala Mills Compound, S. B. Marg, Lower Parel, Mumbai 400 013, Maharashtra	U72900MH2000PTC128384	Subsidiary	100.00	2(87)
(19)	Reliance Exchangenext Limited (RExL) 7 <sup>th</sup> Floor, 'B'-Wing, Trade World, Kamala Mills Compound, S. B. Marg, Lower Parel, Mumbai 400 013, Maharashtra	U72900MH2000PLC127630	Subsidiary	100.00	2(87)
(20)	Reliance Spot Exchange Infrastructure Limited 7 <sup>th</sup> Floor, 'B'-Wing, Trade World, Kamala Mills Compound, S. B. Marg, Lower Parel, Mumbai 400 013, Maharashtra	U74990MH2009PLC189525	Subsidiary	100.00	2(87)
(21)	Reliance Capital AIF Trustee Company Private Limited One Indiabulls Centre - Tower 1, 1 <sup>2</sup> Floor, Jupiter Mills Compound, Elphinstone Road, Mumbai 400 013, Maharashtra	U74999MH2006PTC164793	Subsidiary	100.00	2(87)
(22)	Quant Capital Private Limited 612-617, 6 <sup>th</sup> Floor, Maker Chambers IV, Nariman Point, Mumbai 400 021, Maharashtra	U67120MH2007PTC176440	Subsidiary	74.00	2(87)
(23)	Quant Broking Private Limited Door No. 1045, Trichy Road, Ramanathapuram, Coimbatore 641 045, Tamil Nadu	U67110TZ2007PTC015839	Subsidiary	74.00	2(87)
(24)	Quant Securities Private Limited Door No. 1045, Trichy Road, Ramanathapuram, Coimbatore 641 045, Tamil Nadu	U65993TZ2007PTC016954	Subsidiary	74.00	2(87)
(25)	Quant Commodity Broking Private Limited Door No. 1045, Trichy Road, Ramanathapuram, Coimbatore 641 045, Tamil Nadu	U67190TZ2009PTC017484	Subsidiary	74.00	2(87)
(26)	Quant Capital Finance and Investments Private Limited Door No. 1045, Trichy Road, Ramanathapuram, Coimbatore 641 045, Tamil Nadu	U65990TZ1981PTC016914	Subsidiary	74.00	2(87)
(27)	Quant Investment Services Private Limited Door No. 1045, Trichy Road, Ramanathapuram, Coimbatore 641 045, Tamil Nadu	U74999TZ2011PTC016880	Subsidiary	74.00	2(87)
(28)	Ammolite Holdings Limited Templar House, Don Road, St. Helier, Jersey, JE1 2TR, Channel Islands	N.A.	Associate	50.00	2(6)
(29)	Reliance Asset Reconstruction Company Limited Reliance Centre, 19, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001, Maharashtra	U45200MH2006PLC161190	Associate	49.00	2(6)
(30)	Indian Commodity Exchange Limited (ICEX) Dev House, 260-261, Tribhuvan Complex, Ishwar Nagar, New Friends Colony (W), New Delhi 110 065, Delhi	U67120DL2008PLC182140	Associate	26.00 (RExL holds 26% in ICEX)	2(6)



Directors' Report

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2015)				No. of Shares held at the end of the year (March 31, 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	11 66 014	-	11 66 014	0.46	11 66 014	-	11 66 014	0.46	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	13 02 16 289	-	13 02 16 289	51.54	13 02 16 289	-	13 02 16 289	51.54	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other.... (ESOS Trust)*	16 00 000	-	16 00 000	0.63	-	-	-	-	-0.63
<b>Sub-Total (A)(1):</b>	<b>13 29 82 303</b>	<b>-</b>	<b>13 29 82 303</b>	<b>52.64</b>	<b>13 13 82 303</b>	<b>-</b>	<b>13 13 82 303</b>	<b>52.01</b>	<b>-0.63</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>13 29 82 303</b>	<b>-</b>	<b>13 29 82 303</b>	<b>52.64</b>	<b>13 13 82 303</b>	<b>-</b>	<b>13 13 82 303</b>	<b>52.01</b>	<b>-0.63</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds / UTI	1 22 42 118	29 115	1 22 71 233	4.86	1 25 17 776	27 662	1 25 45 438	4.97	0.11
b) Banks / FI	73 62 586	14 613	73 77 199	2.92	74 59 685	14 321	74 74 006	2.96	0.04
c) Central Govt.	33 905	42 015	75 920	0.03	35 994	40 239	76 233	0.03	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	1 08 17 035	143	1 08 17 178	4.28	1 07 91 939	143	1 07 92 082	4.27	-0.01
g) FIIs/FPIs	4 32 99 390	5 784	4 33 05 174	17.14	4 15 46 031	5 774	4 15 51 805	16.45	-0.69
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Any Other ....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1):</b>	<b>7 37 55 034</b>	<b>91 670</b>	<b>7 38 46 704</b>	<b>29.23</b>	<b>7 23 51 425</b>	<b>88 139</b>	<b>7 24 39 564</b>	<b>28.67</b>	<b>-0.56</b>
<b>(2) Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	53 25 894	81 332	54 07 226	2.14	62 65 798	80 624	63 46 422	2.51	0.37
ii) Overseas	4 823	1 503	6 326	0.00	4 819	1 503	6 322	0.00	0.00
b) Individuals									
i. Individual shareholders holding nominal share capital up to ` 1 lac	3 01 76 603	46 54 043	3 48 30 646	13.79	3 04 87 353	44 95 468	3 49 82 821	13.85	0.06
ii. Individual shareholders holding nominal share capital in excess of ` 1 lac	37 37 477	22 500	37 59 977	1.49	39 57 662	22 500	39 80 162	1.58	0.09
c) Others(specify)									
i) NRI	10 27 696	1 73 756	12 01 452	0.48	11 07 573	1 65 824	12 73 397	0.50	0.03
<b>Sub-Total(B)(2):</b>	<b>4 02 72 493</b>	<b>49 33 134</b>	<b>4 52 05 627</b>	<b>17.89</b>	<b>4 18 23 205</b>	<b>47 65 919</b>	<b>4 65 89 124</b>	<b>18.44</b>	<b>0.55</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>11 40 27 527</b>	<b>50 24 804</b>	<b>11 90 52 331</b>	<b>47.12</b>	<b>11 41 74 630</b>	<b>48 54 058</b>	<b>11 90 28 688</b>	<b>47.11</b>	<b>-0.01</b>
<b>TOTAL (A) + (B)</b>	<b>24 70 09 830</b>	<b>50 24 804</b>	<b>25 20 34 634</b>	<b>99.76</b>	<b>24 55 56 933</b>	<b>48 54 058</b>	<b>25 04 10 991</b>	<b>99.12</b>	<b>-0.64</b>
<b>C. Shares held by Custodian for GDRs</b>	5 98 166	-	5 98 166	0.24	621 809	-	6 21 809	0.25	0.01
<b>D. ESOS Trust*</b>	-	-	-	-	16 00 000	-	16 00 000	0.63	0.63
<b>Grand Total (A+B+C+D)</b>	<b>24 76 07 996</b>	<b>50 24 804</b>	<b>25 26 32 800</b>	<b>100.00</b>	<b>24 77 78 742</b>	<b>48 54 058</b>	<b>25 26 32 800</b>	<b>100.00</b>	<b>-</b>

## Reliance Capital Limited

### Directors' Report

#### ii) Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year (April 1, 2015)			Shareholding at the end of the year (March 31, 2016)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Reliance Inceptum Private Limited	9 77 14 206	38.68	17.42	9 77 14 206	38.68	12.27	-
2	Reliance Infrastructure Consulting & Engineers Private Limited	2 79 75 633	11.07	-	2 79 75 633	11.07	5.15	-
3	Crest Logistics and Engineers Private Limited	32 50 000	1.29	-	32 50 000	1.29	-	-
4	Reliance Infrastructure Management Private Limited	7 00 000	0.28	-	7 00 000	0.28	-	-
5	Reliance ADA Group Trustees Private Limited – Trustees of RCAP ESOS Trust <sup>(*)</sup>	16 00 000	0.63	-	-	-	-	-0.63
6	Reliance Innoventures Private Limited	5 76 450	0.23	-	5 76 450	0.23	-	-
7	Smt. Kokila D. Ambani (**)	5 45 157	0.22	-	5 45 157	0.22	-	-
8	Shri Anil D. Ambani	2 73 891	0.11	-	2 73 891	0.11	-	-
9	Smt. Tina A. Ambani	2 63 474	0.10	-	2 63 474	0.10	-	-
10	Shri Jai Anmol A. Ambani	83 487	0.03	-	83 487	0.03	-	-
11	Shri Jai Anshul A. Ambani	5	-	-	5	-	-	-
	<b>Total</b>	<b>13 29 82 303</b>	<b>52.64</b>	<b>17.42</b>	<b>13 13 82 303</b>	<b>52.01</b>	<b>17.42</b>	<b>-0.63</b>

(\*) Earlier 16,00,000 (0.63%) equity shares held by Reliance ADA Group Trustees Private Limited in its capacity as the Trustee for and on behalf of RCAP ESOS Trust were included in Promoters considering as a 'Person deemed to be acting in concert', only as a matter of abundant caution. Shares held by ESOS Trust have been shown as Non Promoter Non Public as per the Listing Regulations w.e.f. December 1, 2015.

(\*\*) As per disclosure, pursuant to Regulation 30(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 received from the Promoters alongwith Persons Acting/deemed to be Acting in Concert, 17,00,000 (0.67%) equity shares purchased by the discretionary Portfolio Manager of Smt. Kokila D. Ambani under the Portfolio Management Scheme (PMS) have been credited to a separate Demat Account specifically opened for PMS purpose as per the SEBI requirements. No voting or other rights/interest is held on those shares, except the economic interest in PMS. This is disclosed by way of an abundant caution.

#### iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Reliance ADA Group Trustees Private Limited - Trustees of RCAP ESOS Trust				
1.	At the beginning of the year	16 00 000	0.63	-	-
2.	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	*16 00 000	0.63	-	-
3.	At the end of the year	-	-	-	-

\* Shares held by ESOS Trust have been shown as Non Promoter Non Public as per the Listing Regulations w.e.f. December 1, 2015.

#### iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (April 1, 2015)		Increase / Decrease	Shareholding at the end of the year (March 31, 2016)	
		No. of Shares	% to total shares of the Company		No. of Shares	% to total shares of the Company
1	Life Insurance Corporation of India	1 05 12 400	4.28	-	10 512 400	4.28
2	Sumitomo Mitsui Trust Bank	70 00 000	2.77	-	70 00 000	2.77
3	Morgan Stanley Asia (Singapore) Pte.	11 60 964	0.46	33 83 009	45 43 973	1.80
4	Reliance Capital Trustee Co. Limited - A/c	22 30 353	0.88	18 28 962	40 59 315	1.61
5	Valiant Mauritius Partners Offshore Limited	-	-	36 41 288	36 41 288	1.44
6	Valiant Mauritius Partners Limited	-	-	29 79 236	29 79 236	1.18
7	Morgan Stanley Mauritius Company Limited	1 05 568	0.04	24 19 870	25 25 438	1.00
8	Birla Sun Life Trustee Company Private Limited - A/c	37 61 489	1.49	-16 39 980	21 21 509	0.84

## Reliance Capital Limited

### Directors' Report

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (April 1, 2015)		Increase / Decrease	Shareholding at the end of the year (March 31, 2016)	
		No. of Shares	% to total shares of the Company	No. of Shares	No. of Shares	% to total shares of the Company
9	Vanguard Emerging Markets Stock Index Fund, A series of Vanguard International Equity Index Fund	22 33 044	0.88	-2 35 882	19 97 162	0.79
10	Dimensional Emerging Markets Value Fund	13 19 922	0.52	4 80 745	18 00 667	0.71
11	Swiss Finance Corporation (Mauritius) Limited	12 75 321	0.50	5 22 924	17 98 245	0.71
12	Emerging Markets Core Equity Portfolio (The Portfolio) of DFA Investment Dimensions Group Inc. (DFAIDG)	4 03 679	0.16	1 347 786	17 51 465	0.69

Note: The datewise increase or decrease in shareholding of the top ten shareholders is available on the 'Investor Relations' section of the website of the Company at [www.reliancecapital.co.in](http://www.reliancecapital.co.in).

#### v) Shareholding of Directors and Key Managerial Personnel (KMPs)

- Shri Anil D. Ambani, Chairman of the Company holds 2,73,891 (0.11%) equity shares at the beginning and end of the year.
- Shri Amitabh Jhunjhunwala, Shri Rajendra P. Chitale, Dr. Bidhubhusan Samal, Shri V. N. Kaul, Smt. Chhaya Virani, Directors and Shri Soumen Ghosh, Executive Director & Group CEO of the Company hold nil shares at the beginning and end of the year.
- The KMPs of the Company i.e. Shri Amit Bapna, CFO hold nil share and Shri V. R. Mohan, President & Company Secretary, holds 733 shares, at the beginning and end of the year.

#### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	16 998	4 698	-	21 696
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	487	114	-	601
<b>Total (i+ii+iii)</b>	<b>17 485</b>	<b>4 812</b>	<b>-</b>	<b>22 297</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	5 301	22 321	-	27 622
Reduction	5 312	22 509	-	27 821
<b>Net Change</b>	<b>(11)</b>	<b>(188)</b>	<b>-</b>	<b>(199)</b>
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	16 987	4 510	-	21 497
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	546	107	-	653
<b>Total (i+ii+iii)</b>	<b>17 533</b>	<b>4 617</b>	<b>-</b>	<b>22 150</b>

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(A) Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹ in lakh)

Sr. No.	Particulars of Remuneration	Shri Soumen Ghosh Executive Director & Group CEO
1	Gross Salary	729.58
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.40
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2	Stock Option (Number of Options)	1 00 000 Options
3	Sweat Equity	-
4	Commission	-
5	Others, please specify	-
	<b>Total (A)</b>	<b>729.98</b>
	Ceiling as per the Act	5 828.00

## Reliance Capital Limited

### Directors' Report

#### (B) Remuneration to other Directors:

(₹ in lakh)

Sr. No.	Particulars of Remuneration	Name of Director				Total Amount
		Shri Rajendra P. Chitale	Dr. Bidhubhusan Samal	Shri V. N. Kaul	Smt. Chhaya Virani	
1. Independent Directors						
	• Fee for attending board/committee meetings	8.00	8.80	6.80	5.60	29.20
	• Commission	15.00	15.00	15.00	7.50	52.50
	• Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>23.00</b>	<b>23.80</b>	<b>21.80</b>	<b>13.10</b>	<b>81.70</b>
2. Other Non-Executive Directors		Shri Anil D. Ambani	Shri Amitabh Jhunjunwala			
	• Fee for attending board/committee meetings	1.60	8.80			10.40
	• Commission	-	-			-
	• Others, please specify	-	-			-
	<b>Total (2)</b>	<b>1.60</b>	<b>8.80</b>			<b>10.40</b>
	<b>Total (B) = (1 + 2)</b>	<b>24.60</b>	<b>32.60</b>	<b>21.80</b>	<b>13.10</b>	<b>92.10</b>
	<b>Total Managerial Remuneration (A+B)</b>					<b>822.08</b>
	Overall Ceiling as per the Act					12 822.00

#### (C) Remuneration to key managerial personnel other than MD / Manager / WTD

(₹ in lakh)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Shri Amit Bapna Chief Financial Officer	Shri V. R. Mohan President & Company Secretary
1	Gross Salary		
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	292.62	77.36
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	0.38
c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option (Number of Options)	40 900 Options	-
3	Sweat Equity	-	-
4	Commission	-	-
5	Others	-	-
	<b>Total</b>	<b>293.02</b>	<b>77.74</b>

#### VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences to the Company, directors and other officers of the Company during the year ended March 31, 2016.

Directors' Report

Annexure – D

**Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

The Company has appointed Executive Director & Group CEO, Chief Financial Officer and Company Secretary as on March 31, 2016. Non-Executive Directors are paid remuneration only by way of sitting fees for attending the Board / Committee meetings and commission as approved by the shareholders. Hence the ratio and comparison is not provided for Non-Executive Directors.

Sr. No.	Requirement	Disclosure												
(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.	The ratio of remuneration of the Executive Director to the median remuneration of the employee is 108.												
(ii)	The percentage increase in remuneration of each director, CEO, CFO, Company Secretary, Manager, if any, in the Financial Year.	<table border="1"> <thead> <tr> <th>Name of KMPs</th> <th>Percentage increase in remuneration in the financial year 2015-16</th> <th>Ratio of remuneration of each KMP/to median remuneration of employees</th> </tr> </thead> <tbody> <tr> <td>Shri Soumen Ghosh, Executive Director &amp; Group CEO</td> <td>Nil</td> <td>108</td> </tr> <tr> <td>Shri Amit Bapna, Chief Financial Officer</td> <td>8.80</td> <td>43</td> </tr> <tr> <td>Shri V. R. Mohan, President &amp; Company Secretary</td> <td>2.95</td> <td>12</td> </tr> </tbody> </table>	Name of KMPs	Percentage increase in remuneration in the financial year 2015-16	Ratio of remuneration of each KMP/to median remuneration of employees	Shri Soumen Ghosh, Executive Director & Group CEO	Nil	108	Shri Amit Bapna, Chief Financial Officer	8.80	43	Shri V. R. Mohan, President & Company Secretary	2.95	12
Name of KMPs	Percentage increase in remuneration in the financial year 2015-16	Ratio of remuneration of each KMP/to median remuneration of employees												
Shri Soumen Ghosh, Executive Director & Group CEO	Nil	108												
Shri Amit Bapna, Chief Financial Officer	8.80	43												
Shri V. R. Mohan, President & Company Secretary	2.95	12												
(iii)	The percentage increase in the median remuneration of employees in the Financial Year.	The percentage increase in the median remuneration of employees in the financial year 2015-16 was 14.4 per cent.												
(iv)	Number of permanent employees on the rolls of Company.	1 041												
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The average 10.25 per cent increase has been made in the salaries of employees other than the managerial personnel in financial year 2015-16, whereas increase in the remuneration of Key Managerial Personnel was in the range of 0 to 8.80 per cent.												
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes												

Annexure – E

**(a) Conservation of Energy:**

The steps taken or impact on conservation of energy	: The Company requires energy for its operations and the Company is making all efforts to conserve energy by monitoring energy costs and periodically reviews of the consumption of energy. It also takes appropriate steps to reduce the consumption through efficiency in usage and timely maintenance / installation / upgradation of energy saving devices.
The steps taken by the Company for utilizing alternate sources of energy	
The capital investment on energy conservation equipments	

**(b) Technology Absorption, Adoption and Innovation:**

(i) The efforts made towards technology absorption	: The Company uses latest technology and equipments into the business. Further the Company is not engaged in any manufacturing activities.
(ii) The benefits derived like product improvement, cost reduction, product development or import substitution	
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	
(a) The details of technology imported (b) The year of import (c) Whether technology been fully absorbed? (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof.	
(iv) The expenditure incurred on Research and development	: The Company has not spent any amount towards research and developmental activities and has been active in harnessing and tapping the latest and the best technology in the industry.

**(c) Total foreign exchange earnings and outgo:**

a. Total Foreign Exchange earnings	: Nil
b. Total Foreign Exchange outgo	: ` 4 crore

### Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2015-16

**1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**

The Company has a robust CSR Policy at group level. As per the said policy, all our efforts are focused towards two goals: building a great enterprise for the stakeholders and a great future for our country.

Our approach is to interweave social responsibility into the Company's mainstream business functions through translating commitments into policies, which not only drive all employees but influence and mobilize stakeholders, especially partners and suppliers, to embrace responsible business practices in their respective spheres of action. The policy affirms business objectives and strategy along with our commitment to preserve natural resources and augment the growth and development of employees and families, the communities we operate in, suppliers/vendors, and our investors. Through the social policy manual, the Company seeks to engage with all the stakeholders, using it as a reference or guideline for all stakeholders and practitioners. Our CSR policy is placed on our website at the link [www.reliancecapital.co.in/pdf/Group\\_CSR\\_Policy\\_Document.pdf](http://www.reliancecapital.co.in/pdf/Group_CSR_Policy_Document.pdf)

**2. The Composition of the CSR Committee:**

Dr. Bidhubhusan Samal, Chairman (Independent Director)

Shri V. N. Kaul (Independent Director)

Shri Amitabh Jhunjhunwala (Non-executive and non-independent Director)

Shri Soumen Ghosh (Executive Director & Group CEO)

**3. Average net profit of the Company for last three financial years:**

Average net profit : ` 491.54 crore.

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):**

The Company is required to spend ` 9.83 crore towards CSR.

**5. Details of CSR spent during the financial year:**

a. Total amount spent for the financial year :- ` 9.83 crore

b. Amount unspent, if any :- NA

c. Manner in which the amount spent during the financial year is detailed below: ( ` in crore)

1.	2.	3.	4.	5.	6.	7.	8.
Sr. No.	CSR Projects or activity identified.	Sector in which the project is covered.	Projects or Programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken.	Amount Outlay (budget) Project or Programs wise.	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads.	Cumulative Expenditure upto the reporting period.	Amount spent: Direct or through implementing agency.*
1.	Oncology Centres	Health Care	Maharashtra	30.00	9.83	21.61	Through a non-profit centre specialised in the provision of health care.
<b>Total</b>				<b>30.00</b>	<b>9.83</b>	<b>21.61</b>	

\* Implemented in phased manner

**6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

Not applicable.

**7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.**

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy is in compliance with CSR objectives and policy of the Company.

**Management Discussion and Analysis**

**Forward looking statements**

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include determination of tariff and such other charges and levies by the regulatory authority, changes in government regulations, tax laws, economic developments within the country and such other factors globally.

The financial statement are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 2013 (the "Act") and comply with the Accounting Standards notified under Section 133 of the Act. The management of Reliance Capital Limited ("Reliance Capital" or "RCL" or "the Company") has used estimates and judgments relating to the financial statement on a prudent and reasonable basis, in order that the financial statement reflect in a true and fair manner, the state of affairs and profit for the year.

The following discussions on our financial condition and result of operations should be read together with our audited consolidated financial statement and the notes to these statement included in the Annual Report.

Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company", "Reliance", "RCL" or "Reliance Capital" are to Reliance Capital Limited and its subsidiaries and associates.

**Macroeconomic Overview**

**Indian Economic Environment**

As per the Central Statistics Organisation (CSO), India has emerged as the fastest growing major economy in the world in 2015-16. The improvement in India's economic fundamentals accelerated in 2015 with the combined impact of strong government reforms like 'Make in India', 'Digital India', 'Smart Cities', 'Skill India' and 'Startup India', as well as, RBI's inflation focus, which was supported by benign global commodity prices. The government's fiscal deficit also improved to 3.9 per cent of the Gross Domestic Product (GDP) in 2015-16 from 4.1 per cent in 2014-15. Fiscal deficit came in at ₹ 5.32 lakh crore for the fiscal year, marginally lower than the revised estimate of ₹ 5.35 lakh crore or 3.9 per cent of the GDP. The revenue deficit was at 2.5 per cent of GDP better than 2.9 per cent in 2014-15 and 3.2 per cent in 2013-14. The Nikkei / Markit Manufacturing Purchasing Managers' Index (PMI) for March 2016 was reported at 52.4, indicating expansion in Indian manufacturing activity for a third month in a row, as both domestic and foreign demand increased due to lower prices. India was ranked the highest globally in terms of consumer confidence during October-December quarter of 2015, continuing its earlier trend of being ranked at the top during first three quarters of 2015, as per the global consumer confidence index created by Nielsen.

**GDP Growth**

India's GDP grew at a five year high of 7.6 per cent in 2015-16, powered by a rebound in farm output, and an improvement in electricity generation and mining production in the fourth quarter of the fiscal. Economic growth was estimated at 7.2 per cent in 2014-15. The growth numbers for the last fiscal, which reinforces India's position as the world's fastest-growing large economy, came on the back of a strong 7.9 per cent growth in the last quarter of the fiscal. The fourth quarter growth comes at a time when China has reported a 6.7 per cent in the March quarter - its slowest growth in about seven years. The farm sector grew by 2.3 per cent from a year ago compared with a 1.0 per cent contraction in the December quarter. Mining grew 8.6 per cent in the March quarter, up from 7.1 per cent in the previous quarter. Electricity, water and gas production growth surged to 9.3 per cent from 5.6 per cent in the December quarter. Going forward, better rainfall and seventh pay commission payouts are likely to remain supportive of consumption.

**Industrial Production**

During 2015-16, the Index of Industrial Production (IIP) grew by 2.4 per cent compared with a growth of 2.8 per cent in 2014-15. In this financial year, manufacturing expanded by 2 per cent, mining by 2.2 per cent and electricity by 5.7 per cent. Although, the government has been pushing for 'Make in India', private sector is yet to commence fresh investment. Despite that, 'Make in India' has resulted in higher Foreign Direct Investment (FDI) inflows and raises hope of faster factory expansion in coming quarters. During 2015-16, the infrastructure sector grew just 2.7 per cent as compared with 4.5 per cent in 2014-15, 4.2 per cent in 2013-14 and 6.5 per cent in 2012-13. Infrastructure is perceived as one of the engine of growth along with the manufacturing. While the government has been attracting domestic and foreign firms to step up investment under the 'Make in India' initiative, infrastructure development has remained sluggish.

**Inflation and Interest Rate**

The Consumer Price Index (CPI) inflation averaged to 4.9 per cent in 2015-16 from 5.8 per cent in 2014-15. Soft global commodity prices, especially crude oil, helped ease inflationary pressures in the last fiscal. The Wholesale Price Index (WPI) inflation remained in the deflationary territory, averaging -2.6 per cent compared with -2.3 per cent in 2014-15. While food prices remained elevated during the later part of the year, rural inflation topped that in the urban regions throughout the year. The rural part of the country remained deprived of the subdued commodity and fuel prices on supply side issues and use of traditional fuels sources like firewood etc. While the government has stepped up public capex in the year, the Reserve Bank of India slashed policy lending rate by 150 basis points since January 2015. It has indicated that it would want to wait to see how the monsoon pans out before further rate cuts.

**Current Account Deficit (CAD)**

India's Current Account Deficit (CAD) fell to \$7.1 billion (1.3 per cent of GDP) in October-December 2015-16 compared with \$7.7 billion (1.5 per cent of GDP) a year ago on substantial decline in merchandise trade deficit even as services trade surplus shrank. Healthy foreign direct investments into the financial account were adequate to cover CAD which helped in the accrual of foreign exchange reserves. The major contributor to the

# Reliance Capital Limited

## Management Discussion and Analysis

decline in the trade deficit was crude oil whose deficit reduced to \$12.9 billion from \$19.2 billion in the previous year. Services trade surplus also shrank as exports fell by 4.4 per cent while imports continued to grow.

India's merchandise exports have suffered on account of weak demand from major markets like China, Eurozone and Organisation of Petroleum Exporting Countries. While oil imports of crude oil is expected to be muted due to lower prices, some uptick in core imports – non-oil, non-gold is anticipated on improved domestic consumption and investment demand.

### About Reliance Capital

Reliance Capital Limited (RCL) is a part of the Reliance Group and is one of India's leading private sector financial services companies. It ranks amongst the top private sector financial services and banking groups, in terms of net worth. It is a constituent of Nifty Midcap 50 and MSCI Global Small Cap Index.

Reliance Capital has interests in asset management, mutual funds, pension funds, life and general insurance, commercial and home finance, stock broking, wealth management services, distribution of financial products, asset reconstruction and other activities in the financial services arena.

### Consolidated Financial Performance – Overview

The Company's standalone performance is discussed in detail under the head 'Financial Performance' in the Directors' report. The consolidated performance of the Company is as follows:

RCL's consolidated income from operations for the financial year ended March 31, 2016, rose to ` 9,998 crore (US\$ 1.5 billion) from ` 8,929 crore (US\$ 1.4 billion) in the previous year, an increase of 12 per cent. Staff costs for the year were ` 828 crore (US\$ 125 million) as against ` 693 crore (US\$ 105 million) in the previous year, an increase of 19 per cent. Selling, administrative and other expenses in the year were ` 1,865 crore (US\$ 283 million) as against ` 1,578 crore (US\$ 239 million) in the previous year, an increase of 18 per cent. Interest & finance charges for the year were ` 2,821 crore (US\$ 427 million) as against ` 2,642 crore (US\$ 400 million) in the previous year, an increase of 7 per cent. Depreciation for the year was ` 70 crore (US\$ 11 million) as against ` 68 crore (US\$ 10 million) in the previous year, an increase of 3 per cent. Provision for tax for the year was ` 379 crore (US\$ 57 million) as against ` 224 crore (US\$ 34 million) in the previous year, an increase of 69 per cent. Profit after tax, minority interest, share of profit of associates and sale of subsidiaries and one time provisioning, for the year was ` 1,101 crore (US\$ 167 million) as against ` 1,001 crore (US\$ 152 million) in the previous year, an increase of 10 per cent.

### Resources and Liquidity

As of March 31, 2016, the consolidated net worth of the Company stood at ` 15,390 crore (US\$ 2.3 billion) as against ` 13,762 crore (US\$ 2.1 billion), in the previous year an increase of 12 per cent. As on March 31, 2016, the Company had a net debt equity ratio of 1.55. As of March 31, 2016, the consolidated total assets were ` 67,112 crore (US\$ 10.2 billion) as against ` 47,440 crore (US\$ 7.2 billion), an increase of 41 per cent.

### Credit Rating

RCL's short term debt programme has been assigned a rating of "A1+" by ICRA and CRISIL, the highest credit quality rating assigned to short-term debt instruments. Instruments rated in this category carry the lowest credit risk in the short term. CARE assigned the long term debt programme a rating of "CARE AAA".

Instruments with this rating are considered to be of the best credit quality, offering highest safety for timely servicing of debt obligations. Such instruments carry lowest credit risk.

### Reliance Capital Asset Management (RCAM)

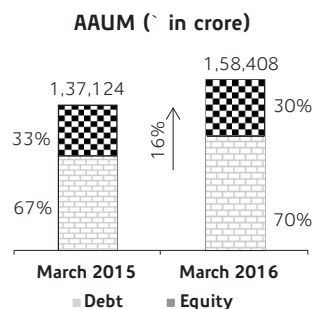
Reliance Capital Asset Management Limited is the largest asset manager in India managing ` 2,87,431 crore (US\$ 43.6 billion) as on March 31, 2016, across mutual funds, pension funds, managed accounts, hedge funds and real estate fund, as against ` 2,44,649 crore (US\$ 37.1 billion) as on March 31, 2015, an increase of 17 per cent. RCAM's income from its operations for the year ended March 31, 2016, was at ` 1,314 crore (US\$ 199 million) as against ` 955 crore (US\$ 145 million) in the previous year, an increase of 38 per cent. Profit before tax for the year ended March 31, 2016, was ` 502 crore (US\$ 76 million) as against ` 455 crore (US\$ 69 million) in the previous year, an increase of 10 per cent. RCAM continues to be amongst the most profitable Asset Management Companies (AMCs) in India.

### Reliance Mutual Fund

Reliance Mutual Fund (RMF) is amongst the top 3 mutual funds in India in terms of Assets Under Management, with a market share of 12 per cent as on March 31, 2016.

The Industry's Average Assets Under Management (AAUM) for the quarter ended March 31, 2016, stood at ` 13,53,443 crore (US\$ 205 billion) as against ` 11,88,690 crore (US\$ 180 billion) for the quarter ended March 31, 2015, a growth of 14 per cent (Source: Association of Mutual Funds of India).

The AAUM of RMF for the quarter ended March 31, 2016, stood at ` 1,58,408 crore (US\$ 24.0 billion) as against ` 1,37,124 crore (US\$ 20.8 billion) for the quarter ended March 31, 2015, an increase of 16 per cent.



RMF has created a wide distribution network in nearly 170 branches with over 48,000 empanelled distributors. The number of investor folios in RMF stood at 59 lakh as on March 31, 2016, as against 56 lakh as on March 31, 2015. The number of Systematic Investment Plan (SIP) and Systematic Transfer Plan (STP) investor accounts in RMF were at 15 lakh as on March 31, 2016, as against 13 lakh as on March 31, 2015.

### RMF Achievements

RMF holds the highest Assets Under Management in the 'B15 category' in the industry in March 2016. RCAM was awarded the Aon Best Employers 2016 and was the only AMC amongst the Top 25 Employers in India. RMF was the winner in 'Equity Asset Management House of the Year' and 'Asset Management House of the Year' at the 'Business Today – Money Today Financial Awards'. RMF was also awarded with the 'Golden Peacock Award' for Risk Management.



## Management Discussion and Analysis

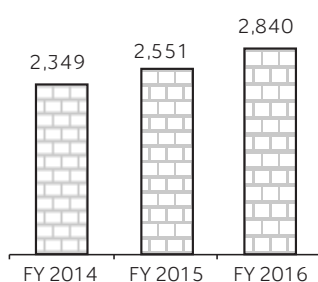
### Reliance Nippon Life Insurance (RNLI)

Reliance Nippon Life Insurance currently offers a total of 35 products that fulfil the savings and protection needs of customers. Of these, 26 are targeted at individuals and 9 at group businesses. Reliance Life is committed to emerging as a transnational Life Insurer of global scale and standard and attaining leadership rankings in the industry within the next few years.

During the year, the Indian life insurance industry recorded new business premium of ₹ 1,38,657 crore (US\$ 21 billion) as against ₹ 1,13,143 crore (US\$ 17 billion) in the previous year, an increase of 23 per cent. During the year, the Indian private sector life insurance industry recorded new business premium of ₹ 40,983 crore (US\$ 6 billion) as against ₹ 34,840 crore (US\$ 5 billion) in the previous year, an increase of 18 per cent (Source: Financial Year 2015-16 data, Insurance Regulatory and Development Authority of India (IRDAI) website). This was primarily driven by higher sales of ULIPs (Unit Linked Insurance Products) as capital markets improved.

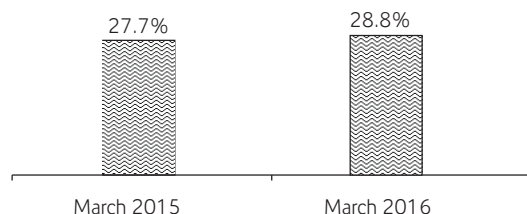
RNLI is amongst the leading private sector life insurers with a private sector market share of 4 per cent, in terms of new business premium. (Source: Financial Year 2015-16 data, IRDAI website). The total net premium for the year stood at ₹ 4,371 crore (US\$ 662 million) as against ₹ 4,592 crore (US\$ 696 million) for the previous year, a decline of 5 per cent. The new business premium income for the year ended March 31, 2016, was ₹ 1,558 crore (US\$ 236 million) as against ₹ 2,070 crore (US\$ 314 million) in the previous year, a decrease of 25 per cent. For the year ended March 31, 2016, the renewal premium was ₹ 2,840 crore (US\$ 430 million) as against ₹ 2,551 crore (US\$ 387 million), an increase of 11 per cent.

**Renewal Premium (₹ in crore)**



New Business Achieved Profit (NBAP) margin for the year ended March 31, 2016, was 28.8 per cent as against 27.7 per cent in the previous year. The profit was impacted due to the strengthening of reserves in the participating as well as non-participating business.

**NBAP Margin (%)**



The total funds under management were at ₹ 15,970 crore (US\$ 2.4 billion) as on March 31, 2016, as against ₹ 16,927

crore (US\$ 2.6 billion) as on March 31, 2015. The number of policies sold during the year was approximately 4 lakh. The distribution network stood at over 800 branches at the end of March 2016.

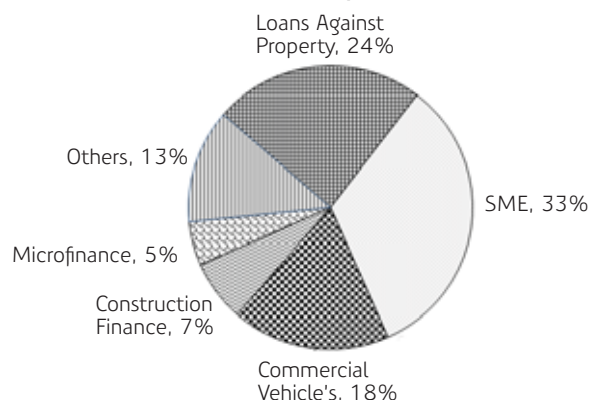
### RNLI Achievements:

Reliance Nippon Life Insurance was awarded the Finnoviti award for its Post Issuance Risk Verification programme. The program combats fraud and false claims using a mix of analytical modeling techniques along with field verification. At the LACP Vision Awards 2015 for Best Annual Report, Reliance Nippon Life Insurance won the highest platinum rating for 'Best Annual Report' in its category. Continues to be rated 'AAAEfs' by Brickworks Rating, for the highest degree of 'Enterprise-wide Risk management capabilities & financial strength' to meet ongoing policyholder obligations.

### Reliance Commercial Finance (RCF)

Reliance Commercial Finance (RCF) offers a wide range of products which include Small and Medium Enterprises (SME) loans, Loans Against Property (LAP), Infrastructure financing, Agriculture loans and Supply Chain financing. The focus in this business continues to be on asset backed lending and productive asset creation. The aim of RCF is not only credit growth per se, but also the quality of credit sourced. In line with this, the Company has been disbursing only secured asset backed loans and has wound up the unsecured loans portfolio.

**Loan Book Composition**



The disbursements for the year ended March 31, 2016, were ₹ 8,138 crore (US\$ 1.2 billion) as against ₹ 6,967 crore (US\$ 1.1 billion) for the previous year, an increase of 17 per cent. As of March 31, 2016, the Assets Under Management (including securitized portfolio) was ₹ 15,157 crore (US\$ 2.3 billion) as against ₹ 14,152 crore (US\$ 2.1 billion) as on March 31, 2015, an increase of 7 per cent. During the year, the Company securitized loans of ₹ 3,848 crore (US\$ 583 million), as against ₹ 3,158 crore (US\$ 479 million) securitized in the previous year. The Net Interest Income for the year ended March 31, 2016, was at ₹ 655 crore (US\$ 99 million), as against ₹ 663 crore (US\$ 100 million) for the previous year, a decrease of 1 per cent. As on March 31, 2016, the outstanding loan book was ₹ 10,940 crore (US\$ 1.7 billion) as against ₹ 10,328 crore (US\$ 1.6 billion) at the end of March 31, 2015. This loan book is spread over 55,600 customers from top 44 Indian cities. The gross non-performing assets were at ₹ 477 crore (US\$ 72 million), an increase of 25 per cent. RCF achieved a profit before tax of

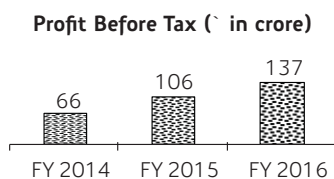
# Reliance Capital Limited

## Management Discussion and Analysis

₹ 312 crore (US\$ 47 million) as against ₹ 334 crore (US\$ 51 million) for the year ended March 31, 2015, a decrease of 7 per cent.

### Reliance Home Finance (RHF)

Reliance Home Finance Limited (RHFL), a 100 per cent subsidiary of Reliance Capital, provides a wide range of loan solutions like home loans, LAP, Construction finance, flexi LAP, and Affordable housing. RHFL also provides property solutions' services that help customers find their dream homes / property along with financing.



The disbursements for the year ended March 31, 2016, were ₹ 3,922 crore (US\$ 594 million) as against ₹ 3,475 crore (US\$ 526 million) for the previous year, an increase of 13 per cent. As of March 31, 2016, the Assets Under Management (including securitised portfolio) was ₹ 7,358 crore (US\$ 1.1 billion) as against ₹ 5,771 crore (US\$ 874 million) as on March 31, 2015, an increase of 27 per cent. The Total Income for the year ended March 31, 2016, was at ₹ 815 crore (US\$ 124 million), as against ₹ 514 crore (US\$ 78 million) for the previous year, an increase of 59 per cent. As on March 31, 2016, the outstanding loan book was ₹ 6,792 crore (US\$ 1.0 billion) as against ₹ 5,081 crore (US\$ 770 million) at the end of March 31, 2015. This loan book is spread over 18,200 customers from top 43 Indian cities. The gross non-performing assets were at ₹ 63 crore (US\$ 10 million), an increase of 26 per cent. RHF achieved a profit before tax of ₹ 137 crore (US\$ 21 million) as against ₹ 106 crore (US\$ 16 million) for the year ended March 31, 2015, an increase of 29 per cent.

### Broking businesses

Reliance Capital's broking business is carried out by its subsidiaries viz. Reliance Securities Limited, a leading retail broking house in India that provides customers with access to equities, equity options and commodities futures, wealth management services, portfolio management services and mutual funds. The focus is on the key business verticals of equity broking and wealth management. As of March 31, 2016, the business had approx. 775,000 equity broking accounts and achieved average daily turnover of ₹ 1,894 crore (US\$ 287 million) for the year. In wealth management business, the client needs are assessed to create customized financial investment opportunities. The customized individual portfolios are based on their diverse investment needs and risk profiles. In wealth management, the AUM rose by 87 per cent to over ₹ 2,552 crore (US\$ 387 million) as on March 31, 2016. Reliance Commodities, the commodity broking arm of Reliance Capital, is the one of the leading retail broking houses in India, providing customers with access to commodities market. As of March 31, 2016, the business had over 64,200 commodity broking accounts and recorded average daily commodities broking turnover of ₹ 336 crore (US\$ 51 million). The broking business achieved revenues of ₹ 187 crore (US\$ 28 million) for the year ended March 31, 2016.

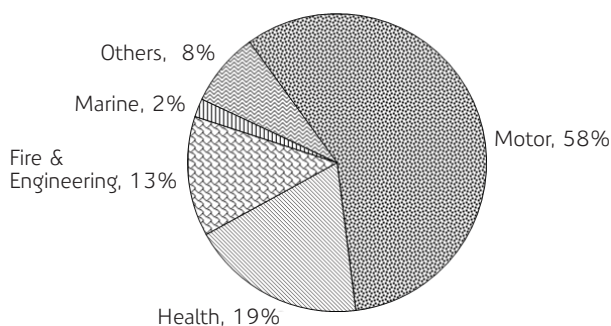
### Distribution business ('Reliance Money')

The distribution business of Reliance Capital, branded as 'Reliance Money' is a comprehensive financial services and solutions provider, providing customers with access to mutual funds, life and general insurance products, and other financial products. As on March 31, 2016, Reliance Money had a distribution network of over 150 branches across India. Reliance Money achieved revenues of ₹ 66 crore (US\$ 10 million) for the year ended March 31, 2016.

### Reliance General Insurance

Reliance General Insurance (RGI) offers insurance solutions for auto, health, home, property, travel, marine, commercial and other specialty products. RGI is amongst the leading private sector general insurance players in India with a private sector market share of 7.0 per cent. During 2015-16, gross direct premium of the total general insurance industry increased by 14 per cent to ₹ 91,564 crore (US\$ 14 billion). During 2015-16, gross direct premium of the private Indian general insurance industry increased by 13 per cent to ₹ 39,693 crore (US\$ 6 billion) (Source: IRDAI website). RGI's gross written premium for the year ended March 31, 2015 was ₹ 2,868 crore (US\$ 435 million), an increase of 4 per cent over the previous year.

### Sectorwise Premium Contribution



Profit before tax for the year ended March 31, 2016, stood at ₹ 99 crore (US\$ 15 million) as against ₹ 81 crore (US\$ 10 million) in the corresponding period of the previous year, an increase of 22 per cent over the previous year. The distribution network comprised of over 125 branches and 20,500 agents at the end of March 31, 2016. At the end of March 31, 2016, the investment book increased by 7 per cent to ₹ 5,381 crore (US\$ 815 million).

### Reliance Asset Reconstruction

Reliance Asset Reconstruction Company Limited (Reliance ARC) is in the business of acquisition, management and resolution of distressed debt / assets. The focus of this business continues to be on the distressed assets in the SME and retail segments.

The Assets Under Management as on March 31, 2016, rose to ₹ 1,488 crore (US\$ 225 million) as against ₹ 1,088 crore (US\$ 165 million) as on March 31, 2015. Its own investment in NPAs increased from ₹ 179 crore (US\$ 27 million) as on March 31, 2015, to ₹ 225 crore (US\$ 34 million) as on March 31, 2016.

### Risks and Concerns

RCL is exposed to specific risks that are particular to its businesses and the environment within which it operates, including market

## Management Discussion and Analysis

risk, credit risk, operational risk, competition risk, liquidity and interest rate risk, regulatory risk, human resource risk, execution risk, information security risks and macro-economic risks.

### Market risk

The Company has some quoted investments (though not material in size relative to its total assets) which are exposed to fluctuations in stock prices. Similarly the Company has also raised funds through issue of Market Linked Debentures, whose returns are linked to relevant underlying market instruments or indices. RCL continuously monitors market exposure for both equity and debt and, in appropriate cases, also uses various derivative instruments as a hedging mechanism to limit volatility.

### Competition risk

The financial sector industry is becoming increasingly competitive and the Company's growth will depend on its ability to compete effectively. The Company's main competitors are Indian non-banking financial companies, commercial banks, life and non-life insurance companies, both in the public and private sector, mutual funds, broking houses, mortgage lenders, depository participants and other financial services providers. Foreign banks also operate in India through non-banking finance companies. Further liberalization of the Indian financial sector could lead to a greater presence or entry of new foreign banks and financial services companies offering a wider range of products and services. This could significantly toughen our competitive environment. The Company's strong brand image, wide distribution network, diversified product offering and quality of management place it in a strong position to deal with competition effectively.

### Credit risk

Credit risk is a risk arising out of default or failure on the part of borrowers in meeting their financial obligations towards repayment of loans. Thus credit risk is a loss as a result of non-recovery of funds lent both on principal and interest counts. This risk is comprehensively addressed both at the strategic level and at the client level. Stringent standards have been stipulated for customer identification and evaluation of credit proposals. Critical underwriting activities are automated. Comprehensive product program guidelines have been developed to suit various products requirements and appropriate delegation and deviation grids have been put in place. Each credit proposal is evaluated on various lending parameters both in qualitative and quantitative terms. Proper security, industry norms and ceilings have been prescribed to ensure diversifying risks and to avoid concentration risk. Cross references to credit bureau data are made to assess the credit behaviour of the prospective customers. In our commercial finance businesses, we provide various customized products to different segment of borrowers. Borrowers are impacted by economic and market changes and government policies. Since most loans are secured against assets which are valued by independent agencies and loan to value ratio is restricted, chances of non recoverability in case of default are minimized. Company has put in place monitoring mechanisms commensurate with nature and volume of activities. Any early signal of default is addressed on priority to minimize/ prevent credit loss. The unsecured portfolio has been reduced considerably. Regular portfolio risk analysis is done extensively on various financial and policy parameters for making required changes in the credit policy as a proactive approach to risk management. There is a robust governance framework with risk oversight being provided by the Risk Management Committee.

The Indian banking industry is highly competitive and the Company may compete directly with large public and private sector banks, which have larger retail customer bases, larger branch networks and greater access to capital than the Company. Large Indian banks have made significant investments in retail credit in recent periods and currently have a larger market share in the retail credit segment as compared to non-banking financial companies. If the Company is unable to compete with other retail lenders in the Indian banking sector, by reason of our lesser experience in retail lending or otherwise, its business, results of operations and financial condition could be affected to some extent.

With the experience and market knowledge the Company has gained over the years in the lending business and are well placed to be the preferred provider of asset based finance in coming years.

### Liquidity and Interest Rate Risk

The Company is exposed to liquidity risk principally, as a result of lending to its customers for periods which may differ from those of its funding sources. RCL's treasury team actively manages asset liability positions in accordance with the overall guidelines laid down by various regulators in the Asset Liability Management (ALM) framework. The Company may be impacted by volatility in interest rates in India which could cause its margins to decline and profitability to shrink. The success of the Company's business depends significantly on interest income from its operations. It is exposed to interest rate risk, both as a result of lending to its customers at fixed interest rates and for reset periods which may differ from those of its funding sources. Interest rates are highly sensitive to many factors beyond the Company's control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and, inflation. As a result, interest rates in India have historically experienced a relatively high degree of volatility.

The Company seeks to match its interest rate positions of assets and liabilities to minimize interest rate risk. However, there can be no assurance that significant interest rate movements will not have an adverse effect on its financial position.

With the growth of the Company's business, it will become increasingly reliant on funding from the debt capital markets and commercial borrowings. The market for such funds is competitive and the Company's ability to obtain funds at competitive rates will depend on various factors including its credit ratings. There can be no guarantee that the Company will be able to raise debt on competitive terms, in the required quantum and in a cost effective manner. Any failure to do so may adversely impact the Company's business, its future financial performance and the price of its shares. The Company is also hedged to some extent against this risk through the variable interest clause in its advances portfolio.

### Human resource risk

The Company's success depends largely upon the quality and competence of its management team and key personnel. Attracting and retaining talented professionals is therefore a key element of the Company's strategy and a significant source of competitive advantage. While the Company has a salary and incentive structure designed to encourage employee retention, a failure to attract and retain talented professionals, or the resignation or loss of key management personnel, may

# Reliance Capital Limited

## Management Discussion and Analysis

have an impact on the Company's business, its future financial performance and the results of its operations.

### Operational risk

The Company may encounter operational and control difficulties when commencing businesses in new markets. The rapid development and establishment of financial services businesses in new markets may raise unanticipated operational or control risks. Such risks could have a materially adverse effect on the Company's financial position and the results of its operations.

The operations of the company have been extensively automated which minimizes the operational risk arising out of human errors and omissions. A robust system of internal controls is practiced by RCL to ensure that all its assets are safeguarded and protected against loss from unauthorized use or disposition and all its transactions are authorized, recorded and reported correctly. The Audit Committee of Board periodically reviews the adequacy of our internal controls. The Company has implemented SAP systems across functions. With this initiative, along with other key systems and checks and balances established, we believe that our overall control environment has been enhanced. The Company is relentlessly focused on quality parameters and has a dedicated quality team to proactively identify and address operational issues. The mandate of the quality team is also to work closely with various business teams to bring about operational efficiencies and effectiveness through Six Sigma initiatives. It is pertinent to note that Reliance Nippon Life Insurance, Reliance General Insurance, Reliance Capital Asset Management and Reliance Commercial Finance have obtained an ISO 9001:2008 certification. They are among the few companies in their respective industries to be ISO certified.

### Information security risk

RCL has robust Information Security Risk monitoring systems and tools to guard and protect sensitive customer data and guard against potential hackers and viruses. The Information Security team is governed by the Information Security Risk Management Committee. Robust governance, controls and sophisticated technology is adopted across lines of business to ward off cyber threats and protect information residing within the company.

### Regulatory risk

As a non-deposit taking NBFC, the Company is subject to regulations by Indian governmental authorities, including the Reserve Bank of India. Also, as the Company operates in various lines of businesses, it is governed by different Indian regulators across these businesses.

Their laws and regulations impose numerous requirements on the Company, including asset classifications and prescribed levels of capital adequacy, solvency requirements and liquid assets. There may be future changes in the regulatory system or in the enforcement of the laws and regulations that could adversely affect the Company's performance.

Information Security has been brought under the Enterprise Risk Management Framework to enhance data protection and ward off cyber risks effectively, thereby making our overall Risk, Control & Governance framework more robust.

### Macro-economic risk

Any slowdown in economic growth in India could cause the business of the Company to suffer. Any slowdown in the Indian economy, and in particular in the demand for housing and infrastructure, could adversely affect the Company's business.

Similarly, any sustained volatility in global commodity prices, including a significant increase in the prices of oil and petroleum products, could once again spark off a new inflationary cycle, thereby curtailing the purchasing power of the consumers. RCL manages these risks by maintaining a conservative financial profile and following prudent business and risk management practices.

### Internal Control

The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls, and compliance with applicable laws and regulations.

The organization is well structured and the policy guidelines are well documented with pre-defined authority. The Company has also implemented suitable controls to ensure that all resources are utilized optimally, financial transactions are reported with accuracy and there is strict adherence to applicable laws and regulations.

The Company has put in place adequate systems to ensure that assets are safeguarded against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported. The Company also has an exhaustive budgetary control system to monitor all expenditures against approved budgets on an ongoing basis.

The Company uses information technology extensively in its operations for ensuring effective controls besides economy. It also helps the Company in providing accurate MIS and prompt information / services to its customers and other stakeholders. The Company has implemented enhanced level of Information System Security controls with monitoring systems to address technology risks.

The Company has an independent internal audit function which continuously evaluates the adequacy of, and compliance with, policies, plans, regulatory and statutory requirements. Risk based approach is adopted while carrying out the audits. Internal audit also evaluates and suggests improvement in effectiveness of risk management, control and governance process. The Audit Committee of Board provides necessary oversight and directions to the internal audit function and periodically reviews the findings and ensures corrective measures are taken.

### Opportunities

- Low retail penetration of financial services / products in India
- Extensive distribution reach and strong brand recognition
- Opening of financial sector in India along with introduction of innovative products
- Opportunity to cross sell services
- Increasing per-capita GDP
- Changing demographic profile of the country in favour of the young

### Threats

- Inflationary pressures, slowdown in policy making and reduction in household savings in financial products
- Competition from local and multinational players
- Execution risk
- Regulatory changes
- Attraction and retention of human capital

**Management Discussion and Analysis**

**Human Resources**

Across all its business operations, Reliance Capital had a workforce of 16,919 people as on March 31, 2016. The business wise breakup of the workforce is given below:

<b>Business Operation</b>	<b>Number of people</b>
Reliance Capital (Core)	132
Commercial Finance	1,687
Asset Management	895
General Insurance	2,099
Life Insurance	10,815
Reliance Money	1,270
Other businesses	21
<b>Total</b>	<b>16,919</b>

Our workforce is young, with an average age of 34 years, and highly qualified. 75 per cent of our workforce is under-graduate and/or graduates, while 14 per cent are post-graduates and another 11 per cent are management graduates and chartered accountants.

**Corporate Social Responsibility**

The Reliance Group strives to further its commitment to being an ideal Corporate citizen. The Kokilaben Dhirubhai Ambani Hospital continues to provide quality healthcare and contributes in a very significant manner towards supporting the poor and the needy, especially those below the poverty line. The Company initiated projects in the areas of promoting preventive healthcare, education and rural development in Maharashtra. Reliance Capital made a contribution of ` 28.85 crore in FY 2015-16, *inter-alia*, through a non-profit centre engaged in the provision of health care.

The Company, through non-profit centres, successfully undertook 'Mobile Health Unit' projects to serve tribal, rural and urban areas in partnership with Government. The Company participated in various projects towards medical help, provision of water in tribal areas, plantation of trees, etc. in association with the State Government in Rajasthan. Also, the Company contributed towards providing healthcare facilities to the public at large, mostly from rural areas and from economically weaker section of the society, in Madhya Pradesh. As part of Employee Volunteerism, blood donation campaigns were conducted during the year. In partnership with Reliance General Insurance, the employees visited children homes, donated stationary and conducted eye check-ups across 10 cities in India. Our Offices are being fitted out and maintained keeping in mind, the mission of energy conservation and environment protection. Through several initiatives, a consistent and ongoing endeavour is on to reduce the carbon footprint.

**Outlook**

**The Indian Economy**

Progress in various policy and executive measures could make 2016-17 a very important year for the Indian economy. Progress on UDAY - the power sector reform, clean-up of bad loans, recapitalization of banks, structural reforms of public sector banks and renewing public-private partnership are some

of the key policy measures that are expected to be undertaken in the near term. Movement in the Goods and Services Tax (GST) reform will be a bonus.

Forecast of a good monsoon is heartening news for the domestic economy that is still reeling under the after effects of two back-to-back below-normal monsoons and a bout of unseasonal rains in 2015. The Indian Meteorological Department (IMD) has forecast the crucial July-September monsoon to be 106 per cent of the long term average (LTA). Above-average rainfall would help in raising the reservoir levels of the country and also tame food prices that have become the highest contributing factor to headline inflation. Lower crude oil prices and subdued commodity prices, at a global level, would also aid in reigning in price levels as well as keep a lid on the fiscal and current account deficits. However, sluggish global demand may continue to plague the export sector.

The 2016 Budget has put fiscal prudence on the front foot over stability and growth. By maintaining fiscal deficit at the targeted 3.5 per cent of the GDP in 2015-16, the government has paved the way for RBI to reduce rates in 2016. Hence, fiscal consolidation would help bring overall borrowing costs. Retail inflation is expected to come in lower than 5 per cent by January 2017, given normal monsoon rains, lower crude oil prices and soft global commodity prices.

The rupee is expected to be supported by a favourable growth-inflation mix, sufficient foreign exchange reserves, low inflation and CAD. However, US Federal Reserve rate hike could result in capital outflows from emerging markets and may weaken the rupee.

Individual sectors that are likely to perform well in the current fiscal are automobile and components manufacturers, FMCG, retail, cement and pharmaceuticals.

**The Financial Sector**

Taking advantage of low valuations, domestic mutual funds pumped in a staggering \$11 billion in the stock market during 2015 and are expected to remain bullish in 2016 as well to maximize the returns for their investors. Retail investors bought into the equity markets through the mutual funds route, and supported the benchmark indices at a time when the foreign portfolio investors (FPIs) went on a selling spree. The outlook for the mutual fund industry in 2016 looks encouraging on the back of a muted real estate market, softer commodity prices and flattish debt markets. Assets under management (AUMs) of mutual funds in India rose 14 per cent to ` 13.53 lakh crore 2015-16 while it added 53 lakh investor accounts during 2015-16, taking the total number of folios to 5 crore.

India has been on a consistent path of macroeconomic development in the last few years, aided by positive reform measures and robust foreign inflows. Despite prolonged weakness in developed economies impacting domestic exports, the overall growth is expected to strengthen further, driven by factors such as revival in rural and urban demand, renewed government investment in infrastructure projects, and higher foreign investment. With recovery in private capex, sustained decline in inflationary forces and resultant ability to ease money supply, and a pickup in job creation, the span of growth will be more broad-based and long-lasting. Amongst emerging markets, India remains as the brightest spot and is expected to accelerate on the path of productive and inclusive growth.

### Corporate governance philosophy

Reliance Capital follows the highest standards of corporate governance principles and best practices by adopting the "Reliance Group – Corporate Governance Policies and Code of Conduct" as is the norm for all constituent companies in the group. These policies prescribe a set of systems and processes guided by the core principles of transparency, disclosure, accountability, compliances, ethical conduct and the commitment to promote the interests of all stakeholders. The policies and the code are reviewed periodically to ensure their continuing relevance, effectiveness and responsiveness to the needs of our stakeholders.

### Governance practices beyond regulatory requirements

The Company has formulated a number of policies and introduced several governance practices to comply with the applicable statutory and regulatory requirements, with most of them introduced long before they were made mandatory.

#### A. Values and commitments

We have set out and adopted a policy document on 'Values and Commitments' of Reliance Capital. We believe that any business conduct can be ethical only when it rests on the nine core values viz. honesty, integrity, respect, fairness, purposefulness, trust, responsibility, citizenship and caring.

#### B. Code of ethics

Our policy document on 'Code of Ethics' demands that our employees conduct the business with impeccable integrity and by excluding any consideration of personal profit or advantage.

#### C. Business policies

Our 'Business Policies' cover a comprehensive range of issues such as fair market practices, inside information, financial records and accounting integrity, external communication, work ethics, personal conduct, policy on prevention of sexual harassment, health, safety, environment and quality.

#### D. Separation of the board's supervisory role from executive management

In line with best global practices, we have adopted the policy of separating the Board's supervisory role from the executive management. We have also split the posts of the Chairman and CEO.

#### E. Prohibition of insider trading policy

This document contains the policy on prohibiting trading in the securities of the Company, based on insider or privileged information.

#### F. Policy on prevention of sexual harassment

Our policy on prevention of sexual harassment aims at promoting a productive work environment and protects individual rights against sexual harassment.

#### G. Whistle blower policy

Our Whistle blower policy encourages disclosure in good faith of any wrongful conduct on a matter of general concern and protects the whistle blower from any adverse personnel action.

It is affirmed that no personnel has been denied access to the Audit Committee.

#### H. Environment policy

The Company is committed to achieving excellence in environmental performance, preservation and promotion of clean environment. These are the fundamental concern in all our business activities.

#### I. Risk management

Ourriskmanagementproceduresensurethatthemanagement controls various business related risks through means of a properly defined framework.

#### J. Boardroom practices

##### a. Chairman

In line with the highest global standards of corporate governance, the Board has separated the Chairman's role from that of an executive in managing day-to-day business affairs.

##### b. Board charter

The Board of Directors has adopted a comprehensive charter, which sets out clear and transparent guidelines on matters relating to the composition of the Board, the scope and function of various Board Committees, etc.

##### c. Board committees

PursuanttotheprovisionsoftheCompaniesAct,2013and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Board constituted Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. The Board rotates the Chairman of these Committees.

##### d. Selection of independent directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee, *inter-alia*, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons. The Board considers the Committee's recommendation, and takes appropriate decision.

Every Independent Director, at the first meeting of the Board in which she / he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that she / he meets the criteria of independence as provided under law.

##### e. Tenure of independent directors

Tenure of independent directors on the Board of the Company shall not exceed the time period as per provisions of the Companies Act, 2013, amended from time to time.

##### f. Independent director's interaction with stakeholders

Member(s) of the Stakeholders Relationship Committee interact with stakeholders on their suggestions and queries, if any, which are forwarded to the Company Secretary.

##### g. Lead independent director

Recognising the need for a representative and spokesperson for the independent directors, the Board designated Shri V. N. Kaul, an independent director as the Lead Independent Director.

##### h. Familiarisation of board members

The Board members are periodically given formal orientation and training with respect to the Company's

## Corporate Governance Report

vision, strategic direction, core values including ethics, corporate governance practices, financial matters and business operations. The Directors are facilitated to get familiar with the Company's functions at the operational levels. Periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. The Board members are also provided with the necessary documents / brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices.

Periodic updates and training programs for Board members are also conducted on relevant statutory changes and landmark judicial pronouncements encompassing important laws.

The details of programme for familiarisation of independent directors is put on the website of the Company at the link [http://www.reliancecapital.co.in/cg\\_policies.html](http://www.reliancecapital.co.in/cg_policies.html).

### i. Meeting of independent directors with operating team

The independent directors of the Company meet in executive sessions with the various operating teams as and when they deem necessary. These discussions may include topics such as operating policies and procedures, risk management strategies, measures to improve efficiencies, performance and compensation, strategic issues for Board consideration, flow of information to directors, management progression and succession and others, as the independent directors may determine. During these executive sessions, the independent directors have access to members of management and other advisors, as the independent directors may determine and deem fit.

### j. Subsidiaries

All the subsidiaries of the Company are managed by their respective boards. Their boards have the rights and obligations to manage their companies in the best interest of their stakeholders. The Company monitors performance of subsidiary companies.

### k. Commitment of directors

The meeting dates for the entire financial year are scheduled in the beginning of the year and an annual calendar of meetings of the Board and its Committees is circulated to the directors. This enables the directors to plan their commitments and facilitates attendance at the meetings of the Board and its Committees.

## K. Role of the Company Secretary in Governance Process

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the directors and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible, to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters. All the directors of the Company have access to the advice and services of the Company Secretary.

## L. Independent Statutory Auditors

The Company's accounts are audited by a panel of two leading independent audit firms namely:

1. M/s. Chaturvedi & Shah, Chartered Accountants
2. M/s. B S R & Co. LLP, Chartered Accountants

## M. Compliance with the code and rules of Luxembourg Stock Exchange

The Global Depository Receipts (GDRs) issued by the Company are listed on the Luxembourg Stock Exchange (LSE). The Company has reviewed the code on corporate governance of LSE and the Company's corporate governance practices conform to these codes and rules.

## N. Compliance with the Listing Regulations

The Company is fully compliant with the mandatory requirements of Listing Regulations.

We present our report on compliance of governance conditions specified in the Listing Regulations:

### I. Board of Directors

#### 1. Board composition – Board strength and representation

The Board consists of eight members. The composition and category of directors on the Board of the Company were as under:

Category	Name of directors and DIN
Promoter, non-executive and non-independent Director	Shri Anil D. Ambani, Chairman (DIN:00004878)
Non-executive and non-independent Directors	Shri Amitabh Jhunjhunwala, Vice Chairman (DIN:00045174) Shri Jai Anmol Ambani (DIN:07591624)
Independent Directors	Shri Rajendra P. Chitale (DIN:00015986) Dr. Bidhubhusan Samal (DIN:00007256) Shri V. N. Kaul (DIN:03070263) Smt. Chhaya Virani (DIN:06953556)
Executive Director & Group CEO	Shri Soumen Ghosh (DIN:01262099)

Notes:

- a. Shri Jai Anmol Ambani is the son of Shri Anil D. Ambani. None of the other directors are related to any other director.
- b. None of the directors has any business relationship with the Company.
- c. None of the directors has received any loans and advances from the Company during the year.

All the independent directors of the Company furnish a declaration at the time of their appointment as also annually that they qualify the conditions of their being independent. All such declarations are placed before the Board.

#### 2. Conduct of Board proceedings

The day-to-day business is conducted by the executives and the business heads of the Company under the direction of

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the Board. The Board holds minimum four meetings every year to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company.

The Board performs the following specific functions in addition to overseeing the business and the management:

- Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.
- Monitoring the effectiveness of the Company's governance practices and making changes as needed.
- Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.
- Aligning key executive and board remuneration with the longer term interests of the Company and its shareholders.
- Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.

### 5. Attendance of directors

Attendance of the Directors at the Board meetings held during the financial year 2015 – 2016 and the last Annual General Meeting (AGM) held on September 30, 2015 and the details of directorships (calculated as per provisions of Section 165 of the Companies Act, 2013), Committee Chairmanships and the Committee Memberships held by the directors as on March 31, 2016 were as under:

Name of Director	Number of Board meetings attended out of Five meetings held	Attendance at the last AGM held on September 30, 2015	Number of directorship (including RCL)	Committee(s)/Chairmanship / Membership (including RCL)	
				Membership	Chairmanship
Shri Anil D. Ambani	4	Present	12	1	-
Shri Amitabh Jhunjunwala	5	Present	3	2	-
Shri Rajendra P. Chitale	5	Present	12	10	5
Dr. Bidhubhusan Samal	5	Present	11	7	3
Shri V. N. Kaul	5	Present	1	1	-
Smt. Chhaya Virani	4	Present	3	2	-
Shri Soumen Ghosh	4	Present	10	6	-

Notes:

- None of the directors hold directorships in more than 20 companies of which directorship in public companies does not exceed 10 in line with the provisions of Section 165 of the Companies Act, 2013.
- None of the directors hold membership of more than 10 committees of board, nor, is a chairman of more than 5 committees across board of all listed entities.
- None of the Independent Director holds the position of the Independent Director in more than seven listed companies as required under the Listing Regulations.
- The information provided above pertains to the following committees in accordance with the provisions of Regulation 26(1) (b) of the Listing Regulations: (i) Audit Committee (ii) Stakeholders Relationship Committee.
- The Committee membership and chairmanship above excludes membership and chairmanship in private companies, foreign companies and Section 8 companies.
- Membership of committees include chairmanship, if any.

The Company's Independent Directors meet at least once in every Financial Year without the attendance of Non-Independent Directors and Management Personnel. One meeting of the Independent Directors was held during the year.



## Corporate Governance Report

### 6. Details of directors

The abbreviated resumes of all the directors are furnished hereunder:

**Shri Anil D. Ambani**, 57 years, is the Chairman of our Company, Reliance Communications Limited, Reliance Infrastructure Limited, Reliance Power Limited and Reliance Defence and Engineering Limited. He is also a director of Reliance Defence Limited. He is the President of the Dhirubhai Ambani Institute of Information and Communication Technology, Gandhinagar, Gujarat. He is a member of Stakeholders Relationship Committee of Reliance Communications Limited.

With a master's degree from the Wharton School of the University of Pennsylvania, Shri Ambani is credited with having spearheaded the Reliance Group's first forays into the overseas capital markets with international public offerings of global depository receipts, convertibles and bonds. Shri Ambani has been associated with a number of prestigious academic institutions in India and abroad:

- Member of Wharton Board of Overseers, the Wharton School, U.S.A.
- Member of the Presidents Global Counsel, New York University, U.S.A.
- Member of Advisory Board of Warwick Business School, UK.
- One of the Founders of Indian School of Business (ISB), Hyderabad. ISB has established formal partnership with International Business Schools- Wharton and Kellogg.

The Prime Minister of India nominated Shri Ambani as the Co-Chair from the Indian side of the India-China CEO Forum, Member of the US-India CEO Forum, Member of the Indo-French CEO Forum, Member of the Indo-Canada CEO Forum and Member of Indo-Russia CEO Forum.

As on March 31, 2016, Shri Anil D. Ambani held 2,73,891 equity shares in the Company.

**Shri Amitabh Jhunjhunwala**, 60 years, is a Fellow Chartered Accountant. He has had a wide exposure in developing, strategising and overseeing businesses in financial services, power, telecommunication and entertainment sectors. Currently, he oversees and leads businesses in financial services and entertainment sectors of the Reliance Group. He has experience in the areas of finance, commercial, banking, accounts and general management. Shri Jhunjhunwala is the Group Managing Director of Reliance Group. He is a Vice Chairman of Reliance Capital Limited and also a director on the board of Reliance Anil Dhirubhai Ambani Group Limited and Reliance Defence and Engineering Limited. Shri Amitabh Jhunjhunwala is a member of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee of the Company. He does not hold any share in the Company as of March 31, 2016.

**Shri Rajendra P. Chitale**, 55 years, a law graduate and an eminent Chartered Accountant, is a Managing Partner of Chitale & Associates (one of India's leading boutique structuring and tax advisory firm) and M. P. Chitale & Co. (one of the India's leading accounting and consulting firms). He has served as a member of the Insurance Advisory Committee of the Insurance Regulatory and Development Authority of India (IRDA), the Working Group on Insurance, Pensions, Small Savings, etc., Financial Sector Legislative Reforms Commission, Government of India, the Takeover Panel of the Securities & Exchange Board of India, Investor Education & Protection Fund Committee, Government

of India, the Advisory Committee on Regulations of the Competition Commission of India and the Maharashtra Board for Restructuring of State Enterprises, Government of Maharashtra. He has served as a director on the boards of Life Insurance Corporation of India, Unit Trust of India, Small Industries Development Bank of India, National Stock Exchange of India Limited, Asset Reconstruction Company (India) Limited, SBI Capital Markets Limited and National Securities Clearing Corporation Limited. He currently serves as a director on the boards of several large companies including Hinduja Ventures Limited, Ambuja Cements Limited, Hinduja Global Solutions Limited, The Clearing Corporation of India Limited, JM Financial Asset Management Limited, Reliance Life Insurance Company Limited, Reliance General Insurance Company Limited and Reliance Defence and Engineering Limited.

Shri Rajendra P. Chitale is the Chairman of Audit Committee and Nomination and Remuneration Committee and a member of Stakeholders Relationship Committee of the Company. He is the Chairman of Audit Committee of Ambuja Cements Limited, The Clearing Corporation of India Limited and Reliance Defence and Engineering Limited and a member of Audit Committee of Hinduja Ventures Limited, Hinduja Global Solutions Limited, Reliance General Insurance Company Limited and Reliance Life Insurance Company Limited. He is the Chairman of Stakeholders Relationship Committee of Ambuja Cements Limited. He does not hold any share in the Company as of March 31, 2016.

**Dr. Bidhubhusan Samal**, 73 years, Master in Agriculture (Gold Medalist) and doctorate in Economics from Kalyani University, West Bengal. He is also a Post Graduate Diploma holder in Bank Management from the National Institute of Bank Management, Pune. He has more than 30 years of work experience in the field of Banking, Securities Markets and Industrial Finance. He has served as Chairman and Managing Director of Allahabad Bank, Chairman and Managing Director of Industrial Investment Bank of India and as Member of the Securities Appellate Tribunal.

He is a director on the board of Mayfair Hotels and Resorts Limited, Industrial Investment Trust Limited, IITL Projects Limited, Vipul Limited, World Resorts Limited, T K International Limited and Future Generali India Life Insurance Company Limited. He is the Chairman of Stakeholders Relationship Committee and Corporate Social Responsibility Committee and a member of Audit Committee and Nomination and Remuneration Committee of the Company. He is the Chairman of Audit Committee of Vipul Limited and T K International Limited and a member of Audit Committee of Mayfair Hotels and Resorts Limited and IITL Projects Limited. He is also a member of Stakeholders Relationship Committee of Industrial Investment Trust Limited. He does not hold any share in the Company as of March 31, 2016.

**Shri V. N. Kaul**, 73 years, is a former Comptroller and Auditor General of India (C&AG) who was awarded Padma Bhushan in 2014. He has been Vice Chairman of the United Nations Independent Audit Advisory Committee, New York, from 2008 to 2011. Prior to his appointment as C&AG, Shri Kaul held senior positions in Government and in the United Nations. In Government he was, *inter-alia*, Secretary to the Government of India in the Ministries of Petroleum and Natural Gas, Chemicals and Fertilizers and Coal. Earlier he served as Principal Secretary, Finance and Secretary, Commerce and Industry in Madhya Pradesh. He has served as a director in many private and public sector companies and he has been on the Governing Boards of International Bodies.

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From 1991 to 1998 he was seconded to the United Nations – ESCAP, Bangkok as Advisor, Trade Policy and Negotiations for Asia – Pacific Region.

Shri Kaul holds a Masters degree from the University of Delhi and later he was on a Colombo Plan fellowship at the University of Manchester, U.K. He is currently a member of the Eminent Persons Advisory Group (EPAG), constituted by the Competition Commission of India, to give broad inputs and advice on larger issues impacting markets and competition. He is also a member of the Oversight Committee constituted to advise and oversee the process of monetization of immovable property of Air India. Shri V. N. Kaul is the Chairman of Risk Management Committee and a member of Audit Committee and Corporate Social Responsibility Committee of the Company. He does not hold any share in the Company as of March 31, 2016.

**Smt. Chhaya Virani**, 62 years, graduated from Mumbai University with a bachelors' degree in Arts. She also acquired a bachelors' degree in legislative laws from the Government Law College in 1976. She is a partner in M/s. ALMT Legal Advocates and Solicitors. She is a member of Audit Committee, Stakeholders Relationship Committee and Risk Management Committee of the Company. She is a Director on the board of Reliance Infratel Limited and Reliance General Insurance Company Limited. She does not hold any share in the Company as of March 31, 2016.

**Shri Soumen Ghosh**, 57 years, is a Chartered Accountant from England and a Mechanical Engineer. He worked as the Regional CEO of Middle East and India Sub Continent region of Allianz, a German insurance company and as CEO of Bajaj Allianz Life and General Insurance.

He is the Executive Director & Group CEO of Reliance Capital Limited and also a Director on the board of Reliance General Insurance Company Limited, Reliance Life Insurance Company Limited, Reliance Capital Asset Management Limited, Reliance Home Finance Limited, Reliance Capital Pension Fund Limited, Reliance Exchangenext Limited, Reliance AIF Management Company Limited, ANZBAI (Mumbai) Business Forum and Reliance Gilts Limited.

He is the Chairman of ALCO Committee (Asset-Liability Committee) and a member of the Audit Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee of the Company.

He is a member of Audit Committee of Reliance General Insurance Company Limited, Reliance Life Insurance Company Limited, Reliance Capital Asset Management Limited and Reliance Capital Pension Fund Limited. He does not hold any share in the Company as of March 31, 2016.

**Shri Jai Anmol Ambani**, 24 years, studied in Cathedral and John Connon School, Mumbai, till Xth (2007) and thereafter completed his schooling from Seven Oaks School, United Kingdom, in 2009.

Shri Anmol completed his undergraduate studies – BSC in Management – from Warwick Business School, UK. He has 2 years of experience in financial services.

As on March 31, 2016, Shri Anmol held 83,487 equity shares in the Company.

### 7. Insurance coverage

The Company has obtained Directors' and Officers' liability insurance coverage in respect of any legal action that might be initiated against directors / officers of the Company and its subsidiary companies.

### II. Audit Committee

In terms of Section 177 of the Companies Act, 2013, Listing Regulations and Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, the Company has an Audit Committee. The Committee was reconstituted by the Board of Directors of the Company on August 14, 2015 and presently comprises of four independent non-executive directors, one non-independent non-executive director and one executive director of the Company viz. Shri Rajendra P. Chitale as Chairman, Dr. Bidhubhusan Samal, Shri V. N. Kaul, Smt. Chhaya Virani, Shri Amitabh Jhunjhunwala and Shri Soumen Ghosh as Members. All the members of the Committee possess financial / accounting expertise / exposure.

The Audit Committee, *inter-alia*, advises the management on the areas where systems, processes, measures for controlling and monitoring revenue assurance, internal audit and risk management can be improved.

The minutes of the meetings of the Audit Committee are placed before the Board.

Pursuant to the Companies Act, 2013, the Board has approved the terms of reference of the Audit Committee as under:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring

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the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Subject to and conditional upon the approval of the Board of Directors, approval of Related Party Transactions (RPTs) or subsequent modifications thereto. Such approval can be in the form of omnibus approval of RPT subject to conditions not inconsistent with the conditions specified in Regulation 23(2) and Regulation 23(3) of the Listing Regulations. Such approval shall not be required for transactions with a wholly owned subsidiary whose accounts are consolidated with the Company;
9. Subject to review by the Board of Directors, review on quarterly basis, of RPTs entered into by the Company pursuant to each omnibus approval given pursuant to (8) above;
10. Scrutiny of inter-corporate loans and investments;
11. Valuation of undertakings or assets of the company, wherever it is necessary;
12. Review the Company's established system and processes of internal financial controls and risk management systems;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussion with internal auditors of any significant findings and follow up there on;
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. To review the functioning of the Whistle Blower mechanism;
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; and
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as provided in Regulation 23 of the Listing Regulations.

The audit committee is also authorised to:

1. Investigate any activity within its terms of reference.
2. Seek any information from any employee.
3. Obtain outside legal or other professional advice.
4. Secure attendance of outsiders with relevant expertise, if it considers necessary.
5. Call for comments from the auditors about internal controls systems and the scope of audit, including the observations of the auditors;
6. Review financial statements before submission to the Board; and
7. Discuss any related issues with the internal and statutory auditors and the management of the Company.

**Attendance at the meetings of the Audit Committee held during 2015-2016**

The Audit Committee held its meetings on April 3, 2015, May 28, 2015, August 13, 2015, November 2, 2015, January 21, 2016 and February 25, 2016. Maximum and minimum time gap between any two meetings, during the year under review was 80 days and 34 days, respectively.

Members	Number of Meetings	
	held during the tenure	attended
Shri Rajendra P. Chitale	6	6
Shri Amitabh Jhunjhunwala	6	6
Dr. Bidhubhusan Samal	6	6
Shri V. N. Kaul	6	6
Smt. Chhaya Virani	3	3
Shri Soumen Ghosh	3	3

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

The Audit Committee considered all the points in terms of its reference at periodic intervals.

Shri V. R. Mohan, President & Company Secretary acts as the Secretary to the Audit Committee.

During the year, the Committee discussed with the Company's auditors the overall scope and plans for the independent audit.

The Management represented to the Committee that the Company's financial statement were prepared in accordance with prevailing laws and regulations.

The Committee discussed the Company's audited financial statement, the rationality of significant judgments and the clarity of disclosures in the financial statement. Based on the review and discussions conducted with the Management and the auditors, the Audit Committee believes that the Company's financial statement are fairly presented in conformity with prevailing laws and regulations in all material aspects.

The Committee has also reviewed the internal controls put in place to ensure that the accounts of the Company are properly maintained and that the accounting transactions are in accordance with the prevailing laws and regulations. In conducting such reviews, the Committee found no material discrepancy or weakness in the internal control systems of the Company. The Committee also reviewed the financial policies of the Company and expressed its satisfaction with the same. The Committee, after review expressed its satisfaction on the independence of both the Internal and the Statutory Auditors.

# Reliance Capital Limited

## Corporate Governance Report

### III. Nomination and Remuneration Committee

In terms of Section 178 of the Companies Act, 2013 and Listing Regulations, the Company has a Nomination and Remuneration Committee comprising of three directors, viz. Shri Rajendra P. Chitale as Chairman, Shri Amitabh Jhunjunwala and Dr. Bidhubhusan Samal as Members.

The Managerial Remuneration Policy has been provided as an Annexure to the Director's Report.

Shri V. R. Mohan, President & Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

Pursuant to the provisions of the Companies Act, 2013, Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014, Listing Regulations and RBI Guidelines on corporate governance for NBFCs, the terms of reference of the Committee, *inter-alia*, include the following:

1. process for selection and appointment of new directors and succession plans.
2. recommend to the Board from time to time, a compensation structure for directors and the senior management personnel.
3. to identify persons who are qualified to be appointed in Senior Management in accordance with the criteria laid down and to recommend their appointment and/or removal to the Board.
4. to formulate the criteria for evaluation of Independent Directors and the Board and the committees thereof.
5. to carry out evaluation of every director's performance.
6. to devise a policy on board diversity.
7. to perform functions relating to all share based employees benefits.

The Members at the 29<sup>th</sup> Annual General Meeting held on September 30, 2015, had approved payment of commission upto 3 per cent of the net profits of the Company for a period of 5 (five) years from the financial year commencing from April 1, 2016 to non-executive directors, who were not in the whole time employment, upto the limits laid down under the provisions of Section 197 and 198 of the Companies Act, 2013, computed in the manner specified in the Act.

The Nomination and Remuneration Committee held its meetings on April 28, 2015, May 28, 2015, October 15, 2015 and January 21, 2016 which were attended by all the Committee Members.

#### Criteria for making payments to non-executive directors

The remuneration to non-executive directors is benchmarked with the relevant market and performance oriented, balanced between financial and sectoral market, comparative scales, aligned to Corporate goals, role assumed and number of meetings attended.

#### Details of sitting fees and commission paid to the Non-Executive Directors during the Financial Year ended March 31, 2016.

(` in lakh)

Directors	Sitting Fees	Commission
Shri Anil D. Ambani	1.60	-
Shri Amitabh Jhunjunwala	8.80	-
Shri Rajendra P. Chitale	8.00	15.00
Dr. Bidhubhusan Samal	8.80	15.00
Shri V. N. Kaul	6.80	15.00
Smt. Chhaya Virani	5.60	7.50

Notes:

- a. There were no other pecuniary relationships or transactions of non-executive directors vis-à-vis the Company.
- b. The Company has so far not issued any stock options to its non-executive directors.
- c. Pursuant to the limits approved by the Board, all non-executive directors, were paid sitting fees of ` 40,000 (excluding service tax) for attending each meeting of the Board and its committees.
- d. Remuneration by way of commission to the non-executive directors was paid for the financial year 2014-15.

In terms of the approval granted by the shareholders, Shri Soumen Ghosh, Executive Director & Group CEO has been paid a remuneration of ` 729.98 lacs. He has also been granted 1,00,000 ESOS Options.

#### Employee Stock Option Scheme

Employees Stock Option Scheme (ESOS) Compensation Committee has been dissolved and the scope relating to ESOS be performed by the Nomination and Remuneration Committee.

In order to share the growth in value and reward the employees for having participated in the success of the Company, our Employee Stock Option Scheme (the "Scheme") has been implemented by the Company to the eligible employees based on specified criteria.

The Plans are prepared in due compliance of the Scheme, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and other applicable laws, which were in compliance with the requirements of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

### IV. Stakeholders Relationship Committee

In terms of Section 178 of the Companies Act, 2013 and Listing Regulations, the Company has Stakeholders Relationship Committee to resolve the grievances of all the stakeholders of the Company and to perform all other work. The Committee was reconstituted by the Board of Directors of the Company on August 14, 2015 and presently comprises of Dr. Bidhubhusan Samal as Chairman, Shri Rajendra P. Chitale, Shri Amitabh Jhunjunwala, Smt. Chhaya Virani and Shri Soumen Ghosh as Members.

#### Attendance at the meeting of the Stakeholders Relationship Committee held during 2015 - 2016.

The Stakeholders Relationship Committee held its meetings on April 3, 2015, May 28, 2015, August 13, 2015, November 2, 2015 and January 21, 2016. The maximum time gap between any two meetings during the year under review was 80 days and the minimum gap was 54 days.

Members	Number of Meetings	
	held during the tenure	attended
Dr. Bidhubhusan Samal	5	5
Shri Amitabh Jhunjunwala	5	5
Shri Rajendra P. Chitale	5	5
Smt. Chhaya Virani	5	4
Shri Soumen Ghosh	2	2

Shri V. R. Mohan, President & Company Secretary acts as the Secretary to the Stakeholders Relationship Committee.

Corporate Governance Report

V. **Compliance Officer**

Shri V. R. Mohan, President & Company Secretary, is the Compliance Officer for complying with the requirements of various provisions of Law, Rules, Regulations applicable to the Company including SEBI Regulations and the Listing Agreements executed with the Stock Exchanges.

VI. **Corporate Social Responsibility (CSR) Committee**

In terms of Section 135 of the Companies Act, 2013, the Company has CSR Committee. The Committee was reconstituted by the Board of Directors of the Company on August 14, 2015 and presently comprises of Dr. Bidhubhusan Samal as Chairman, Shri Amitabh Jhunjhunwala, Shri V. N. Kaul and Shri Soumen Ghosh as Members. The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'Corporate Social Responsibility Policy'.

The CSR Committee has formulated a CSR policy indicating the activities to be undertaken by the Company.

The Committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013.

During the year, the CSR Committee held its meetings on May 28, 2015 and January 21, 2016 which were attended by all the Committee Members.

Shri V. R. Mohan, President & Company Secretary acts as the Secretary to CSR Committee.

VII. **Risk Management Committee**

Pursuant to the Corporate Governance requirements prescribed by the Reserve Bank of India, the Risk Management Committee comprises of Shri V. N. Kaul as Chairman, Smt. Chhaya Virani and Shri Soumen Ghosh as Members.

The Committee is authorized to discharge its responsibilities as follows:

1. Oversee and approve the risk management, internal compliance and control policies and procedures of the Company.
2. Oversee the design and implementation of the risk management and internal control systems (including reporting and internal audit systems), in conjunction with existing business processes and systems, to manage the Company's material business risks.
3. Set reporting guidelines for management.
4. Establish policies for the monitoring and evaluation of risk management systems to assess the effectiveness of those systems in minimizing risks that may impact adversely on the business objectives of the Company.
5. Oversight of internal systems to evaluate compliance with corporate policies.
6. Provide guidance to the Board on making the Company's risk management policies.
7. Subsidiary companies monitoring framework.

During the year, the Risk Management Committee held its meetings on May 28, 2015, August 13, 2015, November 2, 2015 and January 21, 2016.

Members	Number of Meetings	
	held	attended
Shri V. N. Kaul	4	4
Smt. Chhaya Virani	4	3
Shri Soumen Ghosh	4	4

VIII. **General Body Meetings**

The Company held its last three Annual General Meetings as under:

Financial Year	Date and Time	Whether Special Resolution passed or not
2014-15	September 30, 2015 10:00 A.M.	Yes, Payment of Commission to Non- Executive Directors, Private Placement of Non-Convertible Debentures and/or other Debt Securities, Qualified Institutional Placement
2013-14	September 30, 2014 10:00 A.M.	Yes, Private Placement of Non-Convertible Debentures and/or other Debt Securities
2012-13	August 27, 2013 10:00 A.M.	Yes, Qualified Institutional Placement

The above Annual General Meetings were held at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020.

**Extra Ordinary General Meeting (EGM)**

An EGM of members was held on Friday, January 23, 2015 at 10:00 A.M. at Auditorium, Reliance Energy Management Institute, Jogeshwari Vikhroli Link Road, Opp. SEEPZ, Mumbai 400 060 to pass special resolution for preferential issue of equity shares.

IX. **Postal Ballot**

The Company had not conducted any business through Postal Ballot during the financial year 2015-16.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing of a special resolution through postal ballot.

X. **Means of communication**

- a. **Quarterly Results:** Quarterly results are published in The Financial Express, English newspaper circulating in substantially the whole of India and in Navshakti, Marathi vernacular newspaper and are also posted on the Company's website: www.reliancecapital.co.in.
- b. **Media Releases and Presentations:** Official media releases are sent to the Stock Exchanges before their release to the media for wider dissemination. Presentations made to media, analysts, institutional investors, etc. are posted on the Company's website.
- c. **Website:** The Company's website contains a separate dedicated section 'Investor Relations'. It contains comprehensive database of information of interest to our investors including the financial results and Annual Report of the Company, information on dividend declared by the Company, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered / facilities extended by the Company to our investors, in a user friendly manner. The basic information about the Company as called for in terms of the Listing Regulations is provided on the Company's website and the same is updated regularly.

## Corporate Governance Report

- d. **Annual Report:** The Annual Report containing, *inter-alia*, Notice of Annual General Meeting, Audited Financial Statement, Consolidated Financial Statement, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis Report forms part of the Annual Report and is displayed on the Company's website.

The Companies Act, 2013 read with the Rules made thereunder and the Listing Regulations facilitate the service of documents to members through electronic means. The Company e-mails the soft copies of the Annual Report to all those members whose e-mail IDs are available with its Registrar and Transfer Agent.

- e. **NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web based system designed by NSE for corporates. The shareholding pattern, corporate governance report, corporate announcement, media release, results, etc. are filed electronically on NEAPS.

- f. **BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** The Listing Centre is a web-based application designed by BSE for corporates. The shareholding pattern, corporate governance report, media release, results, etc. are filed electronically on the Listing Centre.

- g. **Unique Investor Helpdesk:** Exclusively for investor servicing, the Company has set up a Unique Investor Helpdesk with multiple access modes as under:

Toll free no. (India) : 1800 4250 999  
Tel. : +91 40 6716 1500  
Fax : +91 40 6716 1791  
E-mail : rclinvestor@karvy.com

- h. **Designated e-mail id:** The Company has also designated e-mail id rclinvestor@relianceada.com exclusively for investor servicing.

- i. **SEBI Complaints Redress System (SCORES):** The investors' complaints are also being processed through the centralised web based complaint redressal system. The salient features of SCORES are availability of centralised data base of the complaints, uploading online action taken reports by the Company. Through SCORES the investors can view online, the action taken and current status of the complaints.

### XI. Management Discussion and Analysis

A Management Discussion and Analysis Report forms part of this Annual Report and includes discussions on various matters specified under Regulation 34(2), Schedule V of the Listing Regulations.

### XII. Subsidiaries

Reliance General Insurance Company Limited (RGICL) is a material non-listed Indian subsidiary company in terms of Regulation 24 of the Listing Regulations. Shri Rajendra P. Chitale and Smt. Chhaya Virani, Independent Directors of the Company have been appointed on the board of RGICL.

The Company monitors performance of subsidiary companies, *inter-alia*, by the following means:

- a. Financial statements, in particular the investments made by unlisted subsidiary companies are reviewed quarterly by the Audit Committee of the Company.
- b. Minutes of the meetings of the Board of Directors of all subsidiary companies are placed before the Company's Board regularly.

- c. A statement containing all the significant transactions and arrangements entered into by the unlisted subsidiary companies are placed before the Company's Board / Audit Committee.

- d. Quarterly review of Risk Management process by the Risk Management Committee / Audit Committee / Board.

### XIII. Disclosures

- a. There has been no non-compliance by the Company on any matter related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority.

#### b. Related party transactions

During the financial year 2015-16, no transactions of material nature had been entered into by the Company that may have a potential conflict with interest of the Company. The details of related party transactions are disclosed in Notes to Accounts.

#### c. Accounting treatment

In the preparation of financial statement, the Company has followed the Accounting Standards as prescribed under Companies (Accounting Standard) Rules, 2006, as applicable. The Accounting Policies followed by the Company to the extent relevant, are set out elsewhere in this Annual Report.

#### d. Risk management

The Company has laid down a robust Risk Management Policy, defining Risk profiles involving Strategic, Technological, Operational, Financial, Organisational, Legal and Regulatory risks within a well defined framework. The Risk Management Policy acts as an enabler of growth for the Company by helping its businesses to identify the inherent risks, assess, evaluate and monitor these risks continuously and undertake effective steps to manage these risks.

Shri V. N. Kaul acts as the Chairman and Smt. Chhaya Virani and Shri Soumen Ghosh, Directors are members of Risk Management Committee (RMC). The Committee periodically reviews the robustness of the Risk Management Policy. The periodical update on the risk management practices and mitigation plan of the Company and subsidiaries are presented to the Audit Committee and Board of Directors. The Audit Committee and Board periodically review such updates and findings and suggest areas where internal controls and risk management practices can be improved.

Asset Liability Committee (ALCO) consisting of senior management executives, monitors liquidity and interest rate risks of the Company. The functioning of ALCO is reviewed by the RMC which meets on quarterly basis and reports to the Board of Directors.

#### e. Prevention of Money Laundering - Know Your Customer Policy

In keeping with specific requirements for Non-Banking Financial Companies the Company has also formulated a Prevention of Money Laundering and Know Your Customer Policy.

#### f. Code of Conduct

The Company has adopted the code of conduct and ethics for directors and senior management. The Code has been circulated to all the members of the Board and senior management and the same has been posted on

## Corporate Governance Report

the Company's website [www.reliancecapital.co.in](http://www.reliancecapital.co.in). The Board members and senior management have affirmed their compliance with the code and a declaration signed by the Executive Director & Group CEO of the Company is given below:

"It is hereby declared that the Company has obtained from all members of the Board and senior management personnel affirmation that they have complied with the Code of Conduct for Directors and Senior Management of the Company for the year 2015-16".

**Soumen Ghosh**  
Executive Director & Group CEO

g. **CEO / CFO certification**

Shri Soumen Ghosh, Executive Director & Group CEO and Shri Amit Bapna, CFO of the Company have provided certification on financial reporting and internal controls to the Board as required under Regulation 17(8) of the Listing Regulations.

h. **Review of Directors' Responsibility Statement**

The Board in its report has confirmed that the annual accounts for the year ended March 31, 2016 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

XIV. **Policy on insider trading**

The Company has formulated a Reliance Capital Limited – Code of Conduct for Prevention of Insider Trading and Code for Fair Disclosure of Unpublished Price Sensitive Information (Code) in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Board has appointed Shri V. R. Mohan, President & Company Secretary as the Compliance Officer under the Code responsible for complying with the procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code under the overall supervision of the Board. The Company's Code, *inter-alia*, prohibits purchase and/or sale of securities of the Company by an insider, while in possession of unpublished price sensitive information in relation to the Company and also during certain prohibited periods. The Company's Code is available on the Company's website.

XV. **Compliance of Regulation 34(3) and Para F of Schedule V of the Listing Regulations**

As per Regulation 34(3) and Para F of Schedule V of the Listing Regulations, the details in respect of equity shares lying in "Unclaimed Suspense Account - Reliance Capital Limited" were as follows:

Particulars	No. of shareholders	No. of shares
(i) Aggregate number of shareholders and the outstanding shares in the suspense account lying at April 1, 2015	52 683	2 03 047
(ii) Number of shareholders who approached listed entity for transfer of shares from suspense account during April 1, 2015 to March 31, 2016	233	2 269

Particulars	No. of shareholders	No. of shares
(iii) Number of shareholders to whom shares were transferred from suspense account during the April 1, 2015 to March 31, 2016	233	2 269
(iv) Aggregate number of shareholders and the outstanding shares in the suspense account lying at March 31, 2016	52 450	2 00 778

The voting rights on the shares outstanding in the "Reliance Capital Limited – Unclaimed Suspense Account" as on March 31, 2016 shall remain frozen till the rightful owner of such shares claims the shares.

Wherever shareholders have claimed the share(s), after proper verifications, the share certificates were dispatched to them or share(s) were credited to the respective beneficiary account.

XVI. **Compliance with non-mandatory requirements**

1. **The Board**

Our Chairman is a non-executive Chairman and is entitled to maintain Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.

2. **Audit qualifications**

There are no audit qualifications on the financial statements of the Company for the year 2015-16.

3. **Separate posts of Chairman and CEO**

The Company appointed Shri Soumen Ghosh as CEO of the Company. Thus Company maintains separate posts of Chairman and CEO.

4. **Reporting of Internal Auditor**

The internal auditor reports directly to the Audit Committee of the Company.

XVII. **General shareholder information**

The mandatory and various additional information of interest to investors are voluntarily furnished in a separate section on investor information in this annual report.

**Auditors' certificate on corporate governance**

The Auditors' certificate on compliance of Regulation 34(3) of the Listing Regulations relating to corporate governance is published elsewhere in this Report.

**Review of governance practices**

We have in this Report attempted to present the governance practices and principles being followed at Reliance Capital, as evolved over a period, and as best suited to the needs of our business and stakeholders.

Our disclosures and governance practices are continually revisited, reviewed and revised to respond to the dynamic needs of our business and ensure that our standards are at par with the globally recognised practices of governance, so as to meet the expectations of all our stakeholders.

# Reliance Capital Limited

## Investor Information

### Important points

#### Hold securities in dematerialised form

Investors should hold their securities in dematerialised form as the same is beneficial due to following:-

- A safe and convenient way to hold securities;
- Elimination of risks associated with physical certificates such as bad delivery, fake securities, delays, thefts, etc.
- Immediate transfer of securities;
- No stamp duty on electronic transfer of securities;
- Reduction in transaction cost;
- Reduction in paperwork involved in transfer of securities;
- No odd lot problem, even one share can be traded;
- Availability of nomination facility;
- Ease in effecting change of address as change with Depository Participants gets registered with all companies in which investor holds securities electronically;
- Easier transmission of securities as the same done by Depository Participants for all securities in demat account;
- Automatic credit into demat account of shares, arising out of bonus/split/consolidation/merger etc.

#### Hold securities in consolidated form

Investors holding shares in multiple folios are requested to consolidate their holdings in single folio. Holding of securities in one folio enables shareholders to monitor the same with ease.

#### Furnish bank details and get dividend directly credited in bank account

Investors should avail the Electronic Clearing Services for payment of dividend as the same reduces risk attached to physical dividend warrants. Some of the advantages of payment through electronic credit services are as under:

- Avoidance of frequent visits to banks for depositing the physical instruments.
- Prompt credit to the bank account of the investor through electronic clearing.
- Fraudulent encashment of warrants is avoided.
- Exposure to delays / loss in postal service avoided.
- As there can be no loss in transit of warrants, issue of duplicate warrants is avoided.

Printing of bank account numbers, names and addresses of bank branches on dividend warrants provide protection against fraudulent encashment of dividend warrants. Members are requested to provide, the same to the Company's RTA for incorporation on their dividend warrants.

#### Register for SMS alert facility

Investor should register with Depository Participants for the SMS alert facility. Both National Securities Depository Limited and Central Depository Services (India) Limited alert investors through SMS of the debits and credits in their demat account.

#### Submit nomination form and avoid transmission hassle

Nomination helps nominees to get the shares transmitted in their favour without any hassles. Investors should get the nomination

registered with the Company in case of physical holding and with their Depository Participants in case of shares are held in dematerialised form.

Form may be downloaded from the Company's website, [www.reliancecapital.co.in](http://www.reliancecapital.co.in) under the section "Investor Relations". However, if shares are held in dematerialised form, nomination has to be registered with the concerned Depository Participants directly, as per the form prescribed by the Depository Participants.

#### Deal only with SEBI registered intermediaries

Investors should deal with SEBI registered intermediary so that in case of deficiency of services, investor may take up the matter with SEBI.

#### Corporate benefits in electronic form

Investor holding shares in physical form should opt for corporate benefits like split/ bonus etc. in electronic form by providing their demat account details to Company's RTA.

#### Register e-mail address

Investors should register their e-mail address with the Company/ Depository Participants. This will help them in receiving all communication from the Company electronically at their e-mail address. This also avoids delay in receiving communications from the Company. Prescribed form for registration may please be downloaded from the Company's website.

#### Course of action in case of non-receipt of dividend, revalidation of dividend warrant etc.

Shareholders may write to the Company's RTA, furnishing the particulars of the dividend not received, and quoting the folio number/DP ID and Client ID particulars (in case of dematerialised shares). On expiry of the validity period, if the dividend warrant still appears as unpaid in records, duplicate warrant will be issued. The Company's RTA would request the concerned shareholder to execute an indemnity before issuing the duplicate warrant. However, duplicate warrants will not be issued against those shares wherein a 'stop transfer indicator' has been instituted either by virtue of a complaint or by law, unless the procedure for releasing the same has been completed. Shareholders are requested to note that they have to wait till the expiry of the validity of the original warrant before a duplicate warrant is issued to them, since the dividend warrants are payable at par at several centres across the country and the banks do not accept 'stop payment' instructions on the said warrants.

#### Facility for a Basic Services Demat Account (BSDA)

SEBI has stated that all the depository participants shall make available a BSDA for the shareholders who have only one demat account with (a) No Annual Maintenance Charges (AMC) if the value of holding is upto ` 50,000 and (b) AMC not exceeding ` 100 for value of holding from ` 50,001 to ` 2,00,000 (Refer Circular CIR/MRD/DP/22/2012 dated August 27, 2012).

#### Annual General Meeting

The 30<sup>th</sup> Annual General Meeting (AGM) will be held on Tuesday, September 27, 2016 at 10:00 A.M., at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020.

#### E-voting

The Members can cast their vote online from 10:00 A.M. on September 24, 2016 to 5:00 P.M. on September 26, 2016.



## Investor Information

### Financial year of the company

The financial year of the Company is from April 1 to March 31 each year.

### Website

The Company's website [www.reliancecapital.co.in](http://www.reliancecapital.co.in) contains a separate dedicated section called 'Investor Relations'. It contains comprehensive data base of information of interest to our investors including the financial results, annual reports, dividends declared, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered / facilities extended to our investors.

### Dedicated e-mail id for investors

For the convenience of our investors, the Company has designated an e-mail id i.e. [rc.linvestor@relianceada.com](mailto:rc.linvestor@relianceada.com) for investors.

### Registrar and Transfer Agent (RTA)

Karvy Computershare Private Limited

Unit: Reliance Capital Limited

Karvy Selenium Tower – B

Plot No. 31 & 32, Survey No. 116/22, 115/24, 115/25

Financial District, Nanakramguda

Hyderabad 500 032

Toll free no. (India) : 1800 4250 999

Tel. : +91 40 6716 1500

Fax : +91 40 6716 1791

E-mail : [rc.linvestor@karvy.com](mailto:rc.linvestor@karvy.com)

Website: [www.karvy.com](http://www.karvy.com)

Shareholders/investors are requested to forward share transfer documents, dematerialisation requests (through their Depository Participant (DP)) and other related correspondence directly to Company's RTA at the above address for speedy response.

### Dividend announcements

The Board of Directors of the Company have recommended a Dividend of ` 10.00 (100 per cent) per equity share of the Company for the financial year ended March 31, 2016, subject to the declaration by shareholders at the ensuing AGM. The dividend, if declared, will be paid after the Meeting.

### Book closure dates for the purpose of dividend and AGM

Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 17, 2016 to Tuesday, September 27, 2016 (both days inclusive) for the purpose of AGM as well as to determine the entitlement of shareholders to receive the Dividend, if any, for the year ended March 31, 2016.

### Dividend remittance

Final Dividend on Equity Shares as recommended by the Directors for the financial year ended March 31, 2016, when declared at the AGM will be paid to:

- (i) all those equity shareholders whose names appear in the Register of Members as on September 16, 2016; and
- (ii) those whose names as beneficial owners as on September 16, 2016 are furnished by the National Securities Depository Limited and Central Depository Services (India) Limited for the purpose.

### Modes of payment of dividend

The dividend is paid under two modes viz.

- Credit to the Bank account via
  - ECS (Electronic Clearing Services)
  - NECS (National Electronic Clearing Services)
  - NEFT (National Electronic Funds Transfer)
  - RTGS (Real Time Gross Settlement)
  - Direct Credit
- Dispatch of physical dividend warrant

Shareholders are requested to avail the Electronic Clearing Services for payment of dividend as the same is immensely beneficial and considerably reduces risk attached to physical dividend warrants.

### Unclaimed dividends

- (i) Transfer to the Central Government

Pursuant to Section 205A of the Companies Act, 1956, unclaimed dividends upto and including for the financial year 1994-95 have been transferred to the General Revenue Account of the Central Government.

The shareholders who have not encashed their dividend warrants relating to financial year(s) upto 1994-95 are requested to claim the amounts from the Registrar of Companies, Maharashtra, CGO Complex, 2<sup>nd</sup> Floor, "A" Wing, CBD – Belapur, Navi Mumbai 400 614, in the prescribed form which will be furnished by the Company on request.

- (ii) Transfer to the Investor Education and Protection Fund (IEPF)

The dividends for the year 1995-96 to 2007-08 remaining unclaimed for 7 years from the date of declaration have been transferred to the IEPF established by the Government of India pursuant to Section 205C of the Companies Act, 1956. Consequently, no claim shall lie against the said Fund or the Company in respect of any amounts which were unclaimed and unpaid for a period of seven years from the date it first became due for payment.

- (iii) Dividends to be transferred to the Investor Education and Protection Fund (IEPF)

The dividend for the following years remaining unclaimed for 7 years from the date of declaration are required to be transferred by the Company to IEPF and the various dates for transfer of such amounts are as under:

Financial year ended	Dividend per share (₹)	Date of declaration	Due for transfer on
31-03-2010	6.50	28-09-2010	27-10-2017
31-03-2011	6.50	27-09-2011	26-10-2018
31-03-2012	7.50	04-09-2012	03-10-2019
Special Interim Dividend	5.00	10-09-2012	09-10-2019
31-03-2013	8.00	27-08-2013	26-09-2020
31-03-2014	8.50	30-09-2014	29-10-2021
31-03-2015	9.00	30-09-2015	29-10-2022

## Reliance Capital Limited

### Investor Information

Members who have so far not encashed dividend warrant for the aforesaid years are requested to approach the Company's Registrar and Transfer Agent, Karvy Computershare Private Limited, immediately.

The Company has uploaded the details of unpaid and unclaimed dividend on the website of the Company in terms of the requirements of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012.

Members are requested to note that no claims shall lie against the Company in respect of any amounts which were unclaimed and unpaid for a period of seven years from the date that it first became due for payment and no payment shall be made in respect of any such claim.

### Shareholding Pattern

Category of shareholders	As on 31-03-2016		As on 31-03-2015	
	Number of Shares	%	Number of Shares	%
(A) Shareholding of promoter and promoter group				
(i) Indian	13 13 82 303	52.01	13 29 82 303	52.64
(ii) Foreign	-	-	-	-
<b>Total shareholding of promoter and promoter group</b>	<b>13 13 82 303</b>	<b>52.01</b>	13 29 82 303	52.64
(B) Public shareholding				
(i) Institutions	7 24 39 564	28.67	7 38 46 704	29.23
(ii) Non-institutions	4 65 89 124	18.44	4 52 05 627	17.89
<b>Total public shareholding</b>	<b>11 90 28 688</b>	<b>47.11</b>	11 90 52 331	47.12
(C) Shares held by custodians and against which depository receipts have been issued	6 21 809	0.25	5 98 166	0.24
(D) ESOS Trust*	16 00 000	0.63	-	-
<b>Grand Total (A)+(B)+(C)+(D)</b>	<b>25 26 32 800</b>	<b>100.00</b>	25 26 32 800	100.00

\* Shares held by ESOS Trust have been shown as Non Promoter Non Public as per the Listing Regulations w.e.f. December 1, 2015.

### Distribution of Shareholding

Number of shares	Number of shareholders as on 31.03.2016		Total shares as on 31.03.2016		Number of shareholders as on 31.03.2015		Total shares as on 31.03.2015	
	Number	%	Number	%	Number	%	Number	%
Upto 500	9 99 544	99.07	2 67 45 368	10.59	10 34 210	99.13	2 71 89 880	10.76
501 to 5000	8 731	0.87	99 14 145	3.92	8 399	0.81	94 23 575	3.73
5001 to 100000	514	0.05	95 22 216	3.77	527	0.05	1 04 11 216	4.12
Above 100000	101	0.01	20 64 51 071	81.72	116	0.01	20 56 08 129	81.39
Total	10 08 890	100.00	25 26 32 800	100.00	10 43 252	100.00	25 26 32 800	100.00

### Dematerialisation of shares and Liquidity

The Company was among the first few companies to admit its shares to the depository system of National Securities Depository Limited (NSDL) for dematerialisation of shares. The International Securities Identification Number (ISIN) allotted to the Company is INE 013A01015. The Company was the first to admit its shares and go 'live' on to the depository system of Central Depository Services (India) Limited (CDSL) for dematerialisation of shares. The equity shares of the Company are compulsorily traded in dematerialised form as mandated by Securities and Exchange Board of India (SEBI).

### Status of dematerialisation of shares

As on March 31, 2016, 98.08 per cent of the Company's shares are held in Dematerialised form.

### Investors' Grievances Attended

Received from	Received during		Redressed during		Pending as on	
	2015-2016	2014-2015	2015-2016	2014-2015	31.03.2016	31.03.2015
SEBI	28	36	28	36	Nil	Nil
Stock Exchanges	7	9	7	9	Nil	Nil
NSDL/CDSL	-	-	-	-	Nil	Nil
Direct from investors	3	-	3	-	Nil	Nil
Total	38	45	38	45	Nil	Nil

**Investor Information**

**Analysis of Grievances**

	2015 – 2016		2014 – 2015	
	Numbers	%	Numbers	%
Non-receipt of dividend	32	84.21	35	77.78
Non-receipt of share certificates	-	-	-	-
Others	6	15.79	10	22.22
Total	38	100.00	45	100.00

There was no complaint pending as on March 31, 2016.

**Notes :**

1. The shareholder base was 10,08,890 as of March 31, 2016 and 10,43,252 as of March 31, 2015.
2. Investors queries / grievances are normally attended within a period of 3 days from the date of receipt thereof, except in cases involving external agencies or compliance with longer procedural requirements specified by the authorities concerned.

**Legal Proceedings**

There are certain pending cases relating to disputes over title to shares, in which the Company is made a party. These cases are however not material in nature.

**Equity History**

Sr. No.	Date	Particulars	Price per equity share (₹)	No. of shares	Cumulative Total
1.	05-03-1986	Shares issued upon incorporation	10	7 000	7 000
2.	14-06-1990 & 21-06-1990	1 <sup>st</sup> Public Issue	10	1 99 93 000	2 00 00 000
3.	28-08-1992	Shares issued upon amalgamation	10	18 70 000	2 18 70 000
4.	10-02-1993	1 <sup>st</sup> Rights Issue 1992 with a ratio of 1:1	40	2 18 77 500	4 37 47 500
5.	18-07-1994 & 29-10-1994	Preferential Allotment to Promoters	50	2 74 00 000	7 11 47 500
6.	20-01-1995 & 17-02-1995	Public Issue 1995	140	4 33 97 592	11 45 45 092
7.	29-03-1995	Rights Issue 1995	50	1 40 01 970	12 85 47 062
8.	11-07-1995	Allotment of Rights kept in abeyance	50	42 790	12 85 89 852
9.	13-11-1995	Allotment of Rights kept in abeyance	50	13 280	12 86 03 132
10.	09-02-1996	Allotment of Rights kept in abeyance	50	9 620	12 86 12 752
11.	29-06-1996	Allotment of Rights kept in abeyance	150	12 400	12 86 25 152
12.	31-03-1997	Allotment of Rights kept in abeyance	50	25 298	12 86 50 450
13.	04-11-1996	Forfeiture of equity shares relating to Public Issue of 1990 and Rights Issue 1992	-	(1 23 400)	12 85 27 050
14.	27-04-2000	Forfeiture of equity shares relating to Public and Rights Issue 1995	-	(12 61 455)	12 72 65 595
15.	27-04-2000 to 29-07-2003	Forfeiture of equity shares annulled	-	40 649	12 73 06 244
16.	21-07-2005	Preferential Allotment to FIIs	228	1 62 60 001	14 35 66 245
17.	02-08-2005	Preferential Allotment to Promoters	228	6 00 00 000	20 35 66 245
18.	22-08-2005	Allotment to Promoter upon Conversion of warrants on preferential basis	228	38 00 000	20 73 66 245
19.	31-03-2006	Allotment to Promoter upon Conversion of warrants on preferential basis	228	1 55 00 000	22 28 66 245
20.	07-08-2006	Allotment pursuant to amalgamation of Reliance Capital Ventures Ltd. (RCVL) with the Company	10	6 11 56 521	
21.	07-08-2006	Less: Shares extinguished due to amalgamation of RCVL with the Company	-	(6 00 89 966)	22 39 32 800
22.	30-01-2007	Allotment to Promoter upon Conversion of warrants on preferential basis	228	2 17 00 000	24 56 32 800
23.	12-03-2015	Preferential allotment to Sumitomo Mitsui Trust Bank	530	70 00 000	25 26 32 800

# Reliance Capital Limited

## Investor Information

### Stock Price and Volume

2015 - 16	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Volume Nos.	High (₹)	Low (₹)	Volume Nos.
April, 2015	464.50	399.30	78 82 816	464.70	399.10	3 89 33 206
May, 2015	424.70	379.60	79 27 790	424.70	379.50	3 98 07 569
June, 2015	407.00	335.50	1 11 98 334	405.05	335.00	4 62 75 210
July, 2015	399.45	351.85	96 77 709	399.45	351.75	4 77 20 707
August, 2015	405.90	250.80	1 38 33 532	406.5	246.35	6 47 45 216
September, 2015	377.90	301.60	1 21 18 595	377.60	301.30	5 91 62 345
October, 2015	428.00	369.60	85 81 367	428.30	369.40	4 83 07 816
November, 2015	441.10	389.90	68 92 372	441.40	389.85	4 31 31 496
December, 2015	447.70	384.75	87 35 224	447.80	384.35	5 11 25 242
January, 2016	470.80	339.55	1 76 23 577	471.00	340.00	9 60 88 092
February, 2016	387.00	303.60	1 23 73 941	387.15	303.25	6 86 99 917
March, 2016	383.80	320.60	1 14 45 629	383.80	320.50	7 04 09 675

### Stock exchange listings

The Company's equity shares are actively traded on BSE and NSE, the Indian Stock Exchanges.

### Listing on stock exchanges

#### Equity shares

##### BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street  
Mumbai 400 001  
Website : [www.bseindia.com](http://www.bseindia.com)

##### National Stock Exchange of India Limited

Exchange Plaza, Plot No. C/1, G Block  
Bandra Kurla Complex, Bandra (East)  
Mumbai 400 051  
Website : [www.nseindia.com](http://www.nseindia.com)

#### Stock codes

BSE Limited : 500111  
National Stock Exchange of India Limited : RELCAPITAL  
ISIN for equity shares : INE 013A01015

**An Index Scrip:** Equity Shares of the Company are included in the Indices viz. Nifty 500, Nifty Midcap 50, Nifty 200, S&P BSE 100, S&P BSE 200, S&P BSE 500, S&P BSE Midcap, S&P BSE Finance, S&P BSE All Cap Index and MSCI Global Small Cap Index.

### Global Depository Receipts (GDRs)

#### Luxembourg Stock Exchange

Societe De La Bourse, De Luxembourg,  
35A Boulevard Joseph II, Luxembourg  
Website : [www.bourse.lu](http://www.bourse.lu)

#### Depository bank for GDR holders

Deutsche Bank Trust Company America  
60 Wall Street, New York - 10005

#### Security Codes of RCL GDRs

	Master Rule 144A GDRs	Master Regulation S GDRs
CUSIP	75945L103	75945L202
ISIN	US75945L1035	US75945L2025
Common Code	026469457	026470315

**Note:** The GDRs are admitted to listing on the official list of the Luxembourg Stock Exchange and to trading on the Euro MTF market. The Rule 144A GDRs have been accepted for clearance and settlement through the facilities of DTC, New York.

The Regulation S GDRs have been accepted for clearance and settlement through the facilities of Euroclear and Clearstream, Luxembourg. The Rule 144A GDRs have been designated as eligible for trading on PORTAL.

### Outstanding GDRs of the Company, conversion date and likely impact on equity

Outstanding GDRs as on March 31, 2016 represent 6,21,809 equity shares constituting 0.25 per cent of the paid-up equity share capital of the Company. Each GDR represent one underlying equity share in the Company.

### Commodity price risk or foreign exchange risk and hedging activities

The Company does not have any un-hedged exposure to commodity price risks and foreign exchange Risk. The Company hedges its interest rate risk on market linked debentures by taking positions in futures and options.

### Debt securities

The Debt Securities of the Company are listed on the Wholesale Debt Market (WDM) Segment of BSE.

### Debenture Trustee

IL&FS Trust Company Limited  
The IL&FS Financial Center, Plot C-22, G Block  
Bandra - Kurla Complex, Bandra East, Mumbai 400 051  
Website : [www.itclindia.com](http://www.itclindia.com)

### Payment of listing fees

Annual listing fee for the year 2016-17 has been paid by the Company to the stock exchanges.

### Share price performance in comparison to broad based indices - Sensex BSE and Nifty NSE

	RCL	Sensex BSE	Nifty NSE
FY 2015-16	-13.24%	- 9.36%	-8.86%
2 years	6.49%	13.20%	15.43%
3 years	17.80%	34.54%	36.18%

### Key financial reporting dates for the financial year 2016-17

Unaudited results for the first quarter ended June 30, 2016	: On or before August 14, 2016
Unaudited results for the second quarter / half year ended September 30, 2016	: On or before November 14, 2016
Unaudited results for the third quarter ended December 31, 2016	: On or before February 14, 2017
Audited results for the financial year 2016-17	: On or before May 30, 2017

### Investor Information

#### Depository services

For guidance on depository services, shareholders may write to the Company's RTA or National Securities Depository Limited, Trade World, A Wing, 4<sup>th</sup> and 5<sup>th</sup> Floors, Kamala Mills Compound, Lower Parel, Mumbai 400 013, website: www.nsdl.co.in or Central Depository Services (India) Limited, Phiroze Jeejeebhoy Towers, 17<sup>th</sup> Floor, Dalal Street, Mumbai 400 023, website: www.cdslindia.com.

#### Communication to members

The quarterly financial results of the Company were announced within 45 days of the end of the respective quarter except last quarter during the year under review. The last quarter financial results of the Company were announced within 60 days of the end of the year. The Company's media releases and details of significant developments are made available on Company's website: www.reliancecapital.co.in. These are also published in leading newspapers.

#### Reconciliation of share capital audit

The Securities and Exchange Board of India has directed that all issuer companies shall submit a report reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued / paid-up capital. The said certificate, duly certified by a qualified chartered accountant is submitted to the stock exchanges where the securities of the Company are listed within 30 days of the end of each quarter and the certificate is also placed before the Board of Directors of the Company.

#### Investors' correspondence may be addressed to the Registrar and Transfer Agent of the Company

Shareholders/Investors are requested to forward documents related to share transfer, dematerialisation requests (through their respective Depository Participant) and other related correspondence directly to Karvy Computershare Private Limited at the below mentioned address for speedy response:

Karvy Computershare Private Limited  
Unit: Reliance Capital Limited  
Karvy Selenium Tower – B  
Plot No. 31 & 32, Survey No. 116/22, 115/24, 115/25  
Financial District, Nanakramguda  
Hyderabad 500 032  
E-mail : rcl.investor@relianceada.com

#### Shareholders / Investors may send the above correspondence at the following address

Queries relating to financial statement of the Company may be addressed to :

The Chief Financial Officer  
Reliance Capital Limited  
H Block, 1<sup>st</sup> Floor  
Dhirubhai Ambani Knowledge City  
Navi Mumbai 400 710  
Tel.: +91 22 3303 1000  
Fax: +91 22 3303 6664  
E-mail : rcl.investor@relianceada.com

Correspondence on investor services may be addressed to:

President & Company Secretary  
Reliance Capital Limited  
H Block, 1<sup>st</sup> Floor  
Dhirubhai Ambani Knowledge City  
Navi Mumbai 400 710  
Tel.: +91 22 3303 1000  
Fax: +91 22 3303 6664  
E-mail : rcl.investor@relianceada.com

#### Plant Locations

The Company is engaged in the business of financial services and as such has no plant.

### Auditor's Certificate on Corporate Governance

#### To, The Members of Reliance Capital Limited

We have examined the compliance of conditions of Corporate Governance by Reliance Capital Limited ('the Company') for the year ended on March 31, 2016, as stipulated in Clause 49 of the Listing Agreement ("Listing Agreement") of the Company with the Stock Exchanges for the period April 1, 2015 to November 30, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred to in Regulation 15 (2) of the Listing Regulations for the period December 1, 2015 to March 31, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as

stipulated in Clause 49 of the Listing Agreement / Regulation 15(2) of the Listing Regulations mentioned above.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

**Vijay Napawaliya**  
Partner

Membership No: 109859  
Mumbai  
August 23, 2016

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Reg. No: 101248W/  
W-100022

**Akeel Master**  
Partner

Membership No: 046768  
Mumbai  
August 23, 2016

# Reliance Capital Limited

## Independent Auditors' Report on the Standalone Financial Statement

To  
The Members,  
Reliance Capital Limited

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Reliance Capital Limited ("the Company"), which comprise the balance sheet as at March 31, 2016, the statement of profit and loss, cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

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

### Auditors' Responsibility

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

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity

with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. Further to our comments in the Annexure A, and as required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" and;
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) the Company has disclosed the impact of pending litigations as at March 31, 2016 on its standalone financial position in its standalone financial statements-Refer Note No. 44 (a) (ii) to the standalone financial statements;
    - ii) the Company has made adequate provision for the year ended March 31, 2016, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts Refer Note No. 41 (XVI) to the standalone financial statements; and
    - iii) there has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

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

**Vijay Napawaliya**  
Partner  
Membership No: 109859  
Mumbai  
May 6, 2016

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Reg. No: 101248W/  
W-100022

**Akeel Master**  
Partner  
Membership No: 046768  
Mumbai  
May 6, 2016

**Annexure A to the Independent Auditors' Report on the Financial Statement**

(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 regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material 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.
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Company is a Systemically Important Non-deposit taking Non-Banking Financial Company which is primarily engaged in lending and investing activities. Accordingly, Company's business does not involve inventories. Thus, paragraph 3 (ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, during the year the Company has not granted any loans secured/unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Act. Thus, paragraph 3 (iii) of the Order is not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year under audit, the Company has not given any loan, guarantee or securities to parties covered under section 185. As the Company is registered as a non banking financial Company with the Reserve Bank of India, the provision of Section 186 except sub-section (1) of the Act is not applicable to the Company. In our opinion and according to the information and explanations given to us, during the year, the Company has not made any investments through more than two layers of investment companies as mentioned in sub-section (1) of section 186 of the Act.
- (v) According to the information and explanations given to us, the Company is a Systemically Important Non-deposit taking Non-Banking Financial Company, therefore paragraph 3 (v) of the Order is not applicable to the Company.
- (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 Act in respect of activities carried on by the Company. Thus, paragraph 3 (vi) of the Order is not applicable to the Company.
- (vii) In respect of statutory dues:
- a) According to the information and explanations given to us and on the basis of our examination of 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, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues except in case of professional tax in which there were few delays in payment of the said dues. Further, there are no undisputed amounts payable outstanding as at March 31, 2016 for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us, there are no dues of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute, except in respect of sales tax under Gujarat Sales Tax Act, 1969 of ₹ 4,75,916 for the year 2001-02 which is pending before the Gujarat Sales Tax Tribunal, Ahmedabad and sales tax under Madhya Pradesh General Sales Tax Act, 1958 of ₹ 4,30,472 for the year 1996-97 which is pending before Appellate Deputy Commissioner of the Commercial Tax, Indore Division - I.
- (viii) According to the information and explanations given to us, and based on our audit procedures, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government, or dues to debenture holders as at March 31, 2016.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer during the year under audit. The Company has raised moneys through debt instruments and term loans during the year. Fund raised through debt instruments and term loans by the Company have been applied for the purpose for which they were raised except in case where term loans amounting to ₹ 95 crore have been taken which were lying in bank accounts at the year end, and were subsequently utilized for the purpose for which loans have been taken.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or

## Reliance Capital Limited

### Annexure A to the Independent Auditors' Report on the Financial Statement

employees, noticed or reported during the year, nor have we been informed of any such case by the management.

- (xi) In our opinion and according to the information and explanations given to us, during the year the Company has paid managerial remuneration in accordance with the requisite approvals mandate by the provisions of Section 197 read with Schedule V of the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company, accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in accordance with the provisions of Section 177 and Section 188 of the Companies Act, 2013. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014.
- (xiv) In our opinion and according to the information and explanations given to us, during the year under audit, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible

debentures during the year under audit. Hence the provisions of clause 3 (xiv) of the Order is not applicable to the Company.

- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered any non-cash transactions with directors and persons connected with him. Hence the provisions of clause 3 (xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company has been registered as required under Section 45-IA of the Reserve Bank of India Act, 1934.

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

**Vijay Napawaliya**  
Partner  
Membership No: 109859

Mumbai  
May 6, 2016

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Reg. No: 101248W/  
W-100022

**Akeel Master**  
Partner  
Membership No: 046768

Mumbai  
May 6, 2016



**Annexure B to the Independent Auditor's Report on the Financial Statement**

(Referred to in our report of even date)

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

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

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

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

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

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

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

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

**Opinion**

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

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

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Reg. No: 101248W/  
W-100022

**Vijay Napawaliya**  
Partner  
Membership No: 109859

**Akeel Master**  
Partner  
Membership No: 046768

Mumbai  
May 6, 2016

Mumbai  
May 6, 2016

# Reliance Capital Limited

## Standalone Balance Sheet as at March 31, 2016

(` in crore)

	Note No.	As at March 31, 2016		As at March 31, 2015	
<b>I EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' funds</b>					
(a) Share capital	4	253		253	
(b) Reserves and surplus	5	13 028	13 281	12 330	12 583
<b>(2) Non-current liabilities</b>					
(a) Long-term borrowings	6	13 615		14 101	
(b) Other long-term liabilities	8	121		125	
(c) Long-term provisions	9	59	13 795	36	14 262
<b>(3) Current liabilities</b>					
(a) Short-term borrowings	10	3 812		3 772	
(b) Trade payables	11				
- Micro, small and medium enterprises		-		-	
- Others		6		17	
(c) Other current liabilities	12	5 167		4 784	
(d) Short-term provisions	13	293	9 278	284	8 857
<b>TOTAL</b>			<b>36 354</b>		<b>35 702</b>
<b>II ASSETS</b>					
<b>(1) Non-current assets</b>					
(a) Fixed assets	14				
(i) Tangible assets		155		183	
(ii) Intangible assets		24		31	
		179		214	
(b) Non-current investments	15	11 109		11 381	
(c) Long-term loans and advances	16	16 426		11 945	
(d) Other non-current assets	17	743	28 457	1 343	24 883
<b>(2) Current assets</b>					
(a) Current investments	18	137		994	
(b) Trade receivables	19	-		-	
(c) Cash and bank balances	20	1 670		731	
(d) Short-term loans and advances	21	5 643		8 694	
(e) Other current assets	22	447	7 897	400	10 819
<b>TOTAL</b>			<b>36 354</b>		<b>35 702</b>

See accompanying notes to the standalone financial statements 1 - 50

As per our report of even date attached

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

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Reg. No. : 101248W/  
W-100022

For and on behalf of the Board

Chairman  
Vice Chairman

Directors

**Anil D. Ambani**  
**Amitabh Jhunjhunwala**  
**Rajendra P. Chitale**  
**Dr. Bidhubhusan Samal**  
**V. N. Kaul**  
**Chhaya Virani**

**Vijay Napawaliya**  
Partner  
Membership No: 109859  
Mumbai  
Dated: May 6, 2016

**Akeel Master**  
Partner  
Membership No: 046768

Executive Director & Group CEO  
Chief Financial Officer  
President & Company Secretary  
Mumbai  
Dated: May 6, 2016

**Soumen Ghosh**  
**Amit Bapna**  
**V. R. Mohan**

## Reliance Capital Limited

### Standalone Statement of Profit and Loss for the year ended March 31, 2016

		(` in crore)	
	Note No.	2015-16	2014-15
<b>REVENUE</b>			
<b>I</b>	Revenue from operations	23 <b>4 076</b>	3 948
<b>II</b>	Other income	24 <b>69</b>	40
<b>III</b>	<b>Total revenue (I+II)</b>	<b>4 145</b>	3 988
<b>IV EXPENSES</b>			
	Employee benefits expense	25 <b>194</b>	194
	Finance cost	26 <b>2 297</b>	2 357
	Depreciation and amortisation expense	14 <b>37</b>	31
	Other expenses	27 <b>441</b>	562
	<b>Total expenses</b>	<b>2 969</b>	3 144
<b>V</b>	<b>Profit before tax (III-IV)</b>	<b>1 176</b>	844
<b>VI</b>	<b>Profit before tax from continuing operations (V-IX)</b>	38 <b>864</b>	510
<b>VII</b>	<b>Tax expense</b>		
	(1) Current tax	<b>114</b>	23
	(2) Taxation for earlier years	<b>11</b>	-
	(3) Deferred tax	<b>-</b>	(12)
<b>VIII</b>	<b>Profit after tax from continuing operations (VI-VII)</b>	<b>739</b>	499
<b>IX</b>	<b>Profit before tax from discontinuing operations (V-VI)</b>	38 <b>312</b>	334
<b>X</b>	<b>Tax expense</b>		
	(1) Current tax	<b>74</b>	76
<b>XI</b>	<b>Profit after tax from discontinuing operations (IX-X)</b>	<b>238</b>	258
<b>XII</b>	<b>Profit after tax (VIII+XI)</b>	<b>977</b>	757
<b>XIII</b>	<b>Earnings per equity share face value of ` 10 each fully paid up</b>	37	
	(1) Basic (`)	<b>38.67</b>	30.77
	(2) Diluted (`)	<b>38.67</b>	30.77

See accompanying notes to the standalone financial statements 1 - 50

As per our report of even date attached

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

For **B S R & Co. LLP**  
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W-100022

For and on behalf of the Board

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Vice Chairman

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**Dr. Bidhubhusan Samal**  
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Membership No: 109859  
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Dated: May 6, 2016

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Mumbai  
Dated: May 6, 2016

**Soumen Ghosh**  
**Amit Bapna**  
**V. R. Mohan**

## Reliance Capital Limited

### Standalone Cash Flow Statement for the year ended March 31, 2016

	(` in crore)	
	2015-16	2014-15
<b>A. Cash flows from operating activities</b>		
<b>Profit before tax</b>	<b>1 176</b>	844
<b>Adjusted for</b>		
Depreciation and amortisation expense	<b>37</b>	31
Bad debts recovered	<b>(13)</b>	(17)
Provision for NPA, doubtful debts and balances written off	<b>100</b>	308
Provision and loss on repossessed stock	<b>49</b>	29
Reversal for diminution in the value of investments / written off	<b>(11)</b>	(55)
Provision for gratuity / leave encashment	<b>(4)</b>	6
Excess provision / credit balance written back	<b>(6)</b>	-
(Profit) / loss on sale of fixed assets	<b>(10)</b>	(8)
Amortised DSA commission	<b>44</b>	38
(Profit) / loss share in partnership firm	<b>(13)</b>	(113)
Interest income on investments	<b>(172)</b>	(435)
Dividend income on investments	<b>(130)</b>	(256)
(Profit) / loss on sale of investments (net)	<b>(678)</b>	(433)
Amortised brokerage on borrowings	<b>48</b>	36
Discount on commercial papers	<b>349</b>	393
Interest expenses	<b>1 900</b>	1 928
	<b>1 490</b>	1 452
<b>Operating profit before working capital changes</b>	<b>2 666</b>	2 296
<b>Adjusted for</b>		
Unamortised expenses incurred	<b>(46)</b>	(94)
Trade receivables & loans and advances	<b>(1 858)</b>	(2 011)
Trade payables and liabilities	<b>81</b>	(634)
	<b>(1 823)</b>	(2 739)
<b>Cash generated from / (used in) operations</b>	<b>843</b>	(443)
Taxes paid (Net)	<b>(134)</b>	(91)
<b>Net cash generated from / (used in) operating activities</b>	<b>709</b>	(534)
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets (including capital advances)	<b>(108)</b>	(15)
Sale of fixed assets	<b>14</b>	44
Investments in subsidiaries	<b>(2 898)</b>	(31)
Proceeds from sale of subsidiaries	<b>3 074</b>	707
Withdrawal from partnership firm current account (Net)	<b>253</b>	207
Purchase of non-current investments	<b>(2 547)</b>	(3 265)

## Reliance Capital Limited

### Standalone Cash Flow Statement for the year ended March 31, 2016

	2015-16	2014-15
		(₹ in crore)
Proceeds from sale of non-current investments	<b>4 087</b>	3 865
Proceeds from sale of current investments (Net)	<b>25</b>	318
Interest received	<b>777</b>	709
Dividend received	<b>130</b>	256
<b>Net Cash from investing activities</b>	<b><u>2 807</u></b>	<b><u>2 795</u></b>
<b>C. Cash flows from financing activities</b>		
Dividends paid (including dividend tax thereon)	<b>(257)</b>	(209)
Proceeds from / (repayment of) short term borrowings (Net)	<b>(309)</b>	(3 374)
Proceeds from long term borrowings	<b>4 540</b>	6 365
Repayment of long term borrowings	<b>(4 789)</b>	(4 590)
Interest paid	<b>(1 837)</b>	(1 861)
Equity share capital issued (including premium)	<b>-</b>	371
<b>Net Cash from / (used in) Financing Activities</b>	<b><u>(2 652)</u></b>	<b><u>(3 298)</u></b>
<b>Net increase / (decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>864</b>	(1 037)
Opening balance of cash and cash equivalents	<b>631</b>	1 668
Closing balance of cash and cash equivalents (Refer Note No. 20)	<b><u>1 495</u></b>	<b><u>631</u></b>

**Note:**

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

As per our report of even date attached

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

For **B S R & Co. LLP**  
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Dated: May 6, 2016

**Soumen Ghosh**  
**Amit Bapna**  
**V. R. Mohan**

# Reliance Capital Limited

## Notes to the Standalone Financial Statement as at March 31, 2016

### 1 Background

Reliance Capital Limited ('the Company') is registered as a Non-Banking Financial Company ('NBFC') as defined under Section 45-IA of the Reserve Bank of India Act, 1934. The Company is principally engaged in lending and investing activities.

### 2 Significant Accounting Policies

#### a Basis of Preparation of Standalone Financial Statements

The accompanying standalone financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting unless otherwise stated in accordance with the generally accepted accounting principles (GAAP) in India and comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 (The Act), read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Act. These financial statements are presented in Indian rupees rounded to the nearest crore except otherwise stated.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of the services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

The Company complies in all material respects, with the prudential norms relating to income recognition, asset classification and provisioning for bad and doubtful debts and other matters, specified in the directions issued by the Reserve Bank of India in terms of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 issued vide Reserve Bank of India ('RBI') Notification No. DNBR.009/CGM (CDS)-2015 dated March 27, 2015, as applicable to the Company.

#### 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, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

#### c Revenue Recognition

##### i) Interest income:

Interest income is recognised as it accrues on a time proportion basis taking into account the amount outstanding and the rate applicable except in the case of non performing assets ("NPAs") where it is recognised, upon realisation.

##### ii) Dividend income:

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

##### iii) Income from investments:

Profit / (Loss) earned from sale of securities is recognised on trade date basis. The cost of securities is computed based on weighted average basis.

##### iv) Lease rental income:

Lease rental income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

##### v) Discount on investments:

The difference between the acquisition cost and face value of debt instruments is recognised as interest income over the tenor of the instrument on straight-line basis.

##### vi) Redemption premium on investments :

Redemption premium on investments is recognised as finance income over the tenor of the investments.

##### vii) Share of profits or losses in partnership firm:

Share of profits / losses in partnership firm is accounted for once the amount of the share of profit/loss is ascertained and credited/debited to the Company's account in the books of the partnership firm.

##### viii) Loan processing fee income:

Loan processing fee income is accounted for upfront upon processing of loan as and when it becomes due.

##### ix) Management fee income:

Management fee income towards support services is accounted as and when services are rendered and it becomes due on contractual terms with the parties.

##### x) Income from assignment / securitization:

In case of assignment / securitisation of loans, the assets are derecognised when all the rights, title, future receivables and interest thereof along with all the risks and rewards of ownership are transferred to the purchasers of assigned/ securitised loans in accordance with the Guidelines issued by Reserve Bank of India vide RBI/2012-13/170 DNBS, PD. No. 301/3.10.01/2012-13 dated August 21, 2012. The profit if any, as reduced by the estimated provision for loss/ expenses and incidental expenses related to the transaction, is recognised as gain or loss arising on assignment / securitisation over the tenure of the deal. Loss arising from these transactions if any are recognised immediately in the statement of profit and loss.

##### xi) Servicing fee income:

Servicing fees received is accounted for based on the underlying deal structure of the transaction as per the agreement.

Notes to the Standalone Financial Statement as at March 31, 2016

**d Fixed assets**

**i) Tangible assets**

**Leased assets**

All assets given on operating lease are shown as fixed assets net of depreciation and impairment loss, if any. Initial direct costs in respect of leases are expensed in the year in which such costs are incurred.

**Own assets**

Tangible Assets are stated at cost of acquisition less accumulated depreciation and impairment loss if any. Cost includes acquisition cost which is directly attributable to bring the asset to its working condition for its intended use.

**ii) Intangible assets**

Intangible assets are recognised where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortisation.

Expenditure incurred on acquisition / development of intangible assets which are not put / ready to use at the reporting date is disclosed under intangible assets under development.

**e Depreciation / Amortisation**

Depreciation on fixed assets is provided as follows:

**i) Tangible assets**

The Company has provided for depreciation over the useful life of the assets as prescribed under part C of Schedule II of the Companies Act, 2013 as per straight line method except Plant & Machinery and data processing machineries given on lease where useful life is considered 8 years and 5 years, respectively based on management's assessments of useful life in respect of these assets. Lease hold improvements are amortised over the primary period of the lease on straight-line basis.

**ii) Intangible Assets are amortised on straight-line basis over the useful life of the asset up to a maximum of 5 years commencing from the month in which such asset is first installed.**

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.

**f 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 is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that 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.

**g Investments**

Investments are classified as long term or current based on intention of the management at the time of purchase. Current investments are valued, scrip wise at cost and fair value, whichever is lower. Long-term investments are carried at carrying cost less diminution in value which is other than temporary, determined separately for each individual investment scrip wise.

An investment property is accounted for in accordance with cost model. The cost of any shares in a co-operative society or a company, the holding of which is directly related to the right to hold the investment property, is added to the carrying amount of the investment property.

**h Repossessed assets**

Assets repossessed against the settlement of loans are carried in the balance sheet at outstanding loan amount. The classification and provision is based on the underlying Days Past Due (DPD) for these loans.

**i Loan origination/acquisition cost**

All direct cost incurred for the loan origination is amortised over the tenure of the loan.

**j Security of loans given**

Housing loans / loans against property granted are secured by equitable registered mortgage of property and / or undertaking to create a security. Other secured loans are secured against hypothecation of respective assets.

**k Provisions for Non Performing Assets (NPA) and doubtful debts**

Loans and advances, receivables are identified as bad/ doubtful based on the duration of the delinquency. The duration is set at appropriate levels for each product. NPA provisions are made based on the management's assessment of the degree of impairment and the level of provisioning meets the NBFC prudential norms prescribed by the Reserve Bank of India.

**l Provisions for standard assets**

Provisions for standard assets are made as per para 10 of the Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.

**m Market linked debentures (MLD)**

The Company has issued certain non-convertible debentures, the rate of interest which is linked to performance of specified indices over the period of the debentures. The Company hedges its interest rate risk on MLD by taking positions in future & options based on specified indices. Any gain/loss on these hedge positions are netted against with interest expense on MLD and resultant 'net loss' is recognised in Statement of Profit and Loss immediately, however 'net gain' if any, is ignored.

# Reliance Capital Limited

## Notes to the Standalone Financial Statement as at March 31, 2016

### **n Discount on commercial paper**

The difference between the issue price and the redemption value of commercial papers is apportioned on time basis and recognised as discounting expense.

### **o Foreign currency transactions**

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

Monetary assets and liabilities denominated in foreign currencies at the year end are restated at year end rates.

### **p Employee benefits**

i) Provident fund: Company's contributions to the recognised provident fund, which is a defined contribution scheme, are charged to the Statement of Profit and Loss.

ii) 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 rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

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

iv) Phantom Shares: As a long term incentive plan to employees, the Company has initiated Phantom stock option plan which are cash settlement rights where the employees are entitled to get cash compensation based on agreed formulae linked to market value of group company shares upon exercise of phantom stock options over notional or hypothetical shares, whereby instead of becoming entitled to buy the actual shares on vesting, they become entitled to cash payment equivalent to appreciation in the value over defined base price of shares. The present value of the obligation under such plan is determined based on actuarial valuation.

### **q Employee Stock Option Scheme ("ESOS")**

The employees of the Company and its subsidiaries are entitled for grant of stock options (equity shares), based on the eligibility criteria set in ESOS plan of the Company. The employee compensation expenses are accounted on the basis of "intrinsic value method" as prescribed by the Guidance Note on Employee share based payments issued by the Institute of Chartered Accountants of India as required by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The excess, if any, of quoted market price over the exercise price on the date of grant would be recognised as compensation cost over the vesting period. The Company recognises compensation cost on the basis of estimated number of stock options expected to vest.

### **r Borrowing costs**

Borrowing costs, which are directly attributable to the acquisition / construction of fixed assets, till the time such assets are ready for intended use, are capitalised as part of the cost of the assets. Other borrowing costs are recognised as an expense in the year in which they are incurred. Brokerage costs directly attributable to a borrowing are expensed over the tenure of the borrowing.

### **s Operating leases**

Lease payments for assets taken on an operating lease are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

### **t Earnings per share**

The basic earnings per share is computed by dividing the net profit / (loss) after tax attributable to the equity shareholders for the period 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 / (loss) 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.

### **u Taxation**

- 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.



Notes to the Standalone Financial Statement as at March 31, 2016

- 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 when 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 to the extent 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.

**v Provisions, contingent liabilities and contingent assets**

The Company creates a provision when there is a present obligation as a result of past events and it is probable that there will be outflow of resources and a reliable estimate of the obligation can be made of the amount of the obligation. Contingent liabilities are not recognised but are disclosed in the notes to the financial statements. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

Contingent assets are not recognised nor disclosed in the financial statements.

3 Previous year figures has been regrouped / reclassified wherever necessary.

(` in crore)

	As at March 31, 2016	As at March 31, 2015
<b>4 Share capital</b>		
<b>(a) Authorised:</b>		
30 00 00 000 Equity shares of ` 10 each (Previous year 30 00 00 000)	300	300
10 00 00 000 Preference shares of ` 10 each (Previous year 10 00 00 000)	100	100
	<u>400</u>	<u>400</u>
<b>(b) Issued &amp; Subscribed:</b>		
25 39 77 006 Equity shares of ` 10 each fully paid up (Previous year 25 39 77 006)	254	254
	<u>254</u>	<u>254</u>
<b>(c) Paid up:</b>		
25 26 32 800 Equity shares of ` 10 each fully paid up (Previous year 25 26 32 800)	252	252
Add: Forfeited shares 13 44 206 Equity shares of ` 10 each (Previous year 13 44 206)	1	1
	<u>253</u>	<u>253</u>
<b>(d) Equity shares in the Company held by each shareholder holding more than 5 per cent:</b>		

Name of the holder	As at March 31, 2016		As at March 31, 2015	
	%	Qty.	%	Qty.
Reliance Inceptum Private Limited	38.68	9 77 14 206	38.68	9 77 14 206
Reliance Infrastructure Consulting & Engineers Private Limited (formerly AAA Infrastructure Consulting & Engineers Private Limited)	11.07	2 79 75 633	11.07	2 79 75 633

(e) The Company has one class of equity shares having a par value of ` 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholder.

For the year ended March 31, 2016, the amount of per share dividend recognised as distributable to equity shareholders is ` 10 (March 31, 2015 ` 9). The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

## Reliance Capital Limited

### Notes to the Standalone Financial Statement as at March 31, 2016

#### (f) Reconciliation of numbers of shares outstanding

	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	Amount (` in crore)	No. of Shares	Amount (` in crore)
<b>Equity shares</b>				
Opening Balance	25 26 32 800	252	24 56 32 800	245
Addition during the year	-	-	70 00 000	7
Closing Balance	25 26 32 800	252	25 26 32 800	252

(g) As on March 31, 2016, 6,21,809 equity shares (Previous year 5,98,166 equity shares) are held by custodian against which depository receipts have been issued.

(h) In Extraordinary General Meeting held on January 23, 2015, the members of the Company have duly approved, vide e-voting, Preferential Allotment of 70,00,000 equity shares of ` 10 each at a premium of ` 520 per share aggregating to ` 371 crore to Sumitomo Mitsui Trust Bank Limited of Japan which were allotted on March 12, 2015.

(` in crore)

	As at March 31, 2016	As at March 31, 2015
<b>5 Reserves and surplus</b>		
<b>Capital reserve*</b>		
As per last balance sheet	852	852
<b>Capital redemption reserve</b>		
As per last balance sheet	10	10
<b>Securities premium account</b>		
As per last balance sheet	3 655	3 231
Add : On issue of shares	-	364
Add : Advance to ESOP Trust** [Refer Note No. 32]	-	60
	3 655	3 655
<b>General reserve ***</b>		
As per last balance sheet	4 817	4 741
Add: Amount transferred from surplus in statement of profit and loss	-	76
	4 817	4 817
<b>Statutory reserve fund ****</b>		
As per last balance sheet	1 398	1 247
Add: Amount transferred from surplus in statement of profit and loss	195	151
	1 593	1 398
<b>Surplus in statement of profit and loss</b>		
As per last balance sheet	1 598	1 309
Add: Amount transferred from statement of profit and loss	977	757
Less: Proposed dividend [ ` 10 (Previous year ` 9) per equity share]	253	227
Less: Tax on proposed dividend (Refer Note No. 31)	26	30
Add : Tax on proposed dividend for earlier years (Refer Note No. 31)	-	16
Less: Transfer to statutory reserve fund	195	151
Less: Transfer to general reserve	-	76
	2 101	1 598
	<b>13 028</b>	<b>12 330</b>

\* Includes ` 846 crore (Previous year ` 846 crore) created pursuant to the Scheme of Amalgamation approved by High Court which shall for all regulatory and accounting purposes be considered to be part of the owned funds / net worth of the Company.

\*\* During the year ended March 31, 2015, the Securities and Exchange Board of India (SEBI) has issued the "SEBI (Share Based Employee Benefits) Regulations, 2014 (the Regulation)" which requires the accounting treatment for employee share based payments to be based on the Guidance Note on Accounting for Employee Share Based Payments issued by the Institute of Chartered Accountants of India (the Guidance Note). Accordingly, based on the requirements of the Guidance Note, the Company has not considered the ESOS Trust for inclusion in the standalone financial statements for the year ended March 31, 2015 and March 31, 2016. Consequently, these financial statements do not include the assets and liabilities of the ESOS Trust and to that extent. The Company has disclosed the loan to ESOS Trust under long term loans and advances.

\*\*\* Includes ` 3 837 crore (Previous year ` 3 837 crore) created pursuant to Scheme of Amalgamation approved by High Court.

\*\*\*\* Created pursuant to Section 45-IC of Reserve Bank of India Act, 1934.

## Reliance Capital Limited

### Notes to the Standalone Financial Statement as at March 31, 2016

		(` in crore)	
		As at March 31, 2016	As at March 31, 2015
<b>6</b>	<b>Long-term borrowings</b>		
	Non convertible debentures		
	-Secured [Refer Note No. 28(i)]		
	Others	7 148	8 311
	Related party (Refer Note No. 35)	138	178
	-Unsecured		
	Others	1 373	1 323
	Related party (Refer Note No. 35)	50	100
	Term loans from banks / financial institutions	8 709	9 912
	-Secured [Refer Note No. 28(ii)]	4 906	4 089
	-Unsecured	-	100
		<u>4 906</u>	<u>4 189</u>
		<u>13 615</u>	<u>14 101</u>
<b>7</b>	<b>Deferred tax liabilities / (assets)</b>		
	Deferred tax liabilities / (assets) included in the balance sheet comprises the following:		
	<b>(a) Deferred tax liabilities</b>		
	Depreciation on fixed assets	22	21
	Unamortised expenditures	52	67
	<b>Total (a)</b>	<u>74</u>	<u>88</u>
	<b>(b) Deferred tax assets</b>		
	Provision for non performing assets / diminution in the value of assets and investments	86	115
	Provision for leave encashment / gratuity	1	3
	<b>Total (b)</b>	<u>87</u>	<u>118</u>
	<b>Net deferred tax liabilities / (assets) [(a)-(b)]</b>	<u>(13)</u>	<u>(30)</u>
	<b>Note:</b> As a matter of prudence the Company has decided not to recognise Deferred tax assets (net) in books of accounts.		
<b>8</b>	<b>Other long-term liabilities</b>		
	Interest accrued but not due on debentures	66	70
	Security deposits	55	55
		<u>121</u>	<u>125</u>
<b>9</b>	<b>Long-term provisions</b>		
	Provision for employee benefits		
	-Leave encashment (Refer Note No. 33)	3	3
	Contingent provision against Standard assets	56	33
		<u>59</u>	<u>36</u>
<b>10</b>	<b>Short term borrowings</b>		
	Loans from banks / financial institutions		
	-Secured		
	Cash credit (Refer Note a. below)	3	1
	Short term (Refer Note b. below)	675	540
	-Unsecured	678	541
	Short term	310	300
	Commercial paper (Refer Note c. below)		
	-Others (Unsecured)	2 824	2 931
		<u>3 812</u>	<u>3 772</u>

**Notes:**

- a. Cash Credit facilities amounting to ` 3 crore (Previous year ` 1 crore) referred above are secured by pari passu first charge on all present and future book debts, receivables and loan assets pertaining only to the Company's commercial finance division.
- b. Short term loan amounting to ` 675 crore (Previous year ` 540 crore) referred above are secured by pari passu first charge on all present and future book debt, receivables and loan assets pertaining only to the Company's commercial finance division.
- c. In respect of Commercial Papers maximum amount outstanding during the year was ` 5 499 crore (Previous year ` 5 055 crore).

# Reliance Capital Limited

## Notes to the Standalone Financial Statement as at March 31, 2016

(` in crore)

	As at March 31, 2016	As at March 31, 2015
<b>11 Trade payables</b>		
- Micro, small and medium enterprises (Refer Note below)	-	-
- Others	<b>6</b>	17
	<u><b>6</b></u>	<u>17</u>

**Note:**

Disclosure of amounts payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

### 12 Other current liabilities

Current maturities of long-term debt

Non convertible debentures

-Secured [Refer Note No. 28(i)]

Others

**2 029**

1 369

Related party (Refer Note No. 35)

**55**

**2 084**

12

1 381

Term loans from banks / financial institutions

-Secured [Refer Note No. 28(ii)]

**2 033**

2 499

Interest accrued but not due on debentures

**541**

475

Security deposits

**4**

6

Income received in advance

**4**

5

Advance from customers

**48**

55

Temporary book overdraft balance of banks

**53**

1

Other payables\*

**382**

346

Unclaimed dividend #

**18**

16

**5 167**

4 784

**Notes:**

\* Includes statutory payables, securitisation / assignment payable and other payables.

# Does not include any amounts, due and outstanding, to be transferred to the Investor Education and Protection Fund created pursuant to Section 205C of the Companies Act, 1956.

### 13 Short-term provisions

Provision for employee benefits (Refer Note No. 33)

-Leave encashment

**1**

1

-Gratuity

**1**

4

Others

-Contingent provision against Standard assets

**12**

22

-Proposed dividend

**253**

227

-Tax on proposed dividend

**26**

30

**293**

284

Notes to the Standalone Financial Statement as at March 31, 2016

14 Fixed assets

( ` in crore)

Description	Gross Block			As at March 31, 2016	Upto April 1, 2015	Depreciation /Amortisation		Upto March 31, 2016	Net Block	
	As at April 1, 2015	Additions / Adjustments	Deductions / Adjustments			For the Year	Deductions		As at March 31, 2016	As at March 31, 2015
<b>(i) Tangible assets</b>										
<b>Lease assets</b>										
Plant and equipments	53	4	-	57	15	7	-	22	35	38
Data processing machineries	24	-	-	24	13	5	-	18	6	11
Vehicles	23	-	15	8	15	3	12	6	2	8
<b>Sub total A</b>	<b>100</b>	<b>4</b>	<b>15</b>	<b>89</b>	<b>43</b>	<b>13</b>	<b>12</b>	<b>46</b>	<b>43</b>	<b>57</b>
Previous Year	98	9	7	100	31	17	5	43	57	
<b>Own Assets</b>										
Freehold Land*	13	-	13	-	-	-	-	-	-	13
Buildings *	98	45	50	93	7	1	- <sup>(ii)</sup>	8	85	91
Data processing machineries	53	6	12	47	42	7	13	36	11	11
Furniture and fixtures	14	5	1	18	8	1	1	8	10	6
Vehicles	6	-	- <sup>(ii)</sup>	6	5	1	1	5	1	1
Office equipments	13	3	1	15	10	1	1	10	5	3
Leasehold improvement	8	-	-	8	7	1	-	8	- <sup>(iii)</sup>	1
<b>Sub total B</b>	<b>205</b>	<b>59</b>	<b>77</b>	<b>187</b>	<b>79</b>	<b>12</b>	<b>16</b>	<b>75</b>	<b>112</b>	<b>126</b>
Previous Year	162	81	38	205	79	2	2	79	126	
<b>Total (A+B)</b>	<b>305</b>	<b>63</b>	<b>94</b>	<b>274</b>	<b>122</b>	<b>25</b>	<b>28</b>	<b>119</b>	<b>155</b>	<b>183</b>
Previous year	260	90	45	305	110	19	7	122	183	
<b>(ii) Intangible assets</b>										
Computer software / Licensing cost	81	5	-	86	50	12	-	62	24	31
<b>Total</b>	<b>81</b>	<b>5</b>	<b>-</b>	<b>86</b>	<b>50</b>	<b>12</b>	<b>-</b>	<b>62</b>	<b>24</b>	<b>31</b>
Previous year	70	11	-	81	38	12	-	50	31	

Notes:

- In respect of Intangible assets:
  - It is other than internally generated.
  - Average remaining useful life is as follows:
    - Additions for FY 2015-16- 4 years
    - Additions for FY 2014-15- 3 years (Previous Year 4 years)
    - Additions for FY 2013-14- 2 years (Previous Year 3 years)
    - Additions for FY 2012-13 - 1 year (Previous Year 2 years)
    - Additions for FY 2011-12 - Nil (Previous Year 1 year)
- \* Addition to Buildings includes ` 45 crore (Previous year ` 49 crore) acquired against settlement of loan and deletion to Freehold Land ` 13 crore (Previous year ` Nil) and Buildings ` 49 crore (Previous year ` Nil) on which accumulated depreciation thereon ` 1 crore acquired against settlement of loan has been reclassified and transferred to investment in properties during the year.
- ` 64 75 902
  - ` 28 41 355
  - ` 13 11 020

## Reliance Capital Limited

### Notes to the Standalone Financial Statement as at March 31, 2016

		(` in crore)			
	Face Value / Issue Price `	Quantity		Value	
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
<b>15. Non-current investments</b>					
<b>Other Investments</b>					
<b>(A) Investment in Properties (Refer note 5 below)</b>					
Land				29	-
Buildings				109	-
<b>Sub-Total (A)</b>				<b>138</b>	<b>-</b>
<b>(B) Investments in Equity instruments (valued at cost unless stated otherwise)</b>					
<b>Quoted, fully paid-up</b>					
Aurionpro Solutions Limited	10	13 06 906	13 06 906	35	35
BS Limited	1	42 00 000	-	14	-
EMCO Limited	2	19 43 000	19 43 000	14	14
EPC Industrie Limited	10	12 75 000	10 25 000	19	15
Godfrey Phillips India Limited	2	50 000	-	7	-
HBL Power Systems Limited	1	-	73 50 000	-	14
Jindal Saw Limited	2	10 00 000	10 00 000	12	12
Kinetic Engineering Limited	10	7 15 000	7 15 000	13	13
Mangalore Chemical & Fertilizers Limited	10	58 85 000	-	24	-
Man Infraconstruction Limited	2	40 01 408	-	19	-
Network 18 Media & Investments Limited	5	15 00 000	50 55 000	8	25
Padmalaya Telefilms Limited	10	5 11 000	5 11 000	2	2
Prabhat Dairy Limited	10	27 44 000	-	41	-
RattanIndia Infrastructure Limited	2	48 10 000	48 10 000	2	2
Reliance Communications Limited*	5	2 96 95 295	2 96 95 295	293	293
Reliance Industrial Infrastructure Limited	10	1 60 100	1 60 100	1	1
Reliance Power Limited*	10	41 17 823	41 17 823	3	3
Saregama India Limited	10	11 88 000	-	43	-
TV 18 Broadcast Limited	2	-	2 31 02 549	-	46
Ventura Textiles Limited	10	3 21 875	12 87 500	6	6
				<b>556</b>	<b>481</b>
				<b>134</b>	<b>131</b>
				<b>422</b>	<b>350</b>
Less: Provision for diminution in value of investments					
<b>Unquoted, fully paid-up</b>					
Adone Hotels & Hospitality Limited	10	1	-	-	-
[ ` 10 (Previous year ` Nil)]					
AllGreen Energy India Private Limited	10	10	10	-	-
[ ` 4 230 (Previous year ` 4 230)]					
Adhar Project Management & Consultancy Private Limited	10	1 400	1 400	-	-
[ ` 2 52 331 (Previous year ` 2 52 331)]					
Bombay Stock Exchange Limited	1	1 30 000	1 30 000	2	2
BLR Logistics (India) Limited	10	15 90 200	-	13	-
Gradatim I.T. Ventures (India) Private Limited	10	64	64	-	-
[ ` 2 611 (Previous year ` 2 611)]					
Fairwinds Asset Managers Limited	10	9 950	9 950	-	-
[ ` 99 500 (Previous year ` 99 500)]					
Global Wind Power Limited**	10	20 00 000	20 00 000	-	13
Grover Zampa Vineyards Limited	10	23 54 132	23 54 132	16	16
KGS Developers Limited	10	47 28 081	-	161	-
KLT Automotive & Tubular Products Limited	10	5 25 000	5 25 000	11	11
Menon and Menon Limited	10	15 60 000	15 60 000	6	6
Naffa Innovations Private Limited	10	10	-	-	-
[ ` 2 85 002 (Previous year ` Nil)]					
National Multi-Commodity Exchange of India Limited	10	16 66 667	16 66 667	11	11
One 97 Communications Limited	10	3 84 616	3 84 616	10	10
Podar Shakti Synthetics Private Limited	10	3 515	3 515	-	-
[ ` 35 150 (Previous year ` 35 150)]					
Radiant Hues CRM Solutions Private Limited ( ` 13 115)	10	33	-	-	-
Reliance Broadcast Network Limited	5	1 57 27 957	1 57 27 957	77	77
Reliance CWT India Limited (Refer Note 3 below)	10	9 000	9 000	-	-
[ ` 90 000 (Previous year ` 90 000)]					
Reliance Financial Advisory Services Limited	10	11 90 000	11 90 000	1	1
Reliance Land Private Limited	10	5 00 000	5 00 000	1	1
Reliance MediaWorks Limited	5	19 32 089	19 32 089	17	17
Reliance Net Limited	10	5 26 497	5 26 497	1	1
Reliance Share & Stock Brokers Private Limited	10	5 00 000	5 00 000	1	1
Reliance Venture Asset Management Private Limited	10	1 200	1 200	-	-
[ ` 12 000 (Previous year ` 12 000)]					

## Reliance Capital Limited

### Notes to the Standalone Financial Statement as at March 31, 2016

( ` in crore)					
	Face Value / Issue Price `	Quantity		Value	
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Reverse Logistics Company Private Limited	10	16 542	16 542	5	5
SWAWS Credit Corporation India Private Limited**	10	17 20 668	17 20 668	-	2
Tessolve Semiconductor Private Limited [ ` 6 600 (Previous year ` 6 600)]	10	100	100	-	-
Business Broadcast News Holding Limited	10	14 68 109	14 68 109	30	30
Sula Vineyards Private Limited	10	30 06 833	30 06 833	155	155
Viscount Management Services Limited (Refer Note 3 below)	10	-	40 800	-	274
Wellspring Healthcare Private Limited [ ` 17 768 (Previous year ` 17 768)]	5	10	10	-	-
				<b>518</b>	633
Less: Provision for diminution in value of investments				<b>17</b>	77
				<b>501</b>	556
<b>Subsidiary Companies *</b>					
<b>Unquoted, fully paid-up</b>					
Reliance Capital Asset Management Limited	10	58 75 200	64 78 000	248	158
Reliance Capital AIF Trustee Company Private Limited [ ` 6 00 000 (Previous year ` 6 00 000)]	10	60 000	60 000	-	-
Reliance Money Precious Metals Private Limited**	10	80 00 000	80 00 000	-	8
Reliance Capital Trustee Co. Limited [ ` 5 07 000 (Previous year ` 5 07 000)]	10	50 700	50 700	-	-
Reliance Commodities Limited	10	30 00 000	30 00 000	3	3
Reliance Exchangenext Limited**	10	1 99 10 000	69 10 000	13	69
Reliance Financial Limited	10	2 41 57 897	1 10 00 000	61	11
Reliance General Insurance Company Limited	10	12 21 10 660	12 21 10 660	1 742	1 742
Reliance Gilts Limited	10	6 33 00 700	1 23 00 700	63	12
Reliance Home Finance Limited	10	6 58 20 000	6 58 20 000	321	321
Reliance Life Insurance Company Limited (Refer Note 4 below)	10	61 01 24 985	-	5 077	-
Reliance Money Express Limited	10	1 38 13 140	1 38 13 140	25	25
Reliance Money Solutions Private Limited [ ` 1 00 000 (Previous year ` 1 00 000)]	10	10 000	10 000	-	-
Reliance Securities Limited*	10	5 00 00 000	2 50 00 000	25	25
Reliance Wealth Management Limited	10	1 75 00 000	1 55 00 000	18	16
Quant Capital Private Limited	10	74 01 423	74 01 423	200	200
				<b>7 796</b>	2 590
Less: Provision for diminution in value of investments				<b>3</b>	80
				<b>7 793</b>	2 510
<b>Associate Companies*</b>					
<b>Unquoted, fully paid-up</b>					
Ammolite Holdings Limited [ ` 45 332 (Previous year ` 45 332)]	5 1	1 000	1 000	-	-
Reliance Life Insurance Company Limited (Refer Note 4 below)	10	-	57 15 64 410	-	4 776
Reliance Asset Reconstruction Company Limited	10	4 90 00 000	4 90 00 000	49	49
				<b>49</b>	4 825
Less: Provision for diminution in value of investments [ ` 45 332 (Previous year ` 45 332)]				-	-
				<b>49</b>	4 825
<b>Sub-Total (B)</b>				<b>8 765</b>	8 241
<b>(C) Investments in preference shares (valued at cost unless stated otherwise)</b>					
<b>Unquoted, fully paid-up</b>					
Series A 8% Non Cumulative Convertible Preference Shares of AllGreen Energy India Private Limited	10	1 60 115	1 60 115	7	7
0.001% Preference Shares of Adone Hotels & Hospitality Limited	10	2 00 00 000	-	20	-
0% Non- Convertible Redeemable Preference Shares of Payone Enterprises Private Limited	10	20 60 000	20 60 000	206	206
0.001% Optionally Convertible Cumulative Redeemable Preference Shares of Asmitha Microfin Limited	10	62 54 000	78 44 000	6	7
Fully & Compulsorily Convertible Cumulative Participating Preference Shares of Gradatim IT Ventures (India) Private Limited	39	6 37 191	6 37 191	3	3
0% Convertible Preference Shares of Grover Zampa Vineyards Limited	10	6 93 093	6 93 093	5	5

## Reliance Capital Limited

### Notes to the Standalone Financial Statement as at March 31, 2016

	Face Value / Issue Price	Quantity As at March 31, 2016	As at March 31, 2015	Value As at March 31, 2016	As at March 31, 2015
(' in crore)					
9% Non Cumulative Redeemable Preference Shares of India Best Buy Private Limited	10	20 00 000	20 00 000	200	200
10% Redeemable Cumulative Preference Shares-Series XIV of Microfirm Capital Private Limited	10	1 25 000	1 25 000	25	25
0.10% Redeemable Cumulative Preference Shares-Series VI of Microfirm Capital Private Limited	10	75 000	-	23	-
8% Redeemable Cumulative Preference Shares-Series XIII of Microfirm Capital Private Limited	10	1 25 000	-	30	-
Series A Compulsorily Convertible Cumulative Participative Preference Shares of Naffa Innovations Private Limited	10	2 095	-	6	-
0% Non- Convertible Redeemable Preference Shares of Reliance Land Private Limited	10	41 25 000	1 41 25 000	475	481
0% Non- Convertible Redeemable Preference Shares of Reliance Share & Stock Brokers Private Limited	100	-	4 00 000	-	4
0% Non- Convertible Redeemable Preference Shares of Reliance Share & Stock Brokers Private Limited	10	85 000	85,000	9	9
Preference Shares of Rediant Hues CRM Solutions Private Limited	10	63 965	-	3	-
Scalable Display Technologies, Inc. Series A-1 Preferred Stock	\$0.001	1 50 846	1 50 846	2	2
0.001% Optionally Convertible Cumulative Redeemable Preference Shares of Share Microfin Limited	10	88 05 750	1 10 44 500	9	10
Series A Preference Shares of Suvidhaa Infoserve Private Limited	1	72 37 980	72 37 980	11	11
Series B Preference Shares of Suvidhaa Infoserve Private Limited	3	3 69 709	3 69 709	1	1
Compulsory Convertible Preference Shares of Tessolve Semiconductor Private Limited	10	18 89 830	18 89 830	12	12
0% Non- Convertible Redeemable Preference Shares of Viscount Management Services Limited	1	-	5 10 68 177	-	510
Series A Preference Shares of Yatra Online Inc.	\$0.0001	42 00 042	42 00 042	6	6
Series B Preference Shares of Yatra Online Inc.	\$0.0001	27 31 960	27 31 960	16	16
Series C Preference Shares of Yatra Online Inc.	\$0.0001	11 44 946	11 44 946	16	16
Fully Convertible Preference Shares of Wellspring Healthcare Private Limited	50	12 215	12 215	2	2
				<b>1 093</b>	1 533
Less: Provision for diminution in value of investments				<b>10</b>	7
				<b>1 083</b>	1 526
<b>Subsidiary Companies*</b>					
<b>Unquoted, fully paid-up</b>					
9% Non Cumulative Non Convertible Redeemable Preference Shares of Quant Broking Private Limited [ ` 1 00 000 (Previous year ` 1 00 000)]	10	10 000	10 000	-	-
0% Optionally Convertible Redeemable Preference Shares of Reliance Money Solutions Private Limited [ ` 35 00 000 (Previous year ` 35 00 000)]	10	35 000	35 000	-	-
10% Cumulative Redeemable Preference Shares of Reliance Securities Limited	10	12 50 00 000	12 50 00 000	125	125
12% Non Cumulative Non Convertible Redeemable Preference Shares of Reliance Money Precious Metals Private Limited	10	1 70 00 000	-	17	-
11% Non Cumulative Non Convertible Redeemable Preference Shares of Reliance Money Solutions Private Limited	10	2 50 00 000	-	25	-
12% Non Convertible Cumulative Redeemable Preference Shares of Reliance Financial Limited	10	1 60 00 000	-	16	-
				<b>183</b>	125
				<b>1 267</b>	1 652
<b>(D) Investments in Government or Trust Securities (valued at cost unless stated otherwise)</b>					
<b>Unquoted</b>					
<b>Government</b>					
National Saving Certificates [ ` 45 000 (Previous year ` 45 000)] (Deposited with sales tax department)		-	-	-	-
				<b>-</b>	<b>-</b>



## Reliance Capital Limited

### Notes to the Standalone Financial Statement as at March 31, 2016

		(` in crore)			
		Face Value / Issue Price	Quantity As at	As at	Value As at
			March 31, 2016	March 31, 2015	March 31, 2016
<b>Security Receipts</b>					
	Aurora SBL IFMR Capital 2012 SR-A1 PTC 01FB13 (Precious year ` 28 37 774)		-	205	-
	Aurora SBL IFMR Capital 2012 SR-A2 PTC 01FB13	-	-	900	-
	Reliance ARC-SBI-Maan Sarovar Trust Security Receipt	1 000	79 537	79 537	8
	Reliance ARC-Penguin Textiles Trust Security Receipt	1 000	2 10 351	2 10 351	21
					29
					32
					29
					32
<b>Sub-Total (D)</b>					
(E)	<b>Investments in debentures or bonds (valued at cost unless stated otherwise)</b>				
	<b>Associate Companies *</b>				
	<b>Unquoted, fully paid-up</b>				
	Series DDB I - Non Secured Redeemable Non Interest Bearing Non Convertible Deep Discount Bonds - Ammolite Holdings Limited	\$ 961	7 524	7 524	29
	Less: Provision for diminution in value of investments				29
					-
	<b>Others</b>				
	<b>Unquoted, fully paid-up</b>				
	Shine Star Build-Cap Private Limited 0% NCD M-06 Feb 2021	100	30 00 000	30 00 000	30
	Ganesh Housing Corporation Limited 17% NCD 01Apr2018	1 00 000	3 000	-	4
	12.00% India Infoline Finance Limited NCD 27Feb2019	10 00 000	250	250	25
	Jindal ITF Limited 9.50% NCD 8July2017	10 00 000	-	263	-
	Khandagiri Finance and Trading Private Limited 21.94% NCD 02Sep2017	1 00 000	500	400	4
	12% Business Broadcast News Private Limited	10 000	-	60 000	-
	EMU Constructions Private Limited OCD	1 000	5 00 000	-	50
	Monsoon Studio Private Limited .0001%OCD28Mar2031	-	14 40 000	-	144
	Kumar Housing Corporation Private Limited NCD 01Nov2018	1 00 000	2 000	-	22
	Kumar Housing Corporation Private Limited NCD 01Feb2019	1 00 000	765	-	8
	Mahima Stocks Private Limited OCD 05Jan2021	10 00 000	250	-	25
	Media Capital Company (India) Private Limited 0.001% NCD 19Jan2021	1 000	14 50 000	-	145
	Orthia Real Estate Private Limited OCD	1 000	3 50 000	-	35
	Kumar Housing Corporation Private Limited 20%NCD 12Apr2018	1 00 000	1 175	1 175	12
	0% Non-Convertible Debentures Fairwinds Asset Managers Limited	1 000	3 50 259	3 50 259	35
	Zero Coupon Optionally Fully Convertible Unsecured Debentures Viscount Management Services Limited	1 000	-	75 22 399	-
	BKS Galaxy Realtors Private Limited SR-II RR NCD 30SP20	20 000	2 500	-	5
	Bellboi Technologies Private Limited NCD	1 000	20 000	-	2
	Myrina Builders Private Limited 0.001%OCD M-25Apr2025	1 000	1 00 000	-	10
	Myrina Real Estate Private Limited 0.001%OCD M-25Apr2025	1 000	1 00 000	-	10
	Kumar Urban Development Private Limited 21.94% XIRR NCD30Jun2017	100	3 670	3 670	20
	Iphito Properties Private Limited 0.001%OCD M-25Apr2025	1 000	1 00 000	-	10
	Iphito Real Estate Private Limited 0.001%OCD M-25Apr2025	1 000	2 00 000	-	20
	Shah Group Builders Limited SR-II 18 NCD 30SP16 Optionally Convertible Debentures of SWAWS Credit Corporation India Private Limited**	42.86 100	15 00 000 57 355	15 00 000 57 355	5 -
	Grover Zampa Vineyards Limited Convertible Debenture Optionally Convertible Debenture Brijkishore Trading Limited**	100 10 00 000	9 96 371 250	9 96 371 250	10 -
					631
					1 030
	Less: Provision for diminution in value of investments				-
					26
					631
					1 004
	<b>Sub-Total (E)</b>				631
					1 004

## Reliance Capital Limited

### Notes to the Standalone Financial Statement as at March 31, 2016

		(₹ in crore)			
	Face Value / Issue Price	Quantity As at March 31, 2016	Quantity As at March 31, 2015	Value As at March 31, 2016	Value As at March 31, 2015
<b>(F) Investments in Partnership Firm*</b> (valued at cost unless stated otherwise)					
Reliance Capital Partners (Refer Note No. 29)				-	181
<b>Sub-Total (F)</b>				-	181
<b>(G) Other non-current investments</b> (valued at cost unless stated otherwise)					
<b>Investment in units of fund - unquoted, partly paid-up</b>					
Paragon Partners Growth Fund-I	100	2 80 000	-	3	-
Exfinity Technology Fund Series II	2 00 000	50	-	1	-
Reliance Yield Maximiser AIF - Scheme II	10 000	1 500	-	2	-
Ankur Capital Trust Class A Unit	10	1 000	-	1	-
				<u>7</u>	<u>-</u>
<b>Investment in units of fund - unquoted, fully paid-up</b>					
Class B units of Reliance Alternative Investments Fund [₹ 46 20 729 (Previous year ₹ 46 20 729)]	0.01	46 20 72 909	46 20 72 909	-	-
India Seed Investment Trust	1 00 00	500	500	-	-
Reliance Yield Maximiser AIF - Scheme I	10 000	3 992	1 500	4	2
Class A units of Reliance Alternative Investments Fund	10	20 00 00 000	20 00 00 000	200	200
				<u>204</u>	<u>202</u>
<b>Warrants - unquoted, partly paid-up</b>					
Textrade International Limited (Refer note 6 below)	-	60 985	60 985	-	-
				<u>-</u>	<u>-</u>
<b>Investment in joint venture</b>					
KGS Developers Limited (Refer note 7 below)				68	68
				<u>68</u>	<u>68</u>
<b>Sub-Total (G)</b>				<u>279</u>	<u>271</u>
<b>Total long term investments (A+B+C+D+E+F+G)</b>				<u>11 109</u>	<u>11 381</u>

\* Related Party

\*\*Written off during the year

\*Received bonus shares in ratio of 1:1

#### Notes:

	As at March 31, 2016		As at March 31, 2015	
	Book Value	Market value	Book Value	Market value
1. Aggregate value of investments				
Quoted investments	422	345	350	397
Unquoted investments	10 687	-	11 031	-
<b>Total</b>	<u>11 109</u>	<u>345</u>	<u>11 381</u>	<u>397</u>
2. Aggregate value of provision for diminution in value of investments				
Quoted investments		134		131
Unquoted investments		60		219
<b>Total</b>		<u>194</u>		<u>350</u>
3. Investment in 38,85,24,405 (Previous year 38,85,24,405) equity shares of Reliance Life Insurance Company Limited, 9,000 (Previous year 9,000) equity shares of Reliance CWT India Limited and Nil (Previous year 30,000) equity shares of Viscount Management Services Limited are carried at fair value i.e. at amount transferred under the Scheme of Amalgamation.				
4. During the year, Reliance Life Insurance Company Limited ceased to be an associate and has become a subsidiary of the Company.				
5. Land of ₹ 29 crore and Building of ₹ 109 crore representing Investment in Property are acquired against the settlement of loans. Freehold Land includes ₹ 13 crore and Buildings ₹ 49 crore acquired against settlement of loan has been reclassified and transferred from fixed assets to investment in properties during the year.				
6. The Company has been allotted warrants without paying any consideration at the time of allotment.				
7. The Company has entered into a joint venture with KGS Developers Limited in respect of real estate project development. The Company has invested ₹ 85 crore in the financial year 2008-09 and is entitled to share the Profit / Loss equally. However assets, liabilities, revenue and expenses related to the project are not included in the financial statements of the Company as it does not meet the definition criteria of a Joint Venture under AS 27 "Financial Reporting of Interests in Joint Ventures".				
8. Investments includes ₹ 67 crore (Previous year ₹ 61 crore) of equity shares given as collateral/pledge towards margin with brokers.				
9. Investments in Nil equity shares of TV18 Broadcast Limited amounting to ₹ Nil crore (Previous year 22,90,393 equity shares of ₹ 5 crore) and 33,197 equity shares of Jindal Saw Limited amounting to ₹ 29,96,693 (Previous year 33,197 equity shares of ₹ 29,96,693) are given to comply with the margin requirements, thus these securities are not in the name of Company.				
10. During the year, Nippon Life Insurance Company (NLIC), has acquired 9% equity shareholding in Reliance Capital Asset Management Limited (subsidiary of the Company) and 23% equity shareholding in Reliance Life Insurance Company Limited.				

## Reliance Capital Limited

### Notes to the Standalone Financial Statement as at March 31, 2016

(` in crore)

	As at March 31, 2016	As at March 31, 2015		
<b>16 Long-term loans and advances</b>				
(a) Capital advances				
Secured, considered good	90	90		
Unsecured, considered good	<u>157</u>	<u>74</u>	164	
(b) Security deposits-Unsecured				
Considered good	34	36		
Considered doubtful [ ` 24 26 303 (Previous year ` 24 26 303)]	-	-		
Less : Provision for doubtful debts [ ` 24 26 303 (Previous year ` 24 26 303)]	<u>-</u>	<u>-</u>	36	
(c) Loans				
Considered doubtful				
Related party -Unsecured (Refer Note No. 35)	7	7		
Less : Provision for non performing assets and doubtful debt	<u>7</u>	<u>7</u>		
	-	-		
Others				
-Secured	325	236		
-Unsecured	-	60		
Less : Provision for non performing assets and doubtful debt	<u>55</u>	<u>70</u>		
	270	226		
Considered good				
Related party (Refer Note No. 35)				
-Unsecured	569	61		
Officer of the company (Refer Note No. 35)				
-Secured	1	1		
-Unsecured [ ` 44 64 047 (Previous year ` 4 06 551)]	-	-		
Others				
-Secured	10 469	6 210		
-Unsecured	<u>4 350</u>	<u>4 752</u>		
	15 389	11 024	11 250	
(d) Advances				
Considered doubtful				
-Secured	140	147		
Less : Provision for non performing assets and doubtful debts	<u>38</u>	<u>27</u>		
	102	120		
Considered good				
Related party - Unsecured (Refer Note No. 35)	90	90		
Others-Unsecured	<u>65</u>	<u>67</u>		
	155	157	277	
(e) Other loans and advances				
-VAT and Service tax credit available	8	6		
-Avance income tax & TDS deducted [net of provision of ` 435 crore (Previous year ` 324 crore)]	<u>221</u>	<u>212</u>	218	
	229	212		
	<u>16 426</u>	<u>11 945</u>		
<b>Note:</b>				
Advances includes ` 90 crore (Previous Year ` 90 crore) paid towards share application money.				
<b>17 Other non-current assets</b>				
(a) Other bank balances				
- In fixed deposit accounts (Refer Note below)				
-Under lien		74	206	
(b) Accrued interest / finance income				
-Investments	405	967		
-Other	<u>128</u>	<u>4</u>	971	
	533	971		

## Reliance Capital Limited

### Notes to the Standalone Financial Statement as at March 31, 2016

	(` in crore)	
	As at March 31, 2016	As at March 31, 2015
(c) Unamortised expenditures		
Unamortised DSA commission	71	72
Add : Incurred during the year	37	37
Less : Amortised during the year	44	38
	<u>64</u>	<u>71</u>
Less : To be amortised during the next year	20	22
	<u>44</u>	<u>49</u>
Unamortised brokerage on borrowings	125	104
Add : Incurred during the year	9	57
Less : Amortised during the year	48	36
	<u>86</u>	<u>125</u>
Less : To be amortised during the next year	18	40
	<u>68</u>	<u>85</u>
	<b>112</b>	<b>134</b>
(d) Repossessed assets	53	49
Less : Provision for repossessed assets	29	17
	<u>24</u>	<u>32</u>
	<b>743</b>	<b>1 343</b>

#### Note:

In respect of balances with Scheduled Banks in Fixed deposit accounts, ` 42 crore (Previous year ` 206 crore) is kept as credit enhancement towards securitisation / assignment transaction, ` 5 33 932 (Previous year ` 3 23 502) is kept as deposit with sales tax authority, ` 5 00 000 (Previous year ` 5 00 000) is kept as deposit with the Pension Fund Regulatory and Development Authority (PFRDA) and ` 32 crore (Previous year ` Nil) is kept as deposit with stock exchanges for margins.

	(` in crore)				
	Face Value/ Issue Price	Quantity		Value	
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
<b>18 Current investments</b>					
<b>Investments in Preference shares (current portion of Long-term investments) (valued at cost unless stated otherwise)</b>					
<b>Unquoted, fully paid-up</b>					
0% Non Convertible Redeemable Preference Shares of Reliance Share & Stock Brokers Private Limited	100	4 00 000	-	4	-
0% Non Convertible Redeemable Preference Shares of Reliance Land Private Limited	10	1 00 00 000	-	6	-
12% Non Cumulative Convertible Redeemable Preference Shares of Reliance Big Entertainment Private Limited*	1	-	1 00 00 000	-	632
<b>Sub-Total (A)</b>				<u>10</u>	<u>632</u>
<b>Investments in debentures or bonds (current portion of Long-term investments) (valued at cost unless stated otherwise)</b>					
<b>Unquoted, fully paid-up</b>					
Reliance Broadcast Network Limited NCD 8 Aug 2015	10 00 000	-	1 500	-	150
Gini & Jony Limited Tranch A & B 21NCD M-13 March 2016**	1 000	2 750	2 750	-	28
Alok Infrastructure Limited 16.75% NCD 17 Jan 2016	1 00 00 000	-	60	-	12
Kumar Builders Mumbai Realty Private Limited 18%NCD01JL2015	1 00 000	-	1 112	-	6
				<u>-</u>	<u>196</u>
Less: Provision for Diminution in value of investments				-	-
<b>Sub-Total (B)</b>				<u>-</u>	<u>196</u>

## Reliance Capital Limited

### Notes to the Standalone Financial Statement as at March 31, 2016

(` in crore)

	Face Value/ Issue Price	Quantity		Value	
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
<b>Investment in Mutual Fund - ***Quoted (valued at cost or market value whichever is lower)</b>					
Canara Robeco Capital Protection Oriented Fund Growth Option	10	10 00 000	10 00 000	1	1
Reliance Japan Equity Fund Direct Growth Plan Growth Option	10	50 00 000	50 00 000	5	5
<b>Sub-Total (C)</b>				<u>6</u>	<u>6</u>
<b>Investment in Partnership firm (current portion of Long-term investments) (valued at cost or fair value whichever is lower)</b>					
Reliance Capital Partners (Refer Note No. 29)		-	-	76	135
<b>Sub-Total (D)</b>				<u>76</u>	<u>135</u>
<b>Investments in Government or Trust Securities (current portion of Long- term investments) (valued at cost unless stated otherwise)</b>					
<b>Pass Through Certificates</b>					
Aurora SBL IFMR Capital 2012 SR-A1 PTC 01FB13 (` 78 541)		205	205	-	1
Aurora SBL IFMR Capital 2012 SR-A2 PTC 01FB13		900	-	3	-
ALPHA TRUST SEPTEMBER 2015 SERIES A PTC 16SP15		1	-	4	-
ALPHA TRUST OCTOBER 2015 SR-A PTC 30OT15		1	-	5	-
ALPHA TRUST DECEMBER 2015 SERIES A PTC 29DC15		1	-	15	-
IFMR Capital Mosec Hypnos 2013 SR-A2 PTC 27SP13		2 01 949	2 01 949	-	1
IFMR Capital Mosec Paeon 2013 SR- A2 PTC 27SP13 (Previous year ` 22 60 980)		-	1 07 83 828	-	-
IFMR Capital Mosec Hera 2013 SR-A2 PTC 31OT13		-	43 786	-	1
IFMR Capital Mosec Telesto 2013 SR-A3 PTC 30DC13 (Previous year ` 46 24 831)		-	1 66 52 743	-	-
Indian MFI Trust Series XI SR-A1 PTC 29AP14 (Previous year ` 38 42 469)		1	1	-	-
Indian MFI Trust Series XII SR-A1 PTC 10JL14		1	1	-	1
Indian MFI Trust Series XXII SR-A1 PTC 12AG15		1	-	6	-
Indian MFI Trust Series XXVI SR-A1 PTC 29JN16		1	-	12	-
SFP Trust August 2014 Series A PTC 26AG14		-	1	-	2
IMFI Trust 15 Dec14		-	1	-	10
IMFI Trust 17 Feb15		-	1	-	9
<b>Sub-Total (E)</b>				<u>45</u>	<u>25</u>
<b>Total Current investments (A+B+C+D+E)</b>				<u>137</u>	<u>994</u>

\* Related Party

\*\* Written off

\*\*\* For Mutual fund net asset value (NAV) is taken as market value.

**Note:**

Aggregate value of Investment

(` in crore)

	As at March 31, 2016		As at March 31, 2015	
	Book Value	Market Value	Book Value	Market Value
Quoted Investments	6	6	6	6
Unquoted Investments	131	-	988	-
	<u>137</u>	<u>6</u>	<u>994</u>	<u>6</u>

# Reliance Capital Limited

## Notes to the Standalone Financial Statement as at March 31, 2016

(` in crore)

	As at March 31, 2016		As at March 31, 2015	
<b>19 Trade receivables</b>				
Unsecured, considered good valued unless stated otherwise				
Doubtful debts outstanding for a period exceeding six months from the due date		-		-
Less : Provision for doubtful debts		-		-
Other debts-unsecured considered good [ ` 15 01 520 (Previous year ` 12 76 998)]		-		-
		-		-
<b>20 Cash and bank balances</b>				
(a) Cash and cash equivalents				
Balances with banks				
- In current accounts	1 489		618	
- Fixed Deposits (less than 3 months)	2		12	
Cash on hand	4	1 495	1	631
(b) Other bank balances				
- Fixed Deposits under lien (less than 3 months)*		157		84
- Unclaimed dividend accounts		18		16
		1 670		731
* In respect of balances with Scheduled Banks in Fixed Deposit accounts ` 157 crore (Previous Year ` 48 crore) is kept as credit enhancement towards securitisation / assignment transaction, and ` Nil (Previous Year ` 36 crore) is kept as deposit with bank for issuing of Bank Guarantee.				
<b>21 Short-term loans and advances</b>				
(a) Loans				
Considered good				
Related party (Refer Note No. 35)				
-Secured	246		80	
-Unsecured	5		508	
Officer of the company (Refer Note No. 35)				
-Secured [ ` 20 86 537 (Previous year ` 10 13 135)]	-		-	
Others				
-Secured	3 979		5 521	
-Unsecured	983	5 213	2 297	8 406
(b) Advances				
Considered good				
Related party-unsecured (Refer Note No. 35)	4		1	
Others				
-Secured	407		265	
-Unsecured	11	422	13	279
(c) Prepaid expenses		8		9
		5 643		8 694
<b>22 Other current assets</b>				
(a) Accrued interest / finance income :				
- Investments	11		54	
- Loans	398	409	284	338
(b) Unamortised DSA commission		20		22
(c) Unamortised brokerage on borrowings		18		40
		447		400

## Reliance Capital Limited

### Notes to the Standalone Financial Statement as at March 31, 2016

(` in crore)

	2015-2016		2014-2015	
<b>23 Revenue from operations</b>				
Interest and finance income on:				
-Long term investments	172		435	
-Loans	2 810		2 447	
-Fixed deposits and others	<u>24</u>	3 006	<u>57</u>	2 939
Profit on sale of (net):				
-Long term investments	652		391	
-Current investments	<u>25</u>	677	<u>42</u>	433
Dividends on investments:				
-Subsidiary	81		207	
-Long term	49		49	
-Current (Previous year ` 46 572)	<u>-</u>	130	<u>-</u>	256
Profit share in partnership firm		13		113
Lease rental income		21		22
Processing fees	115		76	
Less: Service tax recovered	<u>15</u>	100	<u>9</u>	67
Bad debts recovered		13		17
Servicing fees on assignment	100		87	
Less: Service tax recovered	<u>13</u>	87	<u>10</u>	77
Other operating income	33		27	
Less : Service tax recovered	<u>4</u>	29	<u>3</u>	24
		<u>4 076</u>		<u>3 948</u>
<b>24 Other income</b>				
Management fee	31		30	
Less : Service tax recovered	<u>4</u>	27	<u>3</u>	27
Credit balance / excess provision written back		6		-
Profit on sale of fixed assets (net)		10		8
Rent income (` 38 22 796)		-		1
Miscellaneous income		26		4
		<u>69</u>		<u>40</u>
<b>25 Employee benefit expense (Including Managerial Remuneration)</b>				
Salaries and wages		174		174
Contribution to provident and other funds		8		12
Staff welfare expenses		12		8
		<u>194</u>		<u>194</u>
<b>26 Finance cost</b>				
Interest expense				
-Debentures		1 115		1 013
-Bank loans / financial institutions (Long term and short term)		756		873
-Bank loans (Cash credit)		29		6
-Inter corporate deposits		-		36
Other borrowing costs				
-Discout on commercial papers		349		393
-Amortised brokerage on borrowings (Refer Note No. 17)		48		36
		<u>2 297</u>		<u>2 357</u>

## Reliance Capital Limited

### Notes to the Standalone Financial Statement as at March 31, 2016

	(` in crore)	
	2015-2016	2014-2015
<b>27 Other expenses</b>		
Bank charges	2	2
Rent	25	22
Rates and taxes	5	3
Repairs and maintenance		
-Buildings (Previous year ` 44 80 063)	1	-
-Others	33	28
Electricity	4	4
Insurance	1	1
Travelling and conveyance	13	14
Postage, telegram and telephones	7	8
Legal & professional fees	135	115
Auditors' remuneration (Refer Note No. 30)	2	2
Sales and marketing expenses	16	24
Employee seminar and training	2	2
Donation (` 23 52 100)	-	1
Corporate social responsibility expenditure (Refer Note No. 48)	10	12
Directors' sitting fees [ ` 42 40 416 (Previous year ` 36 78 772)]	-	-
Directors' commission (Previous year ` 45 00 000)	1	-
Amortised DSA commission (Refer Note No. 17)	44	38
Provision for NPA, doubtful debts and balances written off *	100	308
Provision and loss on repossessed stock #	49	29
Reversal for diminution in the value investments / written off **	(11)	(55)
Miscellaneous expenses	2	4
	<u>441</u>	<u>562</u>
<b>Notes:</b>		
<b>* Breakup of provision for NPA, doubtful debts and bad debts written off</b>		
Provision/(reversal) for NPA and doubtful debts	(5)	49
Contingent provision against standard assets	13	7
Bad debts written off	92	73
Loss on sale of assignment	-	179
	<u>100</u>	<u>308</u>
<b># Breakup of provision and loss on repossessed stock</b>		
Provision for repossessed stock	12	7
Loss on sale of repossessed stock	37	22
	<u>49</u>	<u>29</u>
<b>** Breakup of provision for diminution in the value of investments / written off</b>		
Reversal for diminution in the value of investments ***	(156)	(62)
Investments written off ****	145	7
	<u>(11)</u>	<u>(55)</u>

\*\*\* Reversal for diminution in the value of investments includes reversal of ` 77 crore (Previous year provision ` 8 crore) related to Investments in subsidiaries.

\*\*\*\* Investments written off includes ` 77 crore (Previous year ` Nil) related to Investments in subsidiaries.



Notes to the Standalone Financial Statement as at March 31, 2016

**28 Security clause / maturity profiles in respect to Secured Loans from banks / debentures**

- (i) Non convertible debentures (NCDs) are redeemable at par, in one or more installments, on various dates:
- (a) NCDs amounting to ` 4,378 crore (Previous year ` 4,686 crore) are secured by way of first pari passu legal mortgage and charge over the premises situated at Avdesh House, near Pritam Nagar, Ellisbridge, Ahmedabad and additional first pari passu charge by way of hypothecation on present and future book debts / business receivables of the Company. Business receivables includes Fixed Asset, Current Assets, Investments and any other assets, against security not exceeding ` 4,628 crore (Previous year ` 4,935 crore).
- (b) NCDs amounting to ` 4,992 crore (Previous year ` 5,184 crore) are secured by way of first pari passu legal mortgage and charge over the premises situated at Avdesh House, near Pritam Nagar, Ellisbridge, Ahmedabad and additional first pari passu charge by way of hypothecation on present and future book debts / business receivables of the Company (except security towards securing Outstanding Term Loan and Cash Credit Limits). Business receivables includes Current Assets and Investments, against security not exceeding ` 5,317 crore (Previous year ` 5,509 crore).
- (c) Unsecured NCDs amounting to ` 1,423 crore (Previous year ` 1,423 crore) are in respect to Tier II subordinate debts.
- (d) Maturity profile and rate of interest of Long Term NCDs are as set out below:

Rate of Interest	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Total
#	336	18	5	-	-	-	-	-	-	359
8.75%	-	-	-	15	-	-	-	-	-	15
8.80%	-	20	-	-	-	-	-	-	-	20
8.85%	-	250	-	-	-	-	-	-	-	250
8.90%	25	-	-	-	-	-	-	-	-	25
8.95%	-	90	-	-	-	-	-	-	-	90
8.99%	25	-	-	-	-	-	-	-	-	25
9.00%	25	30	-	-	-	-	-	-	-	55
9.05%	155	-	-	-	-	-	-	-	-	155
9.12%	-	-	-	15	-	-	-	-	-	15
9.25%	-	-	-	-	-	-	6	-	-	6
9.30%	-	500	-	-	-	-	-	-	-	500
9.32%	-	-	-	-	-	-	-	20	-	20
9.40%	-	-	-	-	-	-	1,500	-	-	1,500
9.42%	-	-	-	-	-	-	-	40	-	40
9.45%	-	20	-	-	-	-	-	-	-	20
9.50%	10	-	-	-	-	-	5	-	-	15
9.60%	150	-	-	-	-	-	-	-	-	150
9.65%	-	-	-	-	-	-	-	250	-	250
9.70%	25	-	15	-	-	-	-	-	-	40
9.75%	15	-	5	-	-	-	-	-	-	20
9.80%	-	-	-	-	-	500	-	-	-	500
9.85%	75	-	-	-	-	45	-	-	-	120
9.86%	30	-	-	-	-	-	-	-	-	30
9.90%	-	-	-	500	-	75	-	-	-	575
9.95%	-	-	-	-	-	85	-	-	-	85
10.00%	241	-	-	-	-	10	-	-	-	251
10.05%	-	-	-	-	-	7	-	-	-	7
10.10%	-	16	-	-	-	10	-	1,070	-	1,096
10.15%	65	-	-	-	-	-	-	-	8	73
10.19%	-	-	-	-	-	-	155	-	-	155
10.20%	5	-	-	-	-	82	-	-	-	87
10.24%	-	-	500	-	-	-	-	-	-	500
10.25%	16	-	-	-	-	40	-	-	-	56
10.28%	-	-	15	-	-	-	-	-	-	15
10.30%	49	93	-	-	-	-	-	-	-	142
10.33%	25	-	-	-	-	-	-	-	-	25
10.35%	50	-	-	155	-	5	-	-	-	210
10.40%	-	-	5	-	-	350	-	-	-	355
10.50%	-	21	-	-	25	20	15	-	-	81
10.60%	-	-	-	-	83	51	-	-	-	134
10.65%	-	8	-	-	-	-	-	-	-	8
10.75%	-	-	-	-	367	-	-	-	-	367
MLD	159	51	57	-	-	-	-	-	-	267
<b>Total</b>	<b>1 481</b>	<b>1 117</b>	<b>602</b>	<b>685</b>	<b>475</b>	<b>1 280</b>	<b>1 681</b>	<b>1 380</b>	<b>8</b>	<b>8 709</b>

# Zero coupon deep discount non convertible debentures

## Reliance Capital Limited

### Notes to the Standalone Financial Statement as at March 31, 2016

- (ii) (a) Term Loans from banks includes ₹ 6,939 crore (Previous year ₹ 6,588 crore) are secured by pari passu first charge on all present and future book debts, receivables, bills, claims and loan assets of the Company's commercial finance division.
- (b) Maturity profile of Long Term loans from banks are as set out below: (₹ in crore)

	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Term Loan from Banks	1,747	1,495	1,097	551	16	4,906

### 29 The Company is a partner in Reliance Capital Partners

- a) The firm consists of following partners and their balances:

Name of Partners	(₹ in crore)	
	As at March 31, 2016	As at March 31, 2015
i) Reliance Capital Limited	76	316
ii) Reliance Land Private Limited	4	1
<b>Total</b>	<b>80</b>	<b>317</b>

- b) Profit Sharing Ratio: The profit / (loss) is distributed between the partners on the basis of the weighted average capital. The profit for the current financial year is ₹ 13 crore (Previous year ₹ 113 crore).

### 30 Auditors' remuneration includes:

	(₹ in crore)	
	2015-16	2014-15
i) Audit Fees	1	1
ii) Tax Audit Fees [₹ 1,07,500 (Previous year ₹ 1,06,180)]	-	-
iii) Certification charges and other reimbursement	1	1
<b>Total</b>	<b>2</b>	<b>2</b>

### 31 Tax on Proposed Dividend

In view of Section 115 - O of the Income Tax Act, 1961, the Company has reduced its dividend tax liabilities to the extent dividend received / receivable from its subsidiary company viz. Reliance Capital Asset Management Limited:

	(₹ in crore)	
	2015-16	2014-15
<b>Company Dividend</b>		
Company Proposed dividend	253	227
Less : Dividend Receivable from Subsidiary	126	81
Dividend for Distribution Tax	127	146
Dividend Distribution Tax thereon	26	30
<b>Subsidiary Dividend</b>		
No. of shares held by the Company	58,75,200	64,78,000
Date of Final Dividend	April 22, 2016	April 29, 2015
Final Dividend (per share)	215	125
Final Dividend Receivable	126	81
Date of Interim Dividend	Nil	March 19, 2015
Interim Dividend (per share)	Nil	146
Interim Dividend Received	Nil	95
Dividend Distribution Tax credit on Interim Dividend	Nil	16

### 32 Employees Stock Option Plans

- a) The Company operated two Employee Stock Option Plans; ESOS Plan A and ESOS Plan B introduced in the financial year 2009-10. All options granted under the ESOS Plan A and ESOS Plan B have been surrendered and lapsed. The Company managed the ESOS Plan A and ESOS Plan B through a Trust. Advance of ₹ 59 crore (net of written off ₹ 64 crore) Previous Year ₹ 62 crore (net of written off ₹ 64 crore) has been granted to Trust. Out of the said advance, Trust has purchased 16,00,000 equity shares for the above purpose.

## Reliance Capital Limited

### Notes to the Standalone Financial Statement as at March 31, 2016

- b) The Company introduced ESOS 2015 which covers eligible employees of the Company and its subsidiaries. The vesting of the options is from expiry of one year till five years as per Plan. Each Option entitles the holder thereof to apply for and be allotted/transferred one Equity Share of the Company upon payment of the exercise price during the exercise period.

Details of ESOS 2015 are as under :

	<b>ESOS 2015</b>
Date of Grant	October 15, 2015
Price of Underlying Stock (₹)	396
Exercise / Strike Price (₹)	396
The fair value of the options granted was estimated on the date of grant using the Black Scholes Model with the following assumptions:	
Risk Free Interest Rate	7.51% - 7.56%
Expected Dividend Yield	2.28%
Expected Life (years)	4.51 to 6.51
Expected Volatility	44.61% to 46.39%

The information covering stock options granted, exercised, forfeited and outstanding at the year end is as follows:  
(As certified by the management)

	<b>No. of Stock Options As at March 31, 2016</b>
Outstanding at the beginning of the year	-
Granted	6 46 080
Exercised	-
Lapsed / Forfeited / Surrendered	3 520
Outstanding at the end of the year	6 42 560
Exercisable at end of the year	-

### 33 Employee benefits

#### a) Defined contribution plan

Contribution to defined contribution plans, recognised as expense for the year is as under: (₹ in crore)

	<b>2015-16</b>	2014-15
Employer's contribution to provident fund	<b>5</b>	5
Employer's contribution to superannuation fund [₹ 21 63 390 (Previous year ₹ 19 54 267)]	-	-
Employer's contribution to pension scheme	<b>3</b>	2
	<b>8</b>	7

#### b) Defined benefit plans

The following tables summarise the components of the net employee benefit expenses recognised in the Statement of Profit and Loss, the fund status and amount recognised in the balance sheet for the gratuity benefit plan and leave encashment plan.

(₹ in crore)

Particulars	Gratuity benefit (funded)		Leave Encashment Benefit (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
<b>I. Table showing change in</b>				
Liability at the beginning of the period	<b>9.55</b>	4.60	<b>3.62</b>	2.98
Interest Cost	<b>0.76</b>	0.43	<b>0.28</b>	0.26
Current Service Cost	<b>1.27</b>	0.76	<b>0.57</b>	0.57
Benefit Paid	<b>(1.35)</b>	(0.88)	<b>(0.38)</b>	(0.48)
Actuarial (gain)/loss on obligations	<b>(0.10)</b>	4.63	<b>0.70</b>	0.28
Liability at the end of the period	<b>10.13</b>	9.55	<b>3.39</b>	3.62

# Reliance Capital Limited

## Notes to the Standalone Financial Statement as at March 31, 2016

(` in crore)

Particulars	Gratuity benefit (funded)		Leave Encashment Benefit (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
<b>II. Changes in the Fair Value of Plan Assets and the reconciliation thereof</b>				
Fair Value of Plan Assets at the beginning of the period	5.80	5.99	-	-
Expected return on Plan Assets	0.46	0.56	-	-
Contributions	4.42	0.00	0.38	0.46
Benefit paid	(1.35)	(0.88)	(0.38)	(0.48)
Actuarial gain/(loss) on Plan Assets	(0.05)	0.13	(0.70)	(0.36)
Fair value of Plan Assets at the end of the period	9.28	5.80	-	-
Total Actuarial gain/(loss) to be recognised	0.05	(4.50)	(0.70)	(0.27)
<b>III. Actual return on Plan Assets</b>				
Expected return on Plan Assets	0.46	0.56	-	-
Actuarial gain/(loss) on Plan Assets	(0.05)	0.13	-	-
Actual return on Plan Assets	0.42	0.69	-	-
<b>IV. Amount recognised in the Balance Sheet</b>				
Liability at the end of the period	10.13	9.55	3.39	3.62
Fair Value of Plan Assets at the end of the period	9.28	5.80	-	-
Difference Funded status	(0.85)	(3.75)	(3.39)	(3.62)
Unrecognised Actual Gain / (Loss)	-	-	-	-
Amount recognised in the Balance Sheet (liability)	(0.85)	(3.75)	(3.39)	(3.62)
<b>V. Expenses recognised in the Profit and Loss Account</b>				
Current Service Cost	1.27	0.76	0.57	0.57
Interest Cost	0.76	0.43	0.28	0.26
Expected return on Plan Assets	(0.46)	(0.56)	-	-
Net Actuarial (gain)/loss to be recognized	(0.05)	4.50	0.70	0.28
Expense recognised in Profit and Loss Account	1.52	5.13	0.16	1.11
<b>VI. Amount recognised in the Balance Sheet</b>				
Opening Net Liability	3.74	(1.40)	3.62	2.98
Expense as above	1.52	5.13	0.16	1.11
Employers Contribution paid	(4.42)	0.00	(0.38)	(0.48)
Closing Net Liability/(Assets)	0.85	3.74	3.39	3.62
<b>VII. Assumptions</b>				
Discount Rate	8.07%	8.01%	8.00%	8.00%
Rate of return on Plan Assets	8.07%	8.01%	-	-
Salary Escalation Rate	6.00%	6.00%	5.00%	5.00%

### VIII. Particulars of the amounts for the year and previous years

	Gratuity for the year ended March 31				
	2 016	2 015	2 014	2 013	2 012
Present value of benefit obligation	10.13	9.55	4.60	5.54	4.36
Fair value of plan assets	9.28	5.80	5.99	6.69	4.35
Excess of obligation over plan assets	0.85	3.75	(1.39)	(1.15)	0.01

### IX. Experience adjustment

Experience adjustment on Plan Assets Gain/(Loss)	(0.05)	0.13	(0.07)	(0.03)	(0.25)
Experience adjustment on Plan Liabilities(Gain)/Loss	0.08	(0.69)	(0.77)	0.72	0.58

## Notes to the Standalone Financial Statement as at March 31, 2016

### c) Other employee benefits

Phantom Stock Option Scheme:

As a long term incentive plan to employees, the Company has initiated Phantom Stock Option Plan on October 15, 2015 which are cash settlement rights where the employees are entitled to get cash compensation based on a agreed formulae linked to market value of subsidiary company shares upon exercise of phantom stock options over notional or hypothetical shares,

Liability towards the scheme is accounted for on the basis of an independent actuarial valuation done at the year end. The valuation of the shares is done considering the Project Unit Credit Method and the progression of share price up to the exercise of the option. Fair Value of Phantom Stock Options was estimated on the date of grant on the assumptions of Discount Rate of 7.72% and Expected Life of 5 years.

Vested Phantom Options can be exercised on continuation of employment any time upto 3 years from the date of last vesting and upon cessation of employment as per the terms of the Scheme. Settlement of Phantom Option is done in cash within 90 days from the date of exercise. For the current year the Company has created provision of ₹ 1 crore.

#### Notes:

- i) The above figures are shown in rupees in crore with two decimals to be more representative.
- ii) The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.
- iii) 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 balance in the earned account as on January 1, 2009. All carry forward earned leaves with a maximum limit of 10 Days, are available for avilment but not for encashment.

### 34 Segment reporting

As per paragraph 4 of Accounting Standard (AS-17), on "Segment Reporting" notified by the Companies (Accounts) Rules, 2014, where a single financial report contains both consolidated financial statements and the separate financial statements of the holding company, segment reporting needs to be presented only on the basis of consolidated financial statements. In view of this, segment information has been presented at Note No. 44 of the consolidated financial statements.

### 35 Related party disclosures

#### A. List of Related Parties and their relationship:

##### i) Major investing party

Reliance Inceptum Private Limited

##### ii) Individual Promoter

Shri Anil D. Ambani, the person having control during the year.

##### iii) Subsidiaries

1	Reliance Capital Asset Management Limited	15	Reliance Securities Limited
2	Reliance Asset Management (Mauritius) Limited	16	Reliance Commodities Limited
3	Reliance Asset Management (Singapore) Pte. Limited	17	Reliance Financial Limited
4	Reliance Capital Asset Management (UK) Limited (formerly Reliance Capital Asset Management (UK) Plc)	18	Reliance Money Express Limited
5	Reliance Capital Pension Fund Limited	19	Reliance Money Precious Metals Private Limited
6	Reliance AIF Management Company Limited	20	Reliance Money Solutions Private Limited
7	Reliance Capital Trustee Co. Limited	21	Reliance Wealth Management Limited
8	Reliance General Insurance Company Limited	22	Quant Capital Private Limited
9	Reliance Life Insurance Company Limited (w.e.f. March 30, 2016)	23	Quant Capital Finance and Investments Private Limited
10	Reliance Gilts Limited	24	Quant Broking Private Limited
11	Reliance Home Finance Limited	25	Quant Commodity Broking Private Limited
12	Reliance Exchangenext Limited	26	Quant Investment Services Private Limited
13	Reliance Spot Exchange Infrastructure Limited	27	Quant Securities Private Limited
14	Reliance Capital AIF Trustee Company Private Limited		

## Reliance Capital Limited

### Notes to the Standalone Financial Statement as at March 31, 2016

iv) **Partnership firm**

Reliance Capital Partners

v) **Associates**

1	Reliance Life Insurance Company Limited (ceased w.e.f. March 30, 2016)	3	Indian Commodity Exchange Limited
2	Reliance Asset Reconstruction Company Limited	4	Ammolite Holdings Limited

vi) **Key Managerial Personnel (KMP) and KMP Relatives**

1	Shri Soumen Ghosh - Executive Director & Group CEO
2	Shri Amit Bapna - Chief Financial Officer
3	Shri V. R. Mohan - President & Company Secretary
4	Smt. Caroline Ghosh - KMP Relative
5	Shri Vijay Singh Bapna - KMP Relative

**B. Other related parties with whom transactions have taken place during the year**

Enterprise over which individual described in clause A (ii) above has control or significant influence.

1	Reliance Power Limited	6	Reliance Infocomm Infrastructure Limited
2	Reliance Communications Limited	7	Reliance Infratel Limited
3	Zapak Mobile Games Private Limited	8	Reliance IDC Limited
4	Reliance Big Entertainment Private Limited	9	Reliance Webstore Limited
5	Reliance Communications Infrastructure Limited	10	Reliance Transport & Travels Private Limited (ceased w.e.f. November 28, 2015)

**C. Transactions during the year with related parties:**

(` in crore)

Particulars	Subsidiaries	Associates	Partnership Firm	Others (B above)	Total
<b>Debentures</b>					
a) Issued during the year	-	-	-	-	-
	(14)	(-)	(-)	(-)	(14)
b) Redeemed during the year	<b>158</b>	-	-	-	<b>158</b>
	(63)	(-)	(-)	(-)	(63)
c) Balance as at March 31, 2016	<b>243</b>	-	-	-	<b>243</b>
	(240)	(50)	(-)	(-)	(290)
d) Accrued interest on debentures as at March 31, 2016	<b>10</b>	-	-	-	<b>10</b>
	(10)	(3)	(-)	(-)	(13)
<b>Loans Taken</b>					
a) Returned during the year	-	-	-	-	-
	(450)	(-)	(-)	(-)	(450)
<b>Fixed Assets</b>					
a) Purchase during the year* (` 48 86 889)	-	-	-	*	*
	(-)	(-)	(-)	(-)	(-)
b) Sold during the year* (` 6 06 392)	*	-	-	-	*
	(31)	(-)	(-)	(-)	(31)
<b>Investments</b>					
a) Subscribed/Purchased during the year	<b>174</b>	-	-	-	<b>174</b>
	(5)	(-)	(-)	(-)	(5)
b) Redeemed / Sold during the year	-	-	-	<b>632</b>	<b>632</b>
	(229)	(-)	(-)	(368)	(597)
c) Balance as at March 31, 2016	<b>7 976</b>	<b>49</b>	-	<b>223</b>	<b>8 248</b>
[Net of provision ` 76 crore (Previous year ` 182 crore)]	(2 636)	(4 825)	(-)	( 855)	(8 316)
<b>Partnership Current Accounts</b>					
a) Withdrawal during the year	-	-	<b>253</b>	-	<b>253</b>
	(-)	(-)	(207)	(-)	(207)
b) Profit of Partnership firm during the year	-	-	<b>13</b>	-	<b>13</b>
	(-)	(-)	(113)	(-)	(113)
c) Balance as at March 31, 2016	-	-	<b>76</b>	-	<b>76</b>
	(-)	(-)	(316)	(-)	(316)

## Reliance Capital Limited

### Notes to the Standalone Financial Statement as at March 31, 2016

Particulars	(` in crore)				
	Subsidiaries	Associates	Partnership Firm	Others (B above)	Total
<b>Loans Given</b>					
a) Given during the year	<b>117</b>	-	-	<b>2 654</b>	<b>2 771</b>
	(40)	(-)	(-)	(559)	(599)
b) Returned /Adjusted during the year	<b>112</b>	-	-	<b>2 469</b>	<b>2 601</b>
	(72)	(-)	(-)	(746)	(818)
c) Balance as at March 31, 2016	<b>5</b>	-	-	<b>815</b>	<b>820</b>
[Net of provision ` 7 crore (Previous year ` 7 crore)]	(-)	(-)	(-)	(649)	(649)
d) Interest accrued on Loans	-	-	-	<b>78</b>	<b>78</b>
	(-)	(-)	(-)	(77)	(77)
<b>Advances</b>					
a) Balance as at March 31, 2016	<b>95</b>	-	-	<b>1</b>	<b>96</b>
	(91)	(1)	(-)	(-)	(92)
<b>Income</b>					
a) Interest & Finance Income (including Premium on Preference Shares) (* ` 11 34 247)	<b>2</b>	-	-	<b>125</b>	<b>127</b>
	(*)	(-)	(-)	(188)	(188)
b) Rent (* ` 9 00 000)	-	-	-	<b>*</b>	<b>*</b>
	(0)	(-)	(-)	(1)	(1)
c) Dividend Income	<b>81</b>	<b>47</b>	-	-	<b>128</b>
	(207)	(47)	(-)	(1)	(255)
d) Reimbursement of Expenditure [* ` 11 69 618 (Previous year ` 4 23 150)]	<b>19</b>	<b>10</b>	-	<b>*</b>	<b>29</b>
	(18)	(7)	(-)	(*)	(25)
e) Management Fees	<b>21</b>	<b>6</b>	-	-	<b>27</b>
	(18)	(6)	(-)	(-)	(24)
f) Income transferred as per Business Transfer Agreement	<b>1</b>	-	-	-	<b>1</b>
	(2)	(-)	(-)	(-)	(2)
g) Other income (* ` 10 000, ** ` 29 63 000)	<b>*</b>	<b>**</b>	-	-	-
	(-)	(1)	(-)	(-)	(1)
h) Profit on sale of fixed assets	-	-	-	-	-
	(5)	(-)	(-)	(-)	(5)
<b>Expenditure</b>					
a) Finance cost paid	<b>80</b>	-	<b>3</b>	-	<b>83</b>
	(36)	(-)	(-)	(-)	(36)
b) Insurance [* ` 48 17 137 (Previous year ` 46 97 875)]	<b>3</b>	<b>*</b>	-	-	<b>3</b>
	(3)	(*)	(-)	(-)	(3)
c) Rent	-	-	-	<b>1</b>	<b>1</b>
	(1)	(-)	(-)	(-)	(1)
d) Brokerage paid during the year [(Previous year ** ` 36 55 563)]	<b>1</b>	-	-	-	<b>1</b>
	(**)	(-)	(-)	(-)	(**)
e) Expenses transferred as per Business Transfer Agreement	<b>1</b>	-	-	-	<b>1</b>
	(1)	(-)	(-)	(-)	(1)
f) Reimbursement of Expenditure [(Previous year ** ` 32 49 443)]	<b>1</b>	-	-	-	<b>1</b>
	(**)	(-)	(-)	(-)	(**)
g) Provision / (Reversal) for Diminution in value of Investments	<b>(77)</b>	-	-	-	<b>(77)</b>
	(8)	(-)	(-)	(73)	(81)
h) Investments written off	<b>77</b>	-	-	-	<b>77</b>
	(-)	(-)	(-)	(-)	(-)
i) Valuation Expenses (* ` 38 57 142)	<b>*</b>	-	-	-	<b>*</b>
	(-)	(-)	(-)	(-)	(-)
<b>Contingent Liability</b>					
a) Guarantees to Banks and Financial Institutions on behalf of third parties	-	-	-	<b>50</b>	<b>50</b>
	(-)	(-)	(-)	(50)	(50)
<b>Shares given as collateral /pledged</b>					
a) Shares given as collateral (* ` 29 96 529)	<b>*</b>	-	-	-	<b>*</b>
	(61)	(-)	(-)	(-)	(61)
b) Shares given as pledged	<b>67</b>	-	-	-	<b>67</b>
	(5)	(-)	(-)	(-)	(5)

## Reliance Capital Limited

### Notes to the Standalone Financial Statement as at March 31, 2016

#### D. The nature and volume of material transactions for the year with above related parties are as follows:

Particulars	(₹ in crore)				Total
	Subsidiaries	Associates	Partnership Firm	Others (B above)	
<b>Debentures</b>					
a) Issued during the year					
i) Reliance Securities Limited	-	-	-	-	-
ii) Reliance Capital Asset Management Limited	(13)	(-)	(-)	(-)	(13)
	(1)	(-)	(-)	(-)	(1)
b) Redeemed during the year					
i) Reliance Securities Limited	<b>152</b>	-	-	-	<b>152</b>
ii) Reliance General Insurance Company Limited	(13)	(-)	(-)	(-)	(13)
	(50)	(-)	(-)	(-)	(50)
c) Balance as at March 31, 2016					
i) Reliance Securities Limited	<b>12</b>	-	-	-	<b>12</b>
ii) Reliance Life Insurance Company Limited	(15)	(-)	(-)	(-)	(15)
iii) Reliance General Insurance Company Limited	-	-	-	-	-
	(-)	(50)	(-)	(-)	(50)
	<b>225</b>	-	-	-	<b>225</b>
	(225)	(-)	(-)	(-)	(225)
d) Interest accrued on debentures as at March 31, 2016					
i) Reliance Life Insurance Company Limited	-	-	-	-	-
ii) Reliance General Insurance Company Limited	(-)	(3)	(-)	(-)	(3)
	<b>10</b>	-	-	-	<b>10</b>
	(10)	(-)	(-)	(-)	(10)
<b>Loans Taken</b>					
a) Returned during the year					
i) Reliance Capital Asset Management Limited	-	-	-	-	-
	(450)	(-)	(-)	(-)	(450)
<b>Fixed Assets</b>					
a) Purchased during the year					
i) Reliance Communications Infrastructure Limited	-	-	-	*	*
* (₹ 48 86 889)	(-)	(-)	(-)	(-)	(-)
b) Sold during the year					
i) Reliance Home Finance Limited	-	-	-	-	-
ii) Reliance Money Solutions Private Limited	(31)	(-)	(-)	(-)	(31)
* (₹ 6 06 392)	*	-	-	-	*
	(-)	(-)	(-)	(-)	(-)
<b>Investments</b>					
a) Subscribed / Purchased during the year					
i) Reliance Gilts Limited	<b>51</b>	-	-	-	<b>51</b>
ii) Reliance Financial Limited	(5)	(-)	(-)	(-)	(5)
iii) Reliance Money Solutions Private Limited	<b>66</b>	-	-	-	<b>66</b>
iv) Reliance Money Precious Metals Private Limited	(-)	(-)	(-)	(-)	(-)
	<b>25</b>	-	-	-	<b>25</b>
	(-)	(-)	(-)	(-)	(-)
	<b>17</b>	-	-	-	<b>17</b>
	(-)	(-)	(-)	(-)	(-)
b) Redeemed / Sold during the year					
i) Reliance AIF Management Company Limited	-	-	-	-	-
ii) Reliance Capital Asset Management Limited	(54)	(-)	(-)	(-)	(54)
iii) Reliance Big Entertainment Private Limited	-	-	-	-	-
iv) Quant Capital Private Limited	(125)	(-)	(-)	(-)	(125)
	-	-	-	<b>632</b>	<b>632</b>
	(-)	(-)	(-)	(368)	(368)
	(50)	(-)	(-)	(-)	(50)
c) Balance as at March 31, 2016					
i) Reliance General Insurance Company Limited	<b>1 742</b>	-	-	-	<b>1 742</b>
ii) Reliance Home Finance Limited	(1 742)	(-)	(-)	(-)	(1 742)
iii) Reliance Communications Limited [Net of provision of ₹ 73 crore (Previous year ₹ 73 crore)]	<b>321</b>	-	-	-	<b>321</b>
	(321)	(-)	(-)	(-)	(321)
	-	-	-	<b>220</b>	<b>220</b>
	(-)	(-)	(-)	(220)	(220)



## Reliance Capital Limited

### Notes to the Standalone Financial Statement as at March 31, 2016

(₹ in crore)

Particulars	Subsidiaries	Associates	Partnership Firm	Others (B above)	Total
iv) Reliance Asset Reconstruction Company Limited	-	49	-	-	49
	(-)	( 49)	(-)	(-)	(49)
v) Ammolite Holdings Limited *[Net of Provision ₹ 29 crore (Previous year ₹ 29 crore)]	-	*	-	-	*
	(-)	(*)	(-)	(-)	(*)
vi) Reliance Securities Limited	150	-	-	-	150
	(150)	(-)	(-)	(-)	(150)
vii) Quant Capital Private Limited	200	-	-	-	200
	(200)	(-)	(-)	(-)	(200)
viii) Reliance Exchangenext Limited *[Written off ₹ 69 crore (Previous year provision ₹ 69 crore)]	13	-	-	-	13
	(*)	(-)	(-)	(-)	(*)
ix) Reliance Life Insurance Company Limited	5 077	-	-	-	5 077
	(-)	(4 776)	(-)	(-)	(4 776)
x) Reliance Capital Asset Management Limited	247	-	-	-	247
	(158)	(-)	(-)	(-)	(158)
xi) Reliance Big Entertainment Private Limited	-	-	-	-	-
	(-)	(-)	(-)	(632)	(632)
<b>Partnership Current Accounts</b>					
a) Withdrawal during the year					
i) Reliance Capital Partners	-	-	253	-	253
	(-)	(-)	(207)	(-)	(207)
b) Profit of Partnership firm during the year					
i) Reliance Capital Partners	-	-	13	-	13
	(-)	(-)	(113)	(-)	(113)
c) Balance as at March 31, 2016					
i) Reliance Capital Partners	-	-	76	-	76
	(-)	(-)	(316)	(-)	(316)
<b>Loans Given</b>					
a) Given during the year					
i) Reliance Money Solutions Private Limited	27	-	-	-	27
	(-)	(-)	(-)	(-)	(-)
ii) Reliance Financial Limited	23	-	-	-	23
	(40)	(-)	(-)	(-)	(40)
iii) Reliance Infratel Limited	-	-	-	325	325
	(-)	(-)	(-)	(213)	(213)
iv) Reliance Securities Limited	65	-	-	-	65
	(-)	(-)	(-)	(-)	(-)
v) Reliance Big Entertainment Private Limited	-	-	-	140	140
	(-)	(-)	(-)	(346)	(346)
vi) Reliance Communications Limited	-	-	-	2 104	2 104
	(-)	(-)	(-)	(-)	(-)
b) Returned/Adjusted during the year					
i) Reliance Money Solutions Private Limited	27	-	-	-	27
	(-)	(-)	(-)	(-)	(-)
ii) Reliance Financial Limited	18	-	-	-	18
	(40)	(-)	(-)	(-)	(40)
iii) Reliance Securities Limited	65	-	-	-	65
	(-)	(-)	(-)	(-)	(-)
iv) Reliance Big Entertainment Private Limited	-	-	-	80	80
	(-)	(-)	(-)	(533)	(533)
v) Reliance Infratel Limited	-	-	-	325	325
	(-)	(-)	(-)	(213)	(213)
vi) Reliance Communications Limited	-	-	-	1 999	1 999
	(-)	(-)	(-)	(-)	(-)
c) Balance as at March 31, 2016					
i) Reliance Financial Limited	5	-	-	-	5
	(-)	(-)	(-)	(-)	(-)
ii) Reliance Exchangenext Limited *[Net of Provision of ₹ 7 crore (Previous year ₹ 7 crore)]	*	-	-	-	*
	(*)	(-)	(-)	(-)	(*)
iii) Reliance Big Entertainment Private Limited	-	-	-	709	709
	(-)	(-)	(-)	(649)	(649)
iv) Reliance Communications Limited	-	-	-	106	106
	(-)	(-)	(-)	(-)	(-)

## Reliance Capital Limited

### Notes to the Standalone Financial Statement as at March 31, 2016

						(₹ in crore)
Particulars	Subsidiaries	Associates	Partnership Firm	Others (B above)	Total	
d) Interest accrued on loans						
i) Reliance Big Entertainment Private Limited	-	-	-	<b>77</b>	<b>77</b>	
	(-)	(-)	(-)	(77)	(77)	
<b>Advances</b>						
a) Balance as at March 31, 2016						
i) Reliance General Insurance Company Limited	<b>93</b>	-	-	-	<b>93</b>	
	(90)	(-)	(-)	(-)	(90)	
ii) Reliance Asset Reconstruction Company Limited *[ ₹ 18 06 490 (Previous year ₹ 32 33 993)]	-	<b>*</b>	-	-	<b>*</b>	
	(-)	(*)	(-)	(-)	(*)	
iii) Reliance Life Insurance Company Limited (* ₹ 26 26 243)	<b>1</b>	-	-	-	<b>1</b>	
	(-)	(*)	(-)	(-)	(*)	
iv) Reliance Communications Limited	-	-	-	<b>1</b>	<b>1</b>	
	(-)	(-)	(-)	(-)	(-)	
v) Reliance Communications Infrastructure Limited (* Net of ₹ 75 crore given & refund)	-	-	-	<b>*</b>	<b>*</b>	
	(-)	(-)	(-)	(-)	(-)	
<b>Income</b>						
a) Interest & Finance Income (including Premium on Preference Shares)						
i) Reliance Securities Limited	<b>1</b>	-	-	-	<b>1</b>	
	(-)	(-)	(-)	(-)	(-)	
ii) Reliance Financial Limited *[ ₹ 3 63 616 (Previous year ₹ 11 34 247)]	<b>*</b>	-	-	-	<b>*</b>	
	(*)	(-)	(-)	(-)	(*)	
iii) Reliance Money Solutions Private Limited	<b>1</b>	-	-	-	<b>1</b>	
	(-)	(-)	(-)	(-)	(-)	
iv) Reliance Communications Limited	-	-	-	<b>24</b>	<b>24</b>	
	(-)	(-)	(-)	(-)	(-)	
v) Reliance Big Entertainment Private Limited	-	-	-	<b>91</b>	<b>91</b>	
	(-)	(-)	(-)	(187)	(187)	
b) Rent						
i) Reliance Communications Infrastructure Limited (* ₹ 9 00 000)	-	-	-	<b>*</b>	<b>*</b>	
	(-)	(-)	(-)	(1)	(1)	
c) Dividend Income						
i) Reliance Capital Asset Management Limited	<b>81</b>	-	-	-	<b>81</b>	
	(207)	(-)	(-)	(-)	(207)	
ii) Reliance Life Insurance Company Limited	-	<b>46</b>	-	-	<b>46</b>	
	(-)	(46)	(-)	(-)	(46)	
d) Reimbursement of Expenditure						
i) Reliance General Insurance Company Limited	<b>7</b>	-	-	-	<b>7</b>	
	(10)	(-)	(-)	(-)	(10)	
ii) Reliance Communications Infrastructure Limited *[ ₹ 11 69 618 (Previous year ₹ 4 23 150)]	-	-	-	<b>*</b>	<b>*</b>	
	(-)	(-)	(-)	(*)	(*)	
iii) Reliance Capital Asset Management Limited	<b>2</b>	-	-	-	<b>2</b>	
	(2)	(-)	(-)	(-)	(2)	
iv) Reliance Securities Limited	<b>2</b>	-	-	-	<b>2</b>	
	(2)	(-)	(-)	(-)	(2)	
v) Reliance Home Finance Limited	<b>8</b>	-	-	-	<b>8</b>	
	(4)	-	(-)	(-)	(4)	
vi) Reliance Life Insurance Company Limited	-	<b>10</b>	-	-	<b>10</b>	
	(-)	(7)	(-)	(-)	(7)	
e) Management Fees						
i) Reliance General Insurance Company Limited	<b>6</b>	-	-	-	<b>6</b>	
	(6)	(-)	(-)	(-)	(6)	
ii) Reliance Capital Asset Management Limited	<b>6</b>	-	-	-	<b>6</b>	
	(6)	(-)	(-)	(-)	(6)	
iii) Reliance Home Finance Limited	<b>3</b>	-	-	-	<b>3</b>	
	(3)	(-)	(-)	(-)	(3)	
iv) Reliance Life Insurance Company Limited	-	<b>6</b>	-	-	<b>6</b>	
	(-)	(6)	(-)	(-)	(6)	
v) Reliance Securities Limited	<b>6</b>	-	-	-	<b>6</b>	
	(3)	(-)	(-)	(-)	(3)	
f) Income transferred as per Business Transfer Agreement						
i) Reliance Home Finance Limited	<b>1</b>	-	-	-	<b>1</b>	
	(2)	(-)	(-)	(-)	(2)	

## Reliance Capital Limited

### Notes to the Standalone Financial Statement as at March 31, 2016

(₹ in crore)

Particulars	Subsidiaries	Associates	Partnership Firm	Others (B above)	Total
g) Other income					
i) Reliance Asset Reconstruction Company Limited (* ₹ 29 63 000)	-	*	-	-	*
(-)	(-)	(1)	(-)	(-)	(1)
h) Profit on sale of fixed assets					
i) Reliance Home Finance Limited	-	-	-	-	-
(-)	(-)	(-)	(-)	(-)	(-)
<b>Expenditure</b>					
a) Finance cost					
i) Reliance Securities Limited	<b>54</b>	-	-	-	<b>54</b>
(-)	(-)	(-)	(-)	(-)	(-)
ii) Reliance Capital Asset Management Limited	-	-	-	-	-
(36)	(-)	(-)	(-)	(-)	(36)
iii) Reliance Life Insurance Company Limited	-	<b>3</b>	-	-	<b>3</b>
(-)	(-)	(8)	(-)	(-)	(8)
iv) Reliance General Insurance Company Limited	<b>23</b>	-	-	-	<b>23</b>
(-)	(-)	(-)	(-)	(-)	(0)
b) Insurance					
i) Reliance General Insurance Company Limited	<b>3</b>	-	-	-	<b>3</b>
(3)	(-)	(-)	(-)	(-)	(3)
ii) Reliance Life Insurance Company Limited* [ ₹ 48 17 137 (Previous year ₹ 46 97 875)]	-	*	-	-	*
(-)	(-)	(*)	(-)	(-)	(*)
c) Rent					
i) Reliance General Insurance Company Limited	-	-	-	-	-
(1)	(-)	(-)	(-)	(-)	(-)
ii) Reliance Communications Limited	-	-	-	<b>1</b>	<b>1</b>
(-)	(-)	(-)	(-)	(-)	(-)
d) Brokerage paid during the year					
i) Reliance Securities Limited (Previous year ₹ 36 55 563)	<b>1</b>	-	-	-	<b>1</b>
(**)	(-)	(-)	(-)	(-)	(**)
e) Expenses transferred as per Business Transfer Agreement					
i) Reliance Home Finance Limited	<b>1</b>	-	-	-	<b>1</b>
(1)	(-)	(-)	(-)	(-)	(1)
f) Reimbursement of Expenditure					
i) Reliance General Insurance Company Limited	<b>1</b>	-	-	-	<b>1</b>
(-)	(-)	(-)	(-)	(-)	(-)
g) Provision / (Reversal) for diminution in value of investments					
i) Reliance Exchangenext Limited	<b>(69)</b>	-	-	-	<b>(69)</b>
(-)	(-)	(-)	(-)	(-)	(-)
ii) Reliance Communications Limited	-	-	-	-	-
(-)	(-)	(-)	(-)	(73)	(73)
iii) Reliance Money Precious Metals Private Limited	<b>(8)</b>	-	-	-	<b>(8)</b>
(8)	(-)	(-)	(-)	(-)	(8)
h) Investments written off					
i) Reliance Exchangenext Limited	<b>69</b>	-	-	-	<b>69</b>
(-)	(-)	(-)	(-)	(-)	(-)
ii) Reliance Money Precious Metals Private Limited	<b>8</b>	-	-	-	<b>8</b>
(-)	(-)	(-)	(-)	(-)	(-)
i) Valuation Expenses					
i) Reliance Home Finance Limited *( ₹ 38 57 142)	*	-	-	-	*
(-)	(-)	(-)	(-)	(-)	(-)
<b>Contingent Liability</b>					
a) Guarantees to Banks and Financial Institutions on behalf of third parties					
i) Reliance Big Entertainment Private Limited	-	-	-	<b>50</b>	<b>50</b>
(-)	(-)	(-)	(-)	(50)	(50)
<b>Shares given as collateral</b>					
a) Reliance Securities limited *( ₹ 29 96 529)	*	-	-	-	*
(61)	(-)	(-)	(-)	(-)	(61)

## Reliance Capital Limited

### Notes to the Standalone Financial Statement as at March 31, 2016

Particulars					(` in crore)
	Subsidiaries	Associates	Partnership Firm	Others (B above)	Total
<b>Shares given as pledge</b>					
a) Reliance Securities Limited	67 (5)	- (-)	- (-)	- (-)	67 (5)

### Key Managerial Personnel

Name				(` in crore)
	Shri Soumen Ghosh	Shri Amit Bapna	Shri V. R. Mohan	
Employee benefit expenses	8 (8)	3 (3)	1 (1)	
Loan & Advance balance [*` 44 64 047 (Previous year ` 4 06 551)]	1 (1)	- (-)	* (*)	
Interest Income [#` 3 29 535, *` 9 96 021, (Previous year *` 12 69 472)]	* (*)	- (-)	# (-)	
Smt. Caroline Ghosh loan ` 47 74 487 (Previous year ` 1 crore) and interest income ` 6 62 387 (Previous year ` 6 90 661)				
Shri Vijay Singh Bapna interest income ` 1 62 534 (Previous year ` 5 40 423)				

### Notes :

- Figures in bracket indicate previous year figures.
- Expenses incurred towards public utilities services such as communication and electricity charges have not been considered for related party transaction.
- The above discloses transactions entered during the period of existence of related party relationship. The balances and transactions are not disclosed before existence of related party relationship and after cessation of related party relationship.
- Director Sitting Fees of ` 1 60 000 (Previous year ` 2 60 000) has been paid to Shri Anil D. Ambani, an individual having control.
- In accordance with Para 7 of Accounting Standard (AS-23) on Accounting for Investments in Associates in Consolidated Financial statement as per the Companies (Accounts) Rules, 2014, the Company's stake in Sula Vineyards Private Limited though in excess of 20% of their shareholdings have not been accounted for as associates in the preparation of consolidated financial statement as the Company does not have any "Significant Influence" on these companies, as defined by Accounting Standard (AS-18) on Related Party Disclosures as per the Companies (Accounts) Rules, 2014 and hence the transaction with these parties have not been considered for Related Party Disclosures.

### 36 Leases

The Company has given assets on Operating lease (Refer Note No. 14). Disclosure as per Accounting Standard (AS-19), on "Leases" notified by the Companies (Accounting Standards) Rules 2006:

Particulars			(` in crore)
	2015-16	2014-15	
Within one year of the balance sheet date	15	22	
Due in a period between one year and five years	14	24	
Due after five years	-	-	

### 37 Basic and diluted earnings per share

The computation of earnings per share is set out below:

Particulars			(` in crore)
	2015-16	2014-15	
a) Amounts used as the numerators			
Net profit after tax	977	757	
Net profit attributable to equity shareholders	977	757	
b) Weighted average number of equity shares (Nos.)	25 26 32 800	24 60 16 362	
c) Basic earnings per share of face value ` 10 each (`)	38.67	30.77	
d) Diluted earnings per share of face value ` 10 each (`)	38.67	30.77	

As the fair value of ESOS is less than exercise price no expense has been charge to the Statement of Profit & Loss.

Notes to the Standalone Financial Statement as at March 31, 2016

**38 Discontinuing operations**

The Board of Directors of the Company at its Meeting held on February 25, 2016 has considered and approved a Scheme of Arrangement (Demerger) between the Company, and its wholly owned subsidiary Reliance Gilts Limited. As per the Scheme the Commercial Finance Business of the Company would be demerged and transferred to Reliance Gilts Limited. The Appointed Date in respect of the Scheme is April 1, 2016. The Scheme is subject to requisite approvals, including sanction of the Hon'ble High Court of Judicature at Bombay. Accordingly, aforesaid Commercial Finance Division has been considered as discontinuing operations. Post Demerger the Company would be applying to the Reserve Bank of India for registering itself as a Core Investment Company.

The operating activities of the Company's discontinuing operations are summarised below:

- a. The revenue and expense in respect of the ordinary activities attributable to the discontinuing operation:

Particulars	(` in crore)	
	2015-16	2014-15
Revenue	1 839	1 848
Expenses	1 527	1 514
Profit before tax	312	334
Tax expense	74	76
Profit after tax	238	258

- b. The Net Cash Flows attributable to the discontinuing operations are as follows:

	(` in crore)	
	2015-16	2014-15
Operating Activities	468	(175)
Investing Activities	(17)	37
Financing Activities	(533)	(873)
<b>Net Cash Outflows</b>	<b>(82)</b>	<b>(1 011)</b>

- c. The carrying amounts as at March 31, 2016 of the total assets and liabilities to be transferred are as follows:

	(` in crore)	
	2015-16	2014-15
Total Assets	12 473	
Total Liabilities	12 473	
<b>Net Assets</b>	<b>-</b>	<b>-</b>

**39 Disclosure of loans / advances and investments in its own shares pursuant to Regulation 53 of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015.**

Particulars	(` in crore)			
	Outstanding Balance		Maximum Balance outstanding	
	March 31, 2016	March 31, 2015	2015-16	2014-15
i) Loans and advances in the nature of loans to subsidiaries				
a) Reliance Securities Limited	-	-	40	-
b) Reliance Financial Limited	5	-	18	-
c) Reliance Wealth Management Limited	-	-	3	-
d) Reliance Money Solutions Limited	-	-	27	-
e) Reliance Exchangenext Limited [Net of Provision of ` 7 crore (Previous year ` 7 crore) as on March 31, 2016]	-	-	-	-
f) Reliance Equity Advisors (India) Limited	-	-	-	32
ii) Loans and advances in the nature of loans to associates	-	-	-	-
iii) Loans and advances in nature of loans to firms / companies in which directors are interested.	-	-	-	-

## Reliance Capital Limited

### Notes to the Standalone Financial Statement as at March 31, 2016

	Outstanding Balance			
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
iv) Investments by loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.	No. of shares		Amount in `	
	-	-	-	-

Loans & Advances does not include bonds and Debentures

#### 40 Disclosure of details as required by Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015

##### Liabilities side:

(` in crore)

Particulars	Amount Outstanding		Amount Overdue	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
(1) Loans and advances availed by NBFC inclusive of interest accrued thereon but not paid:				
(a) Debentures				
(Other than falling within the meaning of public deposits)				
i) Secured [inclusive of ` 546 crore (Previous year ` 487 crore) interest accrued thereon]	9 916	10 357	-	-
ii) Unsecured [inclusive of ` 61 crore (Previous year ` 58 crore) interest accrued thereon]	1 484	1 481	-	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	7 927	7 528		
(d) Inter-corporate Loans and Borrowing	-	-	-	-
(e) Commercial Paper	2 824	2 931	-	-
(f) Other loans				
i) Cash credit from banks	3	1	-	-

##### Assets side:

(` in crore)

Particulars	Amount Outstanding	
	March 31, 2016	March 31, 2015
(2) Break-up of Loans and Advances including bills receivables other than those included in (4) below (Gross Amount) (Refer Note (b) below)		
(a) Secured	15 567	12 460
(b) Unsecured	6 084	7 856
<b>Total</b>	<b>21 651</b>	<b>20 316</b>

##### Notes:

- Housing loans / loans against property and construction finance granted are secured by equitable registered mortgage of property and / or undertaking to create a security and other loans and advances are secured by way of hypothecation and/or pledging of the underlying asset.
- In case of loans & advances given in para (2) above, Provision for NPA & Doubtful Debts is ` 99 crore (Previous year ` 103 crore)
- Break up of Leased Assets and stock on hire and other assets counting towards AFC activities
  - Lease assets including lease rentals under sundry debtors:
    - Financial lease (net of depreciation and lease adjustment) - -
    - Operating lease (net of depreciation) 43 56
- Break up of investments [(Amount net of provisions of ` 194 crore (Previous Year ` 350 crore)]
 

Current Investments:

  - Quoted
    - Shares
      - Equity (stock-in trade) - -
      - Preference - -
    - Units of mutual fund 6 6
  - Unquoted
    - Others

## Reliance Capital Limited

### Notes to the Standalone Financial Statement as at March 31, 2016

Assets side:		(` in crore)	
Particulars	Amount Outstanding		
	March 31, 2016	March 31, 2015	
- Preference shares	10	632	
- Debentures and Bonds	-	196	
- Pass Through Certificates	46	25	
- Reliance Capital Partners (Partnership Firm)	76	135	
Long Term investments			
1. Quoted			
(i) Shares			
(a) Equity	422	350	
(b) Preference	-	-	
(ii) Debentures and bonds	-	-	
(iii) Government securities	-	-	
2. Unquoted			
(i) Shares			
(a) Equity	8 343	7 892	
(b) Preference	1 267	1 652	
(ii) Debentures and Bonds	631	1 004	
(iii) Units of Mutual funds	-	-	
(iv) Government of India securities ` 45 000 (Previous year ` 45 000)	-	-	
(v) Others			
(a) Pass Through Certificates & Security Receipts	29	32	
(b) Units of Private Equity/Seed Fund	211	202	
(c) Reliance Capital Partners (Partnership Firm)	-	181	
(d) Investments in joint venture	68	68	
(e) Investments in properties	138	-	
<b>Total</b>	<b>11 246</b>	<b>12 375</b>	

- (5) Borrower group-wise classification of assets financed as in (2) and (3) above:  
 [(Amount net of provisions of ` 99 crore (Previous Year ` 103 crore)]

Category	Secured		Unsecured		Total	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	1. Related parties					
(a) Subsidiaries	-	-	100	91	100	91
(b) Companies in the same group - Associates	-	-	-	1	-	1
(c) Other related parties	247	80	569	569	816	649
2. Other than related parties	15 271	12 370	5 408	7 158	20 679	19 528
<b>Total</b>	<b>15 518</b>	<b>12 450</b>	<b>6 077</b>	<b>7 819</b>	<b>21 595</b>	<b>20 269</b>

- (6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted excluding stock in trade)  
 [(Amount net of provisions of ` 194 crore (Previous Year ` 350 crore)]

Category	Market value / Fair Value or NAV		Book Value (Net of provisions)	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
1. Related parties				
(a) Subsidiaries	7 976	2 636	7 976	2 636
(b) Companies in the same group - Associates	49	4 825	49	4 825
(c) Other related parties	169	831	223	855
2. Other than related parties	2 975	4 130	2 998	4 059
<b>Total</b>	<b>11 169</b>	<b>12 422</b>	<b>11 246</b>	<b>12 375</b>

## Reliance Capital Limited

### Notes to the Standalone Financial Statement as at March 31, 2016

(7) Other information (` in crore)

Particulars	March 31, 2016	March 31, 2015
(i) Gross Non-Performing Assets		
(a) Related parties	36	36
(b) Other than related parties	464	469
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	372	347
(iii) Assets acquired in satisfaction of debt [Net of provision ` 29 crore (Previous year ` 17 crore)]	206	110

#### Notes :

- Companies in same group means companies under the same management as per Section 370(1B) of the Companies Act, 1956.
- In case of unquoted investments, in the absence of market value book value has been considered.
- Capital contribution in Partnership Firm and unincorporated Joint venture have not been considered for the purpose of companies in the same group and other related party.
- Investments are classified between non-current and current investments (including current portion of long term investments) as required under Schedule III of Companies Act, 2013.
- Gross Non-Performing Assets and Net Non Performing Assets given above includes loans & advances and bonds & debentures.

**41 Disclosure of details as required by para 9.6 of Reserve Bank of India Circular No. RBI /2014-15/299 DNBS (PD) CC. No. 002/03.10.001/2014-15 dated November 10, 2014 to the extent applicable to the Company.**

#### I. Registration obtained from financial sector regulators

Items	Type	Number reference
i. Securities and Exchange Board of India	Registration No.	IN-DP-48-2015
ii. Reserve Bank of India	Registration No.	B-13.01859
iii. Ministry of Corporate Affairs	Registration No.	L65910MH1986PLC165645
iv. Pension Fund Regulatory and Development Authority	Registration Code for Point of Presence (PoP)	PoP 25112015

#### II. Ratings assigned by credit rating agencies

Rating agency	Borrowing type	Rating
i. Brickwork Ratings India Private Limited	Long term NCD of ` 5000 crore	BWR AAA
ii. Credit Analysis & Research Limited	Long term debt ` 22000 crore	CARE AAA Credit Watch
iii. Credit Analysis & Research Limited	Principal Protected MLD ` 1000 crore	CARE PP-MLD AAA Credit Watch
iv. ICRA Limited	Short term debt ` 7500 crore	[ICRA] A1+
v. CRISIL Limited	Short term debt ` 7500 crore	CRISIL A1+
vi. Brickwork Ratings India Private Limited	Subordinated Tier II NCD ` 2000 crore	BWR AAA
vii. Credit Analysis & Research Limited	Subordinated Debt ` 2000 crore	CARE AA+ Credit Watch

**III.** No penalties were levied upon the Company by any of the regulator.

#### IV. Other information

Items	March 31, 2016	March 31, 2015
i) Area, country of operation	<b>India</b>	India
ii) Joint venture partners with regard to Joint ventures and Overseas subsidiaries	<b>None</b>	None

#### V. Capital

Items	March 31, 2016	March 31, 2015
i) CRAR (%)	24.81	23.87
ii) CRAR - Tier I Capital (%)	20.03	19.05
iii) CRAR - Tier II Capital (%)	4.78	4.82
iv) Amount of subordinated debt raised as Tier-II Capital	1 423	1 423
v) Amount raised by issue of Perpetual Debt Instruments	<b>Nil</b>	Nil



## Reliance Capital Limited

### Notes to the Standalone Financial Statement as at March 31, 2016

#### VI. Investments

	(` in crore)	
	March 31, 2016	March 31, 2015
<b>(1) Value of Investments</b>		
(i) Gross Value of Investments		
(a) In India	11 371	12 656
(b) Outside India	69	69
(ii) Provisions for Depreciation		
(a) In India	164	320
(b) Outside India	30	30
(iii) Net Value of Investments		
(a) In India	11 207	12 336
(b) Outside India	39	39
<b>(2) Movement of provisions held towards depreciation on investments</b>		
(i) Opening balance	350	412
(ii) Add: Provisions made during the year	6	164
(iii) Less: Write-off / write-back of excess provisions during the year	(162)	226
(iv) Closing balance	194	350

VII. The Company sells loans through securitisation and direct assignment. The information related to securitisation and assignment made by the Company during the year, as an originator is given below:

		(` in crore)			
Particulars		Securitisation Outside	Assignment Subsidiaries	Assignment Outside	Total
Total number of loan assets Securitised / Assigned	(Nos.)	-	-	29 108	29 108
Total book value of loan assets Securitised / Assigned (Net of Provisions, if any)	(`)	(-)	(-)	(21 766)	(21 766)
Sale consideration received for the Securitised/ Assigned assets	(`)	-	-	3 848	3 848
Net gain/(loss) on account of Securitisation / Assignment	(`)	(-)	(-)	(3 536)	(3 536)
Outstanding Credit Enhancement (Funded) as at March 31, 2016	(`)	-	-	3 848	3 848
Outstanding Liquidity Facility	(`)	(-)	(-)	(3 358)	(3 358)
Net gain/(loss) on account of Securitisation / Assignment	(`)	-	-	-	-
Outstanding Credit Enhancement (Funded) as at March 31, 2016	(`)	(-)	(-)	(-)	(-)
Outstanding Liquidity Facility	(`)	198	-	-	198
Net Outstanding Servicing Liability as at March 31, 2016	(`)	(253)	(-)	(-)	(253)
		-	-	-	-
		(-)	(-)	(-)	(-)
Net Outstanding Servicing Liability as at March 31, 2016	(`)	7	-	248	255
		(25)	(-)	(180)	(205)

Notes: Figures in bracket indicate previous year figures.

#### (a) Securitisation

		(` in crore)	
S. No.	Particulars	As at March 31, 2016	As at March 31, 2015
1	No. of SPVs sponsored by the NBFC for securitisation transactions	6	10
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	444	833
3	Total amount of exposures retained by the NBFC to comply with Minimum Retention Requirements (MRR) as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	198	253
	• Others	-	-

## Reliance Capital Limited

### Notes to the Standalone Financial Statement as at March 31, 2016

(` in crore)

S. No.	Particulars	As at March 31, 2016	As at March 31, 2015
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitisations		
	• First loss	-	-
	• Others	199	200
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-

During the year there are no financial assets sold to securitisation / reconstruction Company for asset reconstruction.

#### (b) Assignment

(` in crore)

S. No.	Particulars	As at March 31, 2016	As at March 31, 2015
1	No. of Direct Assignments	64	39
2	Total amount of assigned assets as per books of the NBFC	4 665	3 542
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	-	-
	• Others	458	332
4	Amount of exposures to assignment transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own assignments		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party assignments		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own assignments		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party assignments		
	• First loss	-	-
	• Others	-	-

Notes to the Standalone Financial Statement as at March 31, 2016

(c) Non-performing financials assets purchased : (₹ in crore)

Particulars	March 31, 2016	March 31, 2015
1. No. of accounts purchased during the year	-	1 313
2. Aggregate outstanding	-	67
(a) Of these, number of accounts restructured during the year	-	-
(b) Aggregate outstanding	-	-

(d) Non-performing financials assets sold : (₹ in crore)

Particulars	March 31, 2016	March 31, 2015
1. No. of accounts sold during the year	-	-
2. Aggregate outstanding	-	-
3. Aggregate consideration receive	-	-

(e) The Company invests in Pass Through Certificates (PTCs) and purchases loans through the direct assignment route. In some of the securitisation transactions, the Company also has invested in the assets securitised by it, which, however, is restricted to the maximum limit prescribed by RBI from time to time.

(f) During the financial year 2015, Company has entered into two agreements for assignment of receivables. As per deeds of assignment, the Company has agreed to purchase the receivables and other rights for a consideration of ₹ 100 crore. The said receivables are included in loans givens.

(g) Business Transfer Agreement

In terms of Business Transfer Agreement (BTA) dated April 26, 2010 further amended on January 31, 2011 with its subsidiary company i.e. Reliance Home Finance Limited the Company hold loan assets of ₹ 5 crore (Previous year ₹ 5 crore) related to Reliance Home Finance Limited in the trust capacity as on March 31, 2016.

VIII. Maturity pattern of asset and liabilities (At Book Values) (₹ in crore)

Particulars	1 day to 30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
<b>Liabilities</b>									
Borrowings from bank	23 (170)	70 (200)	795 (1 020)	780 (590)	1 352 (1 360)	3 241 (2 777)	1 648 (1 409)	18 (3)	7 927 (7 529)
Market Borrowings	632 (68)	2 409 (1 671)	328 (1 043)	213 (498)	1 327 (1 032)	2 597 (3 174)	952 (1 259)	5 159 (5 479)	13 617 (14 224)
<b>Assets</b>									
Loans / Advances / Security Deposits	1 279 (2 685)	386 (762)	478 (237)	1 000 (1 625)	2 492 (3 382)	12 041 (7 330)	1 310 (1 597)	2 600 (2 630)	21 586 (20 248)
Investments	439 (486)	9 (510)	7 (3)	15 (161)	95 (160)	136 (185)	787 (801)	9 758 (9 790)	11 246 (12 375)

Notes:

- All quoted investments have been included in 1 day to 30/31 days (one month) bucket considering its liquidity. All unquoted equity shares / warrants including investment in subsidiaries have been included in 'Over 5 years'. The maturity pattern has been prepared in line with various regulations issued by RBI from time to time, best practices and based upon best estimate of the management with regard to the timing of various cash flows.
- The classification of Assets and Liabilities into current and non-current is carried out based on their residual maturity profile as per requirement of Schedule III to the Companies Act, 2013. The above maturity pattern of assets and liabilities has been prepared by the Company after taking into consideration guidelines for assets-liabilities management (ALM) system in non-banking financial companies issued by RBI, best practices and best estimate of the Assets-Liability Committee / management with regard to the timing of various cash flows, which has been relied upon by the auditors.

## Reliance Capital Limited

### Notes to the Standalone Financial Statement as at March 31, 2016

#### IX. Exposures

##### (a) Exposure to Real Estate (` in crore)

Category	2015-16	2014-15
a) Direct Exposure		
i) Residential Mortgages	53	51
ii) Commercial Real Estate	1 077	1 464
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
a. Residential	-	-
b. Commercial	-	-
b) Indirect Exposure		
Fund Based and Non Fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	334	342
<b>Total Exposure to Real Estate Sector</b>	<b>1 464</b>	<b>1 857</b>

##### (b) Exposure to Capital Market (` in crore)

Category	2015-16	2014-15
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	563	487
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	4	94
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	833	840
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	891	736
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	200	200
<b>Total Exposure to Capital Market</b>	<b>2 491</b>	<b>2 357</b>

#### Note :

- i) For the exposure to real estate only loans secured by way of mortgage/hypothecation of housing properties, commercial properties and land are considered.
- ii) In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.
- iii) For the exposure to capital market Company has followed capital market exposure as defined under RBI regulations.

#### X. Concentration of Advances (` in crore)

Particulars	2015-16	2014-15
Total Advances to twenty largest borrowers	11 251	10 212
Percentage of Advances to twenty largest borrowers to Total Advances of the Company	52.10%	50.38%

Notes to the Standalone Financial Statement as at March 31, 2016

**XI. Concentration of Exposures** (₹ in crore)

Particulars	2015-16	2014-15
Total Exposure to twenty largest borrowers	12 022	12 305
Percentage of Exposures to twenty largest borrowers to Total Exposure of the Company on borrowers	33.93%	35.38%

**XII. Concentration of NPAs** (₹ in crore)

Particulars	2015-16	2014-15
Total Exposure to top four NPA accounts	130	124

**XIII. Sector-wise NPAs** (₹ in crore)

S. No	Sector	Percentage of NPAs to Total Advances in that sector	
		2015-16	2014-15
1	Agriculture & allied activities	1.34	-
2	MSME	3.01	3.58
3	Corporate borrowers	1.15	1.18
4	Services	10.05	0.53
5	Unsecured personal loans	-	-
6	Auto loans	8.25	7.53
7	Other personal loans	9.35	5.49

**XIV. Movement of NPAs (including debentures and bonds)** (₹ in crore)

Particulars	March 31, 2016	March 31, 2015
i) Net NPAs to Net Advances (%)	1.68%	1.62%
ii) Movement of NPAs (Gross)		
(a) Opening balance	505	343
(b) Additions during the year	285	307
(c) Reductions during the year	290	145
(d) Closing balance	500	505
iii) Movement of Net NPAs		
(a) Opening balance	347	256
(b) Additions during the year	223	225
(c) Reductions during the year	198	134
(d) Closing balance	372	347
iv) Movement of provisions for NPAs		
(a) Opening balance	158	87
(b) Provisions made during the year	62	82
(c) Write-off / write-back of excess provisions	92	11
(d) Closing balance	128	158

**XV. Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss** (₹ in crore)

Particulars	March 31, 2016	March 31, 2015
(a) Provisions for depreciation/ (appreciation) on Investment / written off	(11)	(55)
(b) Provision / (reversal) towards NPA & doubtful debts	(5)	49
(c) Provision made towards Income tax	199	99
(d) Contingent provision against standard assets	13	7
(e) Provision for repossessed Stock	12	7

## Reliance Capital Limited

### Notes to the Standalone Financial Statement as at March 31, 2016

**XVI.** The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards there are no foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

**XVII. Customer Complaints** (as certified by the Management)

Particulars	March 31, 2016	March 31, 2015
(a) No. of complaints pending at the beginning of the year	34	51
(b) No. of complaints received during the year	899	1 111
(c) No. of complaints redressed during the year	912	1 128
(d) No. of complaints pending at the end of the year	21	34

**XVIII. Details of financing of parent company products**

There is no parent company, hence no products are financed.

**XIX. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC**

There are no Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company.

Moreover as per prudential norms ceiling on the investment in shares of another company shall not be applicable to a non-banking financial company in respect of investment in the equity capital of an insurance company up to the extent specifically permitted, in writing, by the Reserve Bank of India. The Company has made an application to RBI for its investments in insurance companies.

**XX. Unsecured Advances**

There are no advances against intangible assets.

**XXI. Policy on dealing with Related Party Transactions**

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at the link [http://www.reliancecapital.co.in/pdf/Policy\\_for\\_Related\\_Party\\_Transaction.pdf](http://www.reliancecapital.co.in/pdf/Policy_for_Related_Party_Transaction.pdf).

**XXII. Remuneration of Directors**

(` in crore)

Particulars	March 31, 2016	March 31, 2015
Directors' sitting fees [ ` 42 40 416 (Previous year ` 36 78 772)]	-	-
Commission (Previous year ` 45 00 000)	1	-

**XXIII. Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)**

There are no overseas assets other than those disclosed in investments.

**XXIV. Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)**

There are no off-balance Sheet SPVs sponsored by the Company which are required to be consolidated as per accounting norms.

**42 Disclosure of details as required by para 18-21 of the Systemically Important Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.**

(` in crore)

Particulars	2015-16	2014-15
% of Loans against security of Gold Jewellery to total Assets	-	-
Number of auctions	-	7
Number of loan accounts	-	44
Outstanding amounts	-	1
Value fetched	-	1
Whether any of the sister concerns participated	No	No

\* Gold Loan outstanding as on March 31, 2016 is ` 51 649.

Notes to the Standalone Financial Statement as at March 31, 2016

43 Disclosure of details of Restructure accounts as required by Para 9 of the RBI Guidelines on Restructuring of Advances by NBFCs vide DNBS.Co.PD.No.367 /03.10.01/2013-14 dated January 23, 2014

(` in crore)

Sr. No.	Type of Restructuring Asset Classification	Under CDR Mechanism			Under SME Debt Restructuring Mechanism			Others			Total					
		Standard	Sub Standard	Doubt-ful	Loss	Total	Standard	Sub Standard	Doubt-ful	Loss	Total	Standard	Sub Standard	Doubt-ful	Loss	Total
1	Restructured Accounts as on April 1 of the FY 2015-16															
	No. of borrowers	2	-	-	-	2	-	-	-	-	1	-	-	-	-	3
	Amount outstanding	26.19	-	-	-	26.19	-	-	-	-	48.61	-	-	-	-	74.80
	Provision thereon	0.07	-	-	-	0.07	-	-	-	-	2.43	-	-	-	-	2.50
2	Fresh restructuring during the year															
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category															
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY															
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	5.02	-	-	-	5.02	-	-	-	-	8.66	-	-	-	-	13.68
	Provision thereon	0.00	-	-	-	0.00	-	-	-	-	0.43	-	-	-	-	0.43
5	Downgradations of restructured accounts during the FY															
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the FY															
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31 of the FY 2015-16															
	No. of borrowers	2	-	-	-	2	-	-	-	-	1	-	-	-	-	3
	Amount outstanding	21	-	-	-	21	-	-	-	-	40	-	-	-	-	61.12
	Provision thereon	0	-	-	-	0	-	-	-	-	2	-	-	-	-	2.07

## Reliance Capital Limited

### Notes to the Standalone Financial Statement as at March 31, 2016

#### 44 Contingent Liabilities and Commitments (As Certified by the Management) (₹ in crore)

Particulars	March 31, 2016	March 31, 2015
<b>a Contingent Liabilities</b>		
i) Guarantees to Banks and Financial Institutions on behalf of third parties	2 590	2 138
ii) Claims against the Company not acknowledge as debt	4	4
<b>b Commitments</b>		
i) Estimated amount of contracts remaining to be executed on capital account (net of advances)	106	52
ii) Undrawn Committed Credit lines	780	451
iii) Uncalled amount of Investments	23	8

#### 45 Expenditure in foreign currency (₹ in crore)

Particulars	2015-16	2014-15
i) Travelling Expenses [₹ 2 77 588 (Previous year ₹ 10 16 462)]	-	-
ii) Legal & Professional Fees	1	1
iii) Sales & Marketing [₹ 36 93 602 (Previous year ₹ 34 40 398)]	-	-
iv) Software Maintenance and Others	1	1
<b>Total</b>	<b>2</b>	<b>2</b>

#### 46 Value of Imports on CIF basis

Particulars	2015-16	2014-15
i) Capital Goods	2	-
<b>Total</b>	<b>2</b>	<b>-</b>

#### 47 Outstanding Futures & Options as on March 31, 2016

Name of Option	No. of contracts	Units	
		Long	Short
Call option	211 (1 502)	10 000 (75 100)	525 (-)
Put option	15 214 (29 078)	- (-)	7 60 700 (14 53 900)
Futures	912 (1 12 463)	26 090 (53 94 575)	19 500 (2 28 575)

Figures in bracket indicate previous year figures.

#### 48 Corporate Social Responsibility Expenditure

As per Section 135 of the Companies Act, 2013 the Company is under obligation to incur ₹ 10 crore (Previous year ₹ 12 crore) and has incurred the same in cash, being 2% of the average net profit during the three immediately preceding financial years, calculated in the manner as stated in the Act towards Corporate Social Responsibility through a non-profit centre engaged in the provision of health care for the purpose other than construction / acquisition of asset.



Notes to the Standalone Financial Statement as at March 31, 2016

**49 Remittance in foreign currency on account of dividend**

The Company has paid dividend in respect of shares held by non residents on repatriation basis. This, inter-alia includes portfolio investment, where the amount is also credited to Non Resident External Account (NRE A/c). The total amount remittable in this respect is specified below:

Particulars	2015-16	2014-15
Dividend		
a) Number of Non Resident Shareholders	478	501
b) Number of Equity shares held by them	26 377	29 199
c) i) Amount of Dividend paid (gross) (amount in `)	2 37 393	2 48 192
ii) Year to which Dividend relates	2014-15	2013-14

**50** 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.

As per our report of even date attached

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

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Reg. No. : 101248W/  
W-100022

**Vijay Napawaliya**  
Partner  
Membership No: 109859  
Mumbai  
Dated: May 6, 2016

**Akeel Master**  
Partner  
Membership No: 046768

For and on behalf of the Board

Chairman  
Vice Chairman

Directors

**Anil D. Ambani**  
**Amitabh Jhunjhunwala**  
**Rajendra P. Chitale**  
**Dr. Bidhubhusan Samal**  
**V. N. Kaul**  
**Chhaya Virani**

Executive Director & Group CEO  
Chief Financial Officer  
President & Company Secretary  
Mumbai  
Dated: May 6, 2016

**Soumen Ghosh**  
**Amit Bapna**  
**V. R. Mohan**

# Reliance Capital Limited

## Independent Auditors' Report on the Consolidated Financial Statement

**To,  
The Members  
Reliance Capital Limited  
Report on the Consolidated Financial statements**

We have audited the accompanying consolidated financial statement of Reliance Capital Limited ("the Holding Company") and its subsidiaries and partnership firm (the Holding Company and its subsidiaries and partnership firm collectively referred to as "the Group") and its associates, comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates 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. The respective Board of Directors of the companies and partners of the firm included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors / one of the joint auditors in terms of their reports referred to in sub-paragraph (3) & (4) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group and its associates as at March 31, 2016 and their consolidated profit and their consolidated cash flows for the year ended on that date.

**Emphasis of Matter**

We draw attention to Note No. 37 (c) to the consolidated financial statements of the Group and its associates relating to Reliance General Insurance Company Limited ('RGIC'), a subsidiary of the Company, whose auditors have reported that provision for claims outstanding towards incurred but not reported (IBNR) and incurred but not enough reported (IBNER) and expected claim cost for Premium Deficiency Reserve creation as at March 31 2016, has been certified by a consulting actuary instead of appointed actuary as required by the Insurance Regulatory and Development Authority of India ('IRDAI') Regulations, for the reasons stated therein.

**Other Matters**

1. The auditors of Reliance General Insurance Company Limited ('RGIC'), a subsidiary of the Holding Company, have reported that actuarial valuation of liabilities with respect to claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER) as on March 31, 2016 is the responsibility of the RGIC's appointed actuary ("the Appointed Actuary"). However, the RGIC's Appointed Actuary had resigned from the RGIC on August 28, 2015 and the RGIC has made provision based on the report from an external consulting actuary and said actuary has certified actuarial valuation of liability including assumptions for such valuations are in accordance with the guidelines and norms issued by the Insurance Regulatory & Development Authority of India ('IRDAI') and the Institute of Actuaries of India. The independent auditors of the RGIC have relied on the external consulting actuary and management of the RGIC in this regard for forming their opinion on the financial statements of the RGIC.

### Independent Auditors' Report on the Consolidated Financial Statement

2. The auditors of Reliance Life Insurance Company Limited ('RLIC'), a subsidiary of the Holding Company, have reported that the actuarial valuation of liabilities for life policies in force and policies where premium is discontinued is the responsibility of RLIC's Appointed Actuary ("the Appointed Actuary"). The actuarial valuation of these liabilities as at March 31, 2016 has been duly certified by the Appointed Actuary of RLIC and in his opinion, the assumptions for such valuation are in accordance with the generally accepted actuarial principles and practices requirements of the Insurance Act, regulations notified by the Insurance Regulatory & Development Authority of India ('IRDAI') and Actuarial Practice Standards issued by the Institute of Actuaries of India in concurrence with the IRDAI. The independent auditors of RLIC have relied upon the appointed actuary's certificate in this regard for forming their opinion on the financial statements of RLIC.
  3. We did not audit the financial statements / financial information of seventeen subsidiaries and a partnership firm, whose financial statements / financial information reflect total assets of ` 23,773 crore as at March 31, 2016, total revenues of ` 3,597 crore and net cash outflows amounting to ` 35 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share in net loss of ` 89 crore for the year ended March 31, 2016, in respect of three associate, out of which one associate became a subsidiary of the Company on March 30, 2016, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, partnership firm and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, partnership firm and associates, is based solely on the reports of the other auditors.
  4. The financial statements / financial information of ten subsidiaries whose financial statements / financial information reflect total assets of ` 10,135 crore as at March 31, 2016, total revenues of ` 2,373 crore and net cash inflows amounting to ` 371 crore for the year ended on that date, have been audited by one of the joint auditors, which have been considered in the consolidated financial statements. These financial statements / financial information have been audited by one of the joint auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on these reports.
  5. The consolidated financial statements also include the Group's share in net profit of ` 1 crore for the year ended March 31, 2016, in respect of an associate, whose financial statements / financial information have not been audited. These financial statements / financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, this financial statements / financial information are not material to the Group.
- Our opinion on the consolidated financial statements is not modified in respect of other matters with respect to our reliance on the work done and the reports of the other auditors/one of the joint auditors and the financial statements and financial information certified by the management.
- Report on Other Legal and Regulatory Requirements**
6. As required by Section 143(3) of the Act, based on our audit and the consideration of report of the other auditors on separate financial statements of subsidiaries and partnership firm as furnished by the management as noted in the Other Matter paragraph, we report, to that extent applicable, 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 of the aforesaid consolidated financial statements;
    - b) In our opinion, proper books of account as required by law related to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other independent auditors;
    - c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
    - d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associates companies incorporated in India, made available to us by the management, none of the directors of the Group companies and its associate companies incorporated in India, is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
    - f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company its subsidiary companies and associates companies incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and

## Reliance Capital Limited

### Independent Auditors' Report on the Consolidated Financial Statement

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on consideration of the report of the other auditors on financial statements of subsidiaries and associates as furnished by the management:
- i) The consolidated financial statements discloses the impact of pending litigations as at March 31, 2016 on the consolidated financial position of the Group and its associates companies. Refer Note No. 49(a)(ii) to the consolidated financial statements;
- ii) The Group and its associates have made adequate provision in the consolidated financial statements for the year ended March 31, 2016, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note No. 53 to the consolidated financial statements.
- iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2016. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary companies and associate companies incorporated in India during the year ended March 31, 2016.

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

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Reg. No: 101248W/  
W-100022

**Vijay Napawaliya**  
Partner  
Membership No: 109859

**Akeel Master**  
Partner  
Membership No: 046768

Mumbai  
May 6, 2016

Mumbai  
May 6, 2016

### Annexure A to the Independent Auditor's Report on the Consolidated Financial Statement

(Referred to in our report of even date)

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Reliance Capital Limited ("the Holding Company"), and its subsidiaries companies, and associates companies, incorporate in India as of date (the Holding Company, its subsidiaries companies and its associates companies, collectively referred to as "the Group").

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both

applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

We believe that the audit evidence we have obtained and audit evidence obtained by the other auditors in terms of their reports referred to in the other matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions

### Annexure A to the Independent Auditors' Report on the Consolidated Financial Statement

and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, the Holding Company, its subsidiaries companies and its associates companies, incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting

criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act, on the adequacy and operating effectiveness of the internal financial controls system over financial reporting insofar as it relates to fourteen subsidiaries and three associates companies, incorporate in India, out of which one associate company became a subsidiary of the Company on March 30, 2016, is based on the corresponding reports of the auditors of such subsidiaries, incorporate in India and in case of ten subsidiaries, incorporate in India, is based on the reports of the one of the joint auditors of the Company, who are the auditors of such subsidiaries, incorporate in India.

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

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Reg. No: 101248W/  
W-100022

**Vijay Napawaliya**  
Partner  
Membership No: 109859

Mumbai  
May 6, 2016

**Akeel Master**  
Partner  
Membership No: 046768

Mumbai  
May 6, 2016

# Reliance Capital Limited

## Consolidated Balance Sheet as at March 31, 2016

		(` in crore)			
	Note No.	As at March 31, 2016		As at March 31, 2015	
<b>I EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' funds</b>					
(a) Share capital	4	253		253	
(b) Reserves and surplus	5	<u>13 890</u>	<u>14 143</u>	<u>13 071</u>	13 324
<b>(2) Minority interest</b>			<b>1 448</b>		669
<b>(3) Non-current liabilities</b>					
(a) Long-term borrowings	6	18 057		16 697	
(b) Other long-term liabilities	7	13 601		129	
(c) Long-term provisions	8	<u>99</u>	<u>31 757</u>	<u>66</u>	16 892
<b>(4) Current liabilities</b>					
(a) Short-term borrowings	9	4 755		4 792	
(b) Trade payables	10				
- Micro, small and medium enterprises		-		-	
- Others		553		491	
(c) Other current liabilities	11	13 055		9 900	
(d) Short-term provisions	12	<u>1 401</u>	<u>19 764</u>	<u>1 372</u>	16 555
<b>TOTAL</b>			<u><b>67 112</b></u>		<u>47 440</u>
<b>II ASSETS</b>					
<b>(1) Non-current assets</b>					
(a) Fixed assets	13				
(i) Tangible assets		262		250	
(ii) Intangible assets		5 250		280	
(iii) Intangible assets under development		<u>3</u>		<u>2</u>	
		5 515		532	
(b) Non-current investments	14	20 736		13 413	
(c) Deferred tax assets (net)	15	39		35	
(d) Long-term loans and advances	16	22 795		16 596	
(e) Other non-current assets	17	<u>909</u>	<u>49 994</u>	<u>1 461</u>	32 037
<b>(2) Current assets</b>					
(a) Current investments	18	4 543		2 468	
(b) Inventories	19	62		119	
(c) Trade receivables	20	933		352	
(d) Cash and bank balances	21	3 335		1 624	
(e) Short-term loans and advances	22	7 292		10 194	
(f) Other current assets	23	<u>953</u>	<u>17 118</u>	<u>646</u>	15 403
<b>TOTAL</b>			<u><b>67 112</b></u>		<u>47 440</u>

See accompanying notes to the financial statement 1-53

As per our report of even date attached

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

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Reg. No. : 101248W/  
W-100022

For and on behalf of the Board

Chairman  
Vice Chairman

Directors

**Anil D. Ambani**  
**Amitabh Jhunjhunwala**  
**Rajendra P. Chitale**  
**Dr. Bidhubhusan Samal**  
**V. N. Kaul**  
**Chhaya Virani**

**Vijay Napawaliya**  
Partner  
Membership No: 109859  
Mumbai  
Dated: May 6, 2016

**Akeel Master**  
Partner  
Membership No: 046768

Executive Director & Group CEO  
Chief Financial Officer  
President & Company Secretary  
Mumbai  
Dated: May 6, 2016

**Soumen Ghosh**  
**Amit Bapna**  
**V. R. Mohan**

## Reliance Capital Limited

### Consolidated Statement of Profit and Loss for the year ended March 31, 2016

		(` in crore)	
	Note No.	2015-16	2014-15
<b>REVENUE</b>			
<b>I</b>	Revenue from operations	24 <b>9 941</b>	8 855
<b>II</b>	Other income	25 <u><b>57</b></u>	<u>74</u>
<b>III</b>	<b>Total revenue (I+II)</b>	<b>9 998</b>	8 929
<b>IV EXPENSES</b>			
	Cost of Materials Consumed	26 <b>44</b>	68
	Employee benefits expense	27 <b>828</b>	693
	Finance costs	28 <b>2 821</b>	2 642
	Depreciation and amortisation expense	13 <b>70</b>	68
	Other expenses	29 <u><b>4 503</b></u>	<u>4 227</u>
	<b>Total expenses</b>	<u><b>8 266</b></u>	<u>7 698</u>
<b>V</b>	<b>Profit before tax (III-IV)</b>	<b>1 732</b>	1 231
<b>VI Tax expense</b>			
	(1) Current taxation	<b>377</b>	242
	(2) Taxation for earlier years	<b>6</b>	(10)
	(3) Deferred tax	<u><b>(4)</b></u>	<u>(8)</u>
<b>VII</b>	<b>Profit after tax (V-VI)</b>	<b>1 353</b>	1 007
<b>VIII</b>	Less: Share of minority shareholders	<u><b>164</b></u>	<u>130</u>
<b>IX</b>	<b>Profit after minority interest (VII-VIII)</b>	<b>1 189</b>	877
<b>X</b>	Add: Net Share of profit / (loss) in associates	<u><b>(88)</b></u>	<u>79</u>
<b>XI</b>	<b>Profit after share of profit / (loss) in associates (IX+X)</b>	<b>1 101</b>	956
<b>XII</b>	Add: Profit / (loss) on sale of subsidiaries and associates (Refer Note No. 31)	-	45
<b>XIII</b>	<b>Net profit after tax (XI+XII)</b>	<u><b>1 101</b></u>	<u>1 001</u>
<b>XIV Earnings per equity share of ` 10 each fully paid up</b>			
	(1) Basic (`)	48 <b>43.56</b>	40.69
	(2) Diluted (`)	48 <b>43.56</b>	40.69

See accompanying notes to the financial statement 1-53

As per our report of even date attached

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

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Reg. No. : 101248W/  
W-100022

For and on behalf of the Board

Chairman  
Vice Chairman

Directors

**Anil D. Ambani**  
**Amitabh Jhunjhunwala**  
**Rajendra P. Chitale**  
**Dr. Bidhubhusan Samal**  
**V. N. Kaul**  
**Chhaya Virani**

**Vijay Napawaliya**  
Partner  
Membership No: 109859  
Mumbai  
Dated: May 6, 2016

**Akeel Master**  
Partner  
Membership No: 046768

Executive Director & Group CEO  
Chief Financial Officer  
President & Company Secretary  
Mumbai  
Dated: May 6, 2016

**Soumen Ghosh**  
**Amit Bapna**  
**V. R. Mohan**

## Reliance Capital Limited

### Consolidated Cash Flow Statement for the year ended March 31, 2016

	(` in crore)	
	2015-16	2014-15
<b>A. Cash flows from operating activities</b>		
<b>Profit before tax</b>	<b>1 732</b>	1 231
Adjusted for		
Depreciation & Amortisation	<b>70</b>	68
Provision for NPA, Doubtful Debts and Balances Written off	<b>132</b>	334
Provision for Diminution in the Value Investments / Written off	<b>(6)</b>	(71)
Provision and Loss on Repossessed Stock	<b>49</b>	29
Provision for gratuity / leave encashment	<b>(1)</b>	10
Excess provision / credit balance written back	<b>(14)</b>	(51)
Bad debts recovered	<b>(14)</b>	(17)
(Profit) / Loss on sale of Fixed Assets	<b>(9)</b>	(2)
Reserve for Unexpired Risk provided	<b>22</b>	(10)
Amortised DSA commission	<b>55</b>	45
Interest Income on Investments	<b>(605)</b>	(862)
Dividend income on Investments	<b>(61)</b>	(76)
(Profit) / Loss on sale of Investment (Net)	<b>(868)</b>	(629)
Amortised Brokerage on Borrowing	<b>50</b>	36
Discount on commercial papers	<b>410</b>	410
Interest expenses	<b>2 361</b>	2 195
	<b>1 571</b>	1 410
<b>Operating profit before working capital changes</b>	<b>3 303</b>	2 641
Adjusted for		
Inventories	<b>57</b>	45
Deferred expenses	<b>(74)</b>	(113)
Trade receivables & Loans and advances	<b>(3 263)</b>	(3 439)
Trade payables and Liabilities	<b>80</b>	72
	<b>(3 200)</b>	(3 435)
<b>Cash generated / (used in) from operations</b>	<b>103</b>	(794)
Taxes paid	<b>(328)</b>	(208)
<b>Net cash from / (used in) operating activities</b>	<b>(225)</b>	(1 002)
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets (including capital advances)	<b>(161)</b>	(92)
Sale of fixed assets	<b>20</b>	38
Purchase of investments	<b>(11 891)</b>	(9 531)
Proceed from sale of Investments	<b>13 311</b>	10 276
Proceed from sale of current investments (net)	<b>177</b>	248
Interest received	<b>1 125</b>	1 129
Dividend received	<b>61</b>	76
<b>Net Cash from / (used in) investing activities</b>	<b>2 642</b>	2 144



## Reliance Capital Limited

### Consolidated Cash Flow Statement for the year ended March 31, 2016

	(` in crore)	
	2015-16	2014-15
<b>C. Cash flows from financing activities</b>		
Dividends Paid (including dividend tax thereon)	<b>(430)</b>	(406)
Proceeds from / (repayment of) short term borrowings (Net)	<b>(447)</b>	(2 752)
Proceeds from Long term borrowings	<b>7 271</b>	7 624
Repayment of Long term borrowings	<b>(5 337)</b>	(4 719)
Interest paid	<b>(2 303)</b>	(2 129)
Share capital issued during the year	<b>-</b>	371
<b>Net Cash from / (used in) Financing Activities</b>	<b>(1 246)</b>	(2 011)
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>1 171</b>	(869)
Opening balance of cash and cash equivalents	<b>1 225</b>	2 094
Add: Acquisition of subsidiary (Refer Note b below)	<b>350</b>	-
	<b>1 575</b>	2 094
Closing balance of cash and cash equivalents (Refer Note 21)	<b>2 746</b>	1 225

**Notes:**

- a) The previous year's figures have been regrouped and reclassified wherever necessary.
- b) During the year Reliance Life Insurance Company Limited became a subsidiary of the Company.

As per our report of even date attached

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

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Reg. No. : 101248W/  
W-100022

For and on behalf of the Board

Chairman  
Vice Chairman

Directors

**Anil D. Ambani**  
**Amitabh Jhunjhunwala**  
**Rajendra P. Chitale**  
**Dr. Bidhubhusan Samal**  
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Partner  
Membership No: 109859  
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Dated: May 6, 2016

**Akeel Master**  
Partner  
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Executive Director & Group CEO  
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President & Company Secretary  
Mumbai  
Dated: May 6, 2016

**Soumen Ghosh**  
**Amit Bapna**  
**V. R. Mohan**

# Reliance Capital Limited

## Notes to the Consolidated Financial Statement as at March 31, 2016

### 1 Background

Reliance Capital Limited ('the Holding Company') is registered as a Non-Banking Financial Company ('NBFC') as defined under section 45-IA of the Reserve Bank of India Act, 1934. The Company along with the group is broadly engaged in lending, investing activities, asset management, insurance and broking business.

### 2 Significant Accounting Policies

#### a Principles of Consolidation

The consolidated financial statement relate to Reliance Capital Limited ('Holding Company'), its subsidiaries including a partnership firm and its associates (collectively referred to as "Group"). The consolidated financial statement have been prepared on the following basis

- i) The Standalone financial statement of the Holding Company and its subsidiaries including a partnership firm have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses.
- ii) The consolidated financial statement have been prepared using uniform accounting policies for transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Holding Company's standalone financial statement.
- iii) The difference between the costs of investment in the subsidiaries over the net assets as on the date of acquiring control is recognised in the consolidated financial statement as Goodwill or Capital Reserve as the case may be.
- iv) The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated statement of profit and loss as the profit or loss on disposal of investment in subsidiary as the case may be.
- v) Minority interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Company.
- vi) Minority interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- vii) The standalone financial statement of the Holding Company and its associates have been combined on the basis of equity method, whereby the investment is initially recorded at cost, identifying any goodwill / capital reserve arising at the time of acquiring control. The carrying amount of the investment is adjusted thereafter for post acquisition change in the Holding Company's share of net assets of the associates. Unrealised profits and losses resulting from transactions between the Holding Company and the associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are not eliminated if and to the extent the cost of the transferred asset cannot be recovered. The consolidated statement of profit and loss reflects the Holding Company's share of operations of the associates.
- viii) In case of foreign subsidiaries and companies controlled by the Holding Company, in translating the financial statement of non integral foreign subsidiaries for consolidation the following procedures have been followed:
  - a) The assets and liabilities both monetary and non monetary, of the non integral foreign operations are translated at the closing rate;
  - b) Income and expenses items of the non integral foreign operations are translated at the average rate;
  - c) All resulting exchange differences (if any) are accumulated in foreign currency translation reserve.

#### b Basis of Preparation of Consolidated Financial statement

The consolidated financial statement are prepared and presented under the historical cost convention, on the accrual basis of accounting unless otherwise stated in accordance with the Generally Accepted Accounting Principles (GAAP) in India and comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 (The Act), read with Rule 7 of the Companies (Accounts) Rules 2014 and relevant provisions of the Act. In case of Reliance General Insurance Company Limited and Reliance Life Insurance Company Limited the financial statement are drawn up in accordance with the Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory and Development Authority (Preparation of Financial statement and Auditors Report of Insurance Companies) Regulations, 2002 and orders and directions issued by Insurance Regulatory and Development Authority of India (IRDAI) in this behalf and the regulations framed thereunder read with relevant provisions of the Insurance Act, 1938 as amended in Insurance (Law) Amendment Act, 2015 and the Companies Act, 2013. These consolidated financial statement are presented in Indian rupees rounded to the nearest crore except otherwise stated.

#### c Use of Estimates

The preparation of consolidated financial statement 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 consolidated financial statement and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

#### d Revenue Recognition

##### i) Interest income:

Interest income is recognised as it accrues on a time proportion basis taking into account the amount outstanding and the rate applicable except in the case of Non Performing Assets ("NPAs") where it is recognised, upon realisation. Accretion of discount and amortisation of premium relating to debt securities is recognised over the holding / maturity period on constant yield to maturity method, in accordance with policy of Reliance General Insurance Company Limited.

##### ii) Dividend income:

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

##### iii) Discount on investments:

The difference between the acquisition cost and face value of debt instruments is recognised as interest income over the tenor of the instrument on straight line basis.

Notes to the Consolidated Financial Statement as at March 31, 2016

**iv) Redemption premium on investments:**

Redemption premium on investments is recognised as finance income over the tenor of the investment.

**v) Investment Management Fees:**

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.

**vi) Portfolio Management Fees:**

Portfolio Management fees are recognised on an accrual basis in accordance with Portfolio Management Agreement entered with respective clients except in case of Reliance Securities Limited which is as follows:

- a) Processing fees is recognised on upfront basis in the year of receipt;
- b) Management fees is recognised as a percentage of the unaudited net asset value at the end of each month;
- c) Return based fees is recognised as a percentage of annual profit, in accordance with the terms of the agreement with clients on the completion of the period.

**vii) Online Access Fees:**

Online access fees is recognised on straight line basis, based on the agreement with the clients.

**viii) Infrastructure and Resource Management Fees:**

Infrastructure and resource management services fees are recognised on accrual basis as per agreements with the clients.

**ix) Advisory Services Fee:**

Fee for Advisory Services is accounted in accordance with the terms and contracts into with the respective clients / investment managers / advisors.

**x) Trusteeship Fee:**

Trusteeship fee income is recognised on the basis of the agreements entered into between the Settler and the Trustee.

**xi) Loan / other processing fee:**

Loan processing fee is accounted for upfront upon processing of loans, as and when it becomes due.

**xii) Management fee:**

Management fee towards support services is accounted as and when services are rendered and it becomes due on contractual terms with the parties.

**xiii) Income from investments:**

Profit earned from sale of securities is recognised on trade date basis. The cost of securities is computed based on weighted average basis.

**xiv) Income from assignment / securitization and servicing fee:**

In case of assignment / securitisation of loans, the assets are derecognised when all the rights, title, future receivables and interest thereof along with all the risks and rewards of ownership are transferred to the purchasers of assigned/ securitised loans in accordance with Reserve Bank of India / National Housing Bank Guidelines if any. The profit if any, as reduced by the estimated provision for loss/ expenses and incidental expenses related to the transaction, is recognised as gain or loss arising on assignment / securitisation over the tenure of the deal. Loss arising from these transactions if any are recognised immediately in the statement of profit and loss. Servicing fees received is accounted for based on the underlying deal structure of the transaction as per the agreement.

**xv) Income from Trading in Securities and Derivatives:**

The initial margin and the additional margin paid for entering into contracts for equity futures and options are disclosed under the head Loans and Advances in the Balance Sheet.

Income from trading in securities and derivatives comprises of profit/loss on hedged positions in securities and futures. All the hedged positions in securities and securities Futures are marked to market and difference between the transaction price and settlement price is recognized as Gains or Losses.

The Brokerage, Securities Transaction Tax (STT) and other payments made in connection with the acquisition of securities are added to the cost of acquisition. The amount shown under sale of securities is net of Brokerage and STT.

**xvi) Income from Exchange Traded Derivatives:**

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

**xvii) Income from Trading in Commodities:**

The initial margin and the additional margin paid for entering into contracts for commodity futures and options are disclosed under the head Short term Loans and Advances in the Balance Sheet.

Income from trading in commodities comprises of profit/loss on hedged positions in commodity stocks and futures. All the hedged positions in commodity and commodity Futures are marked to market and difference between the transaction price and settlement price is recognized as Gains or Losses.

The Brokerage and other payments made in connection with the acquisition of commodities are added to the cost of acquisition. The amount shown under sale of commodities is net of Brokerage.

**xviii) Income from Trading in Currency Derivatives:**

The initial margin and the additional margin paid for entering into contracts for currency futures and options are disclosed under the head Loans and Advances in the Balance Sheet.

# Reliance Capital Limited

## Notes to the Consolidated Financial Statement as at March 31, 2016

Income from trading in currency comprises of profit/loss on currency futures. All the positions in currency and currency futures are marked to market and difference between the transaction price and settlement price is recognized as Gains or Losses.

The Brokerage and other payments made in connection with the acquisition of currency derivatives are added to the cost of acquisition. The amount shown under sale of currency derivatives is net of Brokerage.

### **xix) Income from lease:**

Lease rental income is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term.

### **xx) Revenue on Money changer:**

Revenue on foreign exchange transactions is recognised at the time of sale. The income arising from selling of foreign currencies represents the margin earned on sale of foreign currencies.

### **xxi) Premium:**

Premium net of service tax is recognised as income over the contract period or the period of risk whichever is appropriate. Any subsequent revisions to or cancellations of premium are recognised in the year in which they occur.

### **xxii) Commission:**

- i) Profit commission under reinsurance treaties, wherever applicable, is recognised on accrual. Any subsequent revisions of profit commission are recognized for the year in which final determination of the profits is intimated by reinsurers.
- ii) Commission income of money transfer services is recognised on rendering the service at contractual rates. Incentives received from western union are recognised on receipt basis. Service income received on account of gain on foreign currency from Western Union is accounted when accrued and due.

### **xxiii) Reinsurance Ceded:**

- i) Commission income on reinsurance ceded is recognized as income in the period in which reinsurance premium is ceded.
- ii) Profit commission under reinsurance treaties, wherever applicable, is recognized on accrual basis. Any subsequent revisions of profit commission are recognized in the year in which final determination of the profits are intimated by reinsurers.

### **xxiv) Reinsurance Premium:**

- i) Insurance premium ceded is accounted in the year in which the risk commences and recognized over the Contract period. Any subsequent revision to refunds & cancellation of policies are recognized in the year in which they occur.
- ii) Reinsurance inward is accounted to the extent of the returns received from the reinsurer.

### **xxv) Premium Received in Advance:**

Premium received in advance represents premium received in respect of policies issued during the year, where the risk commences subsequent to the balance sheet date.

### **xxvi) Sales & Services:**

Revenue from sale is recognized on transfer of all significant risks and rewards of ownership as per terms of contracts with the customers. (net of VAT, sales return, service tax recovery and trade discount).

### **xxvii) Brokerage Income:**

Brokerage income is recognized net of service tax on the date of transaction.

## **e Fixed assets**

### **i) Tangible assets**

#### **- Leased assets**

All assets given on operating lease are shown as fixed assets net of depreciation and impairment loss, if any. Initial direct costs in respect of leases are expensed in the year in which such costs are incurred.

#### **- Own assets**

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

### **ii) Intangible assets**

Intangible assets are recognised where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortisation.

Expenditure incurred on acquisition / development of intangible assets which are not put / ready to use at the reporting date is disclosed under intangible assets under development.

## **f Depreciation / Amortisation**

### **i) Tangible assets**

The Company has provided for depreciation over the useful life of the assets as prescribed under part C of Schedule II of the Companies Act, 2013 as per straight line method except Plant & Machinery and data processing machineries given on lease where useful life is considered 8 years and 5 years, respectively based on management's assessments of useful life in respect of these assets. Lease hold improvements are amortised over the primary period of the lease on straight-line basis.

### **ii) Intangible assets**

The Company has amortised intangible asset on straight line basis over the useful life of the asset up to a maximum of 5 years commencing from the month in which such asset is first installed.

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.

Notes to the Consolidated Financial Statement as at March 31, 2016

**g Impairment of assets**

The group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that 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 as long term or current based on intention of the management at the time of purchase. Current investments are valued, scrip wise at cost or fair value, whichever is lower. Long-term investments are carried at carrying cost less diminution in value which is other than temporary, determined separately for each individual investment scrip wise. In case of insurance companies, investments have been valued in accordance with the provisions of the Insurance Act, 1938 and the Regulations and / or orders / directions/ circulars / guidelines issued by the IRDAI in this behalf, except in case of RLIFE where investments are valued as follows:

i) Non-linked policyholders' investments, non-unit reserve and shareholders' investments

All debt securities held by RLIFE are considered as 'held to maturity' and measured at historical cost subject to amortisation of the premium/discount over the remaining period to maturity of these securities on straight line basis.

In respect of listed equities, ETF and mutual funds, the unrealised gains/losses between the cost price and the fair value price are accounted in the "Fair Value Change" account in the balance sheet.

Mutual fund units are valued at the previous day's net asset value of the respective fund.

ii) Linked business

Securities issued by Government of India (except Treasury Bills) and State government securities are valued at prices released by Credit Rating Information Services of India Limited (CRISIL).

Bonds and debentures including asset backed securities are valued on the basis of CRISIL Bond Valuer.

Money market instruments including treasury bills are valued at historical cost, subject to amortisation of premium or accretion of discount on straight-line basis over the remaining period to maturity of these securities.

Listed equities and ETF are measured at fair value, being the quoted closing prices on the National Stock Exchange (in case it is not traded on the National Stock Exchange then quoted closing price on the Bombay Stock Exchange is used) on the last trading day of the financial year.

Mutual fund units are valued at the previous day's net asset value of the respective fund.

iii) Transfer of investments

Any transfer of investments from shareholders to policyholders is carried out at amortised cost or market value whichever is lower.

In case of linked funds, inter fund transfer of debt securities is carried out at latest available price and equities at the prevailing market price during market hours.

An investment property is accounted for in accordance with cost model. The cost of any shares in a co-operative society or a company, the holding of which is directly related to the right to hold the investment property, is added to the carrying amount of the investment property.

**i Inventories**

- Securities held as inventories are valued scrip wise at weighted average cost or fair value, whichever is lower.
- Commodities held as inventories are valued at weighted average cost or realisable value, whichever is lower.
- Stock of foreign currencies have been valued at weighted average cost or realisable value, whichever is lower.
- Stock of gold have been valued at weighted average cost or realisable value, whichever is lower.
- Stock of paintings are of such nature that the market value of which cannot be easily available, hence valued at cost.

**j Repossessed assets**

Assets repossessed against the settlement of loans are carried in the balance sheet at outstanding loan amount. The classification and provision is based on the underlying Days Past Due (DPD) for these loans.

**k Provisions for Non Performing Assets(NPA) and Doubtful Debts**

NPA including loans and advances, receivables are identified as bad / doubtful based on the duration of the delinquency. The duration is set at appropriate levels for each product. NPA provisions are made based on the management's assessment of the degree of impairment of loan assets and the level of provisioning which meets the NBFC / NHB prudential norms prescribed by Reserve Bank of India / National Housing Bank.

**l Provisions for Standard Assets**

Provisions on Standard Assets are made as per para 10 of the Systematically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) directions, 2015 and prudential norms as per Housing Finance Companies (NHB) Directions, 2010.

**m Security of Loans Given**

Housing loans / loans against property granted are secured by equitable registered mortgage of property and / or undertaking to create a security. Other Secured loans are secured against hypothecation of respective assets.

**n Foreign currency transactions**

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

# Reliance Capital Limited

## Notes to the Consolidated Financial Statement as at March 31, 2016

Monetary assets and liabilities denominated in foreign currencies at the year end are restated at year end rates. Non monetary foreign currency items are carried at cost.

### **o Employee benefits**

#### **i) Provident fund:**

Contributions payable to the recognised provident fund, which is a defined contribution scheme, are charged to the statement of profit and loss.

#### **ii) Gratuity:**

The group gratuity benefit scheme is a defined benefit plan. The group 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 Accrued Benefit Method (same as 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 rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

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

#### **iii) Leave encashment:**

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

The employees of the group are entitled to compensated absence. The employees can carry forward a portion of the unutilised accrued leave balance and utilise it in future periods. The group records an obligation for compensated absences in the period in which the employee renders the service that increases the entitlement.

#### **iv) Phantom Shares:** As a long term incentive plan to employees, the Company has initiated Phantom stock option plan which are cash settlement rights where the employees are entitled to get cash compensation based on agreed formulae linked to market value of shares upon exercise of phantom stock options over notional or hypothetical shares, whereby instead of becoming entitled to buy the actual shares on vesting, they become entitled to cash payment equivalent to appreciation in the value over defined base price of shares. The present value of the obligation under such plan is determined based on actuarial valuation.

### **p Employee Stock Option Scheme ("ESOS")**

The employees of the Company and its subsidiaries are entitled for grant of stock options (equity shares), based on the eligibility criteria set in ESOS plan of the Company. The employee compensation expenses are accounted on the basis of "intrinsic value method" as prescribed by the Guidance Note on Employee share based payments issued by the Institute of Chartered Accountants of India as required by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The excess, if any, of quoted market price over the exercise price on the date of grant would be recognised as compensation cost over the vesting period. The Company recognises compensation cost on the basis of estimated number of stock options expected to vest.

For the listed shares, the fair market price is the latest closing price, immediately prior to the date of the Board of Directors meeting in which the options are granted, on the stock exchange on which the shares of the group are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date is considered. If the shares are unlisted, then the fair value of options granted is estimated on the date of grant using the Black Scholes Model.

### **q Loan origination/acquisition cost**

The direct commission cost incurred for the loan origination is written off over the average tenure of the loan.

### **r Discount on Commercial Paper**

The difference between the issue price and the redemption value of commercial papers is apportioned on time basis and recognised as discounting expense.

### **s New fund offer expenses of 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.

### **t Expenses of Management**

Expense relating to insurance business is allocated on the basis of net premium written to the Revenue Account(s).

Expenses relating to investment activities are charged to the statement of profit and loss.

### **u Financial Derivatives and Commodity Hedging Transactions**

Financial Derivatives and Commodity Hedging transaction are accounted for on a mark to market basis. Payments of margin requirements on this contract are recognised on the Balance Sheet.

### **v Claims Incurred**

Claims incurred comprises of claims paid (net of salvage and other recoveries), change in estimated liability for outstanding claims made following a loss occurrence reported and change in estimated liability for claims Incurred But Not Reported ('IBNR')

Notes to the Consolidated Financial Statement as at March 31, 2016

and claims Incurred But Not Enough Reported ('IBNER'). Further, claims incurred also include specific claim settlement costs such as survey / legal fees and other directly attributable costs.

Salvaged vehicles are recognized on realization basis.

Claims (net of amounts receivable from reinsurers/coinsurers) are recognised on the date of intimation on management estimates of ultimate amounts likely to be paid on each claim based on the past experience. These estimates are progressively revalidated on availability of further information.

IBNR represents that amount of claims that may have been incurred during the accounting period but have not been reported or claimed. The IBNR provision also includes provision, if any, required for claims IBNER. Estimated liability for claims Incurred But Not Reported ('IBNR') and claims Incurred But Not Enough Reported ('IBNER') is required to be certified by the Appointed Actuary of Reliance General Insurance Company Limited (RGIC). However, during the current year RGIC has made the provision based on the report from an external consulting Actuary.

**w Reserve for Unexpired Risk**

Reserve for unexpired risk is made on the amount representing that part of the net premium written which is attributable to, and to be allocated to the succeeding accounting period (using 1/365 method).

**x Premium Deficiency**

Premium deficiency is recognized if the cost of expected net claim cost, related expenses and maintenance cost exceeds the sum of related premium carried forward to subsequent accounting period as the reserve for unexpired risk. Premium deficiency is recognised for RGIC at reportable segmental revenue account (i.e. Fire, Marine and Miscellaneous). RGIC considers maintenance cost as relevant cost incurred for ensuring claim handling operations. The expected claim cost is required to be calculated and duly certified by the Appointed Actuary of RGIC. However, during the current year RGIC has made the provision based on the report from an external consulting Actuary.

**y Acquisition Cost**

Acquisition costs are costs that vary with and are primarily related to acquisition of insurance contracts / policies and are expensed in the period in which they are incurred.

**z Fund Expenses**

Expenses incurred on behalf of schemes of Reliance Mutual Fund are recognised in the statement of profit and loss under advertisement/brokerage 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. Distribution cost is recognised over the duration or clawback period of the scheme for close ended and open ended schemes respectively.

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 distribution cost which is recognised over the duration or clawback period of the scheme for close ended and open ended schemes respectively.

**aa Actuarial liability valuation**

A brief methodology used for the various line of business is as given below:

- i. Liabilities on life insurance policies are determined by the Appointed Actuary by using generally accepted actuarial practice in accordance with the actuarial practice standards and guidance notes issued by the Institute of Actuaries of India, the requirements of the Insurance Act, 1938 and the relevant regulations issued by the IRDAI.
- ii. The liabilities under Non-Linked individual policies are calculated by the prospective Gross Premium Valuation (GPV) method. The liabilities are calculated so that together with the estimated future premium payments and investment income, the assets of Reliance Life Insurance Company Limited (RLIFE) are expected to be sufficient to meet future claims (including bonus entitlements to policyholders, if any) and expenses.
- iii. The liabilities for Linked individual comprises of unit and non-unit reserves. The unit reserve is determined as number of units, as on valuation date multiplied by the unit prices at the valuation date. The non-unit reserve is calculated using the cash flow method by ensuring that at each point of time in future projection there is flooring at zero. The non-unit reserve is calculated on gross premium valuation on prospective basis. No credit is given to the positive profits after the month of last negative profit.
- iv. The liabilities for one year renewable group protection business are calculated by using the Unearned Premium Reserve (UPR) approach. The reserve is further compared with the reserve computed as per the Gross Premium Valuation (GPV) method and the reserve has been kept as the higher of the two. For more than one year renewable group business, the liabilities are calculated using gross premium valuation method.
- v. For the Fund based Group (linked business and non linked) business with explicit charging structure, the liabilities are taken as the sum of the policyholder's account balances plus additional reserve for mortality and expenses calculated using the projection method.
- vi. For some liabilities, the Appointed Actuary has used a method of valuation other than the Gross Premium Method as appropriate, in accordance with IRDA (Assets, Liabilities and Solvency Margins of Insurers) Regulations 2000 Section 2.7 of Schedule II-A.
- vii. The Riders are valued at higher of Gross Premium Valuation (GPV) and Unearned Premium Reserve (UPR).

**ab Benefits paid**

Benefits paid comprise of policy benefits, claims and claim settlement costs, if any. Death benefit, rider benefits and surrender claims are accounted for on receipt of intimation. Survival benefit claims and maturity claims are accounted when due.

Withdrawals and surrenders for unit linked policies are accounted in the respective schemes when the associated units are cancelled, for variable insurance policies and policies with explicit charge structures are accounted when the policy accounts are

# Reliance Capital Limited

## Notes to the Consolidated Financial Statement as at March 31, 2016

debited. Surrenders includes amount payable on lapsed insurance policies which are recognised when the revival period of such policies is over and on discontinued policies which are recognised after expiry of lock-in period. Withdrawals and surrenders are disclosed at net of recovered charges. Interest payment, if any, to policyholder is accounted on payment basis.

Reinsurance recoveries on claims are accounted for, in the same period as the related claims and netted off against claim expenses incurred.

### ac Market Linked Debentures (MLD)

The group has issued certain non-convertible debentures, the rate of interest on which is linked to performance of specified indices over the period of the debenture.

The group Hedges its interest rate risk on MLD by taking positions in future & options based on specified indices. Any gain/loss on these hedge positions are netted against with interest expense on MLD and resultant 'net loss' is recognised in statement of profit and loss immediately, however 'net gain' if any is ignored.

### ad Borrowing costs

Borrowing costs, which are directly attributable to the acquisition / construction of fixed assets, till the time such assets are ready for intended use, are capitalised as part of the cost of the assets. Other borrowing costs are recognised as an expense in the year in which they are incurred. Brokerage costs directly attributable to a borrowing are expensed over the tenure of the borrowing.

### ae Leases

#### (i) Operating leases

Lease payments for assets taken on an operating lease are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

#### (ii) Hire purchase

Assets held under hire purchase arrangements are classified as finance leases and are recognised as assets of Reliance Capital Asset Management Limited at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a hire purchase liability. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with Reliance Capital Asset Management Limited general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

### af Earnings per share

The basic earnings per share is computed by dividing the net profit / (loss) after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share, is computed by dividing the net profit / (loss) after tax by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

In computing dilutive earnings per share, only potential equity shares that are dilutive and that reduce profit / (loss) per share are included.

### ag Taxation

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 recognized where there is convincing evidence that the same can be realised in future.

Deferred taxation:

The deferred tax charge or benefit 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.

### ah Provisions, contingent liabilities and contingent assets

The Company creates a provision when there is a present obligation as a result of past events and it is probable that there will be outflow of resources and a reliable estimate of the obligation can be made of the amount of the obligation. Contingent liabilities are not recognised but are disclosed in the notes to the financial statement. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

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

### 3 Previous year figures have been rearranged and reclassified wherever necessary.

The current year's figures are not comparable with the previous year's figures as during the year, Reliance Life Insurance Company Limited has ceased to be an associate and has become a subsidiary of the Holding Company.



## Reliance Capital Limited

### Notes to the Consolidated Financial Statement as at March 31, 2016

	( ` in crore)	
	As at March 31, 2016	As at March 31, 2015
<b>4 Share capital</b>		
<b>(a) Authorised:</b>		
30 00 00 000 Equity shares of ` 10 each (Previous year 30 00 00 000)	300	300
10 00 00 000 Preference shares of ` 10 each (Previous year 10 00 00 000)	100	100
	<u>400</u>	<u>400</u>
<b>(b) Issued &amp; Subscribed</b>		
25 39 77 006 Equity shares of ` 10 each fully paid up (Previous year 25 39 77 006)	254	254
	<u>254</u>	<u>254</u>
<b>(c) Paid Up</b>		
25 26 32 800 Equity shares of ` 10 each fully paid up (Previous year 25 26 32 800)	252	252
Add: Forfeited shares	1	1
13 44 206 Equity shares of ` 10 each (Previous year 13 44 206)	253	253
	<u>253</u>	<u>253</u>
<b>(d) Equity shares in the Company held by each shareholder holding more than 5 per cent:</b>		

Name of the holder	As at March 31, 2016		As at March 31, 2015	
	%	Qty.	%	Qty.
Reliance Inceptum Private Limited	38.68	9 77 14 206	38.68	9 77 14 206
Reliance Infrastructure Consulting & Engineers Private Limited (formerly AAA Infrastructure Consulting & Engineers Private Limited)	11.07	2 79 75 633	11.07	2 79 75 633

**(e)** The Company has one class of equity shares having a par value of ` 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholder.

For the year ended March 31, 2016, the amount of per share dividend recognised as distributable to equity shareholders is ` 10 (March 31, 2015 ` 9). The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

**(f) Reconciliation of numbers of share outstanding :**

	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	Amount ( ` in crore)	No. of Shares	Amount ( ` in crore)
<b>Equity shares</b>				
Opening Balance	25 26 32 800	252	24 56 32 800	245
Addition during the year	-	-	70 00 000	7
Closing Balance	<u>25 26 32 800</u>	<u>252</u>	25 26 32 800	252

**(g)** As on March 31, 2016, 6,21,809 equity shares (Previous year 5,98,166 equity shares) are held by custodian against which depository receipts have been issued.

**(h)** In Extraordinary General Meeting held on January 23, 2015, the members of the Company have duly approved, vide e-voting, Preferential Allotment of 70,00,000 equity shares of ` 10 each at a premium of ` 520 per share aggregating to ` 371 crore to Sumitomo Mitsui Trust Bank Limited of Japan which were allotted on March 12, 2015.

	( ` in crore)	
	As at March 31, 2016	As at March 31, 2015
<b>5 Reserves &amp; surplus</b>		
<b>Capital reserve*</b>		
As per last balance sheet	172	172
<b>Capital redemption reserve</b>		
As per last balance sheet	54	50
Less: Bonus shares	25	-
Add / (Less): Minor share adjustments	<u>(5)</u>	<u>4</u>
	24	54

## Reliance Capital Limited

### Notes to the Consolidated Financial Statement as at March 31, 2016

	(` in crore)			
	As at		As at	
	March 31, 2016		March 31, 2015	
<b>Securities premium account</b>				
As per last balance sheet	3 960		3 532	
Add: Issued during the year	-		364	
Add: Advance to ESOP Trust**	-		60	
Add: Minority share adjustments	75	4 035	4	3 960
<b>General reserve***</b>				
As per last balance sheet	5 584		5 507	
Add: Amount transferred from statement of profit and loss	-		101	
Less: Deprecation Effect (` 45 58 762)	-		6	
Less: Minority share adjustments	5	5 579	18	5 584
<b>Statutory reserve fund****</b>				
As per last balance sheet	1 406		1 255	
Add: Amount transferred from statement of profit and loss	195		151	
Less: Minority share adjustments (Previous year ` 10 23 260)	-	1 601	-	1 406
<b>Special reserve*****</b>				
As per last balance sheet	42		28	
Add: Amount transferred from statement of profit and loss	17	59	14	42
<b>Foreign currency translation reserve</b>				
As per last balance sheet	20		25	
Add : Addition during the year	3		(1)	
Less: Cessation of subsidiary	-		2	
Less: Minority share adjustments	3	20	2	20
<b>Settlement guarantee fund</b>				
As per last balance sheet [` 4 65 000 (Previous year ` 4 65 000)]		-		-
<b>Surplus in statement of profit &amp; loss</b>				
As per last balance sheet	1 833		1 578	
Add: Amount transferred from statement of profit & loss	1 101		1 001	
Add: Tax on Proposed dividend for earlier years	-		16	
Less: Proposed dividend	295		372	
Less: Tax on Proposed dividend	76		59	
Less: Interim dividend	-		74	
Less: Tax on Interim dividend	-		34	
Less: Transfer to special reserve	17		14	
Less: Transfer to statutory reserve fund	195		151	
Less: Transfer to general reserve	-		101	
Add: Minority share adjustments	49	2 400	43	1 833
		<u>13 890</u>		<u>13 071</u>

\* Includes ` 166 crore (Previous year ` 166 crore) created pursuant to the Scheme of Amalgamation approved by High Court which shall for all regulatory and accounting purposes be considered to be part of the owned funds / net worth of the Company.

\*\* During the year ended March 31, 2015, the Securities and Exchange Board of India (SEBI) has issued the "SEBI (Share Based Employee Benefits) Regulations, 2014 ('the Regulation') which requires the accounting treatment for employee share based payments to be based on the Guidance Note on Accounting for Employee Share Based Payments issued by the Institute of Chartered Accountants of India (the Guidance Note). Accordingly, based on the requirements of the Guidance Note, the Company has not considered the ESOS Trust for inclusion in the consolidated financial statements for the year ended March 31, 2015 and March 31, 2016. Consequently, these financial statements do not include the assets and liabilities of the ESOS Trust and to that extent. The Company has disclosed the loan to ESOS Trust under long term loans and advances.

\*\*\* Includes ` 3 837 crore (Previous year ` 3 837 crore) created pursuant to Schemes of Amalgamation approved by High Court.

\*\*\*\* Created pursuant to Section 45-IC of Reserve Bank of India Act, 1934.

\*\*\*\*\* Created pursuant to Section 29C of the National Housing Bank Act, 1987.

## Reliance Capital Limited

### Notes to the Consolidated Financial Statement as at March 31, 2016

	( ` in crore)	
	As at March 31, 2016	As at March 31, 2015
<b>6 Long-term borrowings</b>		
Non convertible debentures		
- Secured (Refer Note No. 30)		
Others	7 651	8 611
- Unsecured		
Others	1 646	1 471
Related party (Refer Note No. 45)	-	50
Term loans from banks / financial institutions		
- Secured (Refer Note No. 30)	8 760	6 465
- Unsecured	-	100
	<u>18 057</u>	<u>16 697</u>
<b>7 Other long-term liabilities</b>		
Interest accrued but not due on debentures	69	70
Credit / (Debit) Fair value change account	23	-
Policy liabilities	6 513	-
Provision for link the liabilities	6 934	-
Funds for future appropriation-non linked	7	-
Security deposits / Collateral deposits from customers	55	59
	<u>13 601</u>	<u>129</u>
<b>8 Long-term provisions</b>		
Provision for employee benefits		
-Leave encashment	13	8
-Gratuity [ ` 12 33 307]	-	1
Others		
-Contingent provision against standard assets	86	57
	<u>99</u>	<u>66</u>
<b>9 Short-term borrowings</b>		
Loans from banks / financial institutions		
-Secured		
Cash credit (Refer Note a. and b. below)	278	97
Overdrafts from banks (Refer Note d. below)	30	72
Short term (Refer Note c. below)	675	540
-Unsecured		
Short term	310	300
Overdrafts from banks	-	4
Inter corporate deposits -Unsecured	140	129
Commercial paper -Unsecured (Refer Note e. below)	3 322	3 650
	<u>4 755</u>	<u>4 792</u>

**Notes:**

- a. Cash Credit facilities amounting to ` 3 crore (Previous year ` 1 crore) referred above are secured by pari passu first charge on all present and future book debts (only performing assets), receivables and loan assets pertaining only to the Company's commercial finance division.
- b. Cash credits amounting to ` 275 crore (Previous year ` 96 crore) referred above are secured by pari passu first charge on all standard assets portfolio of present and future book debts, receivables, bills, claims and loan assets of the Reliance Home Finance Limited, against security not exceeding ` 303 crore (Previous year ` 110 crore).
- c. Short term loan amounting to ` 675 crore (Previous year ` 540 crore) referred above are secured by pari passu first charge on all present and future book debts (only performing assets), receivables and loan assets pertaining only to the Company's commercial finance division.
- d. Overdraft from banks amounting to ` 30 crore (Previous year ` 72 crore) referred above are secured by fixed deposits pledged with bank.
- e. In respect of Commercial Papers maximum amount outstanding during the year was ` 6 674 crore (Previous year ` 5 935 crore).

## Reliance Capital Limited

### Notes to the Consolidated Financial Statement as at March 31, 2016

(` in crore)

	As at March 31, 2016	As at March 31, 2015
<b>10 Trade payables</b>		
- Due to micro, small and medium enterprises (Refer Note below)	-	-
- Due to others	553	491
	<u>553</u>	<u>491</u>

**Note:**

Disclosure of amounts payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

**11 Other current liabilities**

Current maturities of long-term debt				
Non convertible debentures				
-Secured (Refer Note No. 30)	2 074		1 495	
Term loans from banks / financial institutions				
-Secured (Refer Note No. 30)	<u>3 149</u>	5 223	<u>3 155</u>	4 650
Interest accrued but not due on debentures		550		491
Income received in advance		48		7
Advance from customers		96		118
Temporary book overdraft balance of banks		485		521
Claims outstanding		5 088		3 200
Trading margins from clients		247		227
Other payables*		1 300		670
Investor education and protection fund				
Unclaimed dividend #		18		16
		<u>13 055</u>		<u>9 900</u>

**Notes:**

\* Includes statutory payments, securitisation / assignment payable and other payables.

# Does not include any amounts, due and outstanding, to be transferred to the Investor Education and Protection Fund created pursuant to Section 205C of the Companies Act, 1956.

**12 Short-term provisions**

Provision for employee benefits				
-Leave encashment		5		4
-Gratuity		3		8
Others				
-Contingent provision against standard assets		18		28
-Provision for unexpired risk		910		890
-Provision for premium deficiency reserve		13		11
-Proposed dividend		376		372
-Tax on proposed dividend		76		59
		<u>1 401</u>		<u>1 372</u>

Notes to the Consolidated Financial Statement as at March 31, 2016

13 Fixed Assets

(` in crore)

Description	Gross Block				As at March 31, 2016	Depreciation			Upto March 31, 2016	As at March 31, 2016	Net Block As at March 31, 2015
	As at April 1, 2015	Additions During the year	Deduction / Adjustments	As at March 31, 2016		Additions During the year	Deduction / Adjustments	Upto March 31, 2016			
<b>(i) Tangible Assets</b>											
<b>Lease assets</b>											
Plant and equipments	53	-	5	58	16	-	7	23	35	37	
Vehicles	24	-	-	9	14	15	2	5	4	10	
Data processing machineries	23	-	-	23	14	-	5	19	4	9	
<b>Sub - total - A</b>	<b>100</b>	<b>-</b>	<b>5</b>	<b>90</b>	<b>44</b>	<b>15</b>	<b>14</b>	<b>47</b>	<b>43</b>	<b>56</b>	
Previous Year	98	-	9	100	31	7	16	44	56		
<b>Own assets</b>											
Freehold Land*	13	-	-	-	-	13	-	-	-	13	
Buildings*	132	-	51	133	11	50	2	13	120	121	
Data processing machineries	115	39	26	163	91	17	16	114	49	24	
Furniture and fixtures	29	13	11	51	18	2	4	33	18	11	
Office equipments	54	20	7	76	39	5	4	53	23	15	
Vehicles	9	-	-	8	6	1	1	6	2	3	
Leasehold improvement	40	7	5	45	33	7	4	38	7	7	
<b>Sub - total - B</b>	<b>392</b>	<b>79</b>	<b>100</b>	<b>476</b>	<b>198</b>	<b>95</b>	<b>58</b>	<b>30</b>	<b>219</b>	<b>194</b>	
Previous Year	305	-	136	392	179	49	29	198	194		
<b>Total (A+B)</b>	<b>492</b>	<b>79</b>	<b>105</b>	<b>566</b>	<b>242</b>	<b>110</b>	<b>58</b>	<b>41</b>	<b>304</b>	<b>262</b>	<b>250</b>
Previous year	403	-	145	492	210	56	45	13	242	250	
<b>(ii) Intangible Assets</b>											
Computer software/ licensing cost	180	47	17	232	119	12	38	24	169	63	61
Membership rights	1	-	-	1	1	-	-	-	1	-	- <sup>(ii)</sup>
Goodwill on business acquisition	9	-	-	9	5	-	-	1	6	3	4
Goodwill on consolidation	215	-	4,969	5,184	-	-	-	-	-	5,184	215
<b>Total</b>	<b>405</b>	<b>47</b>	<b>4,986</b>	<b>5,426</b>	<b>125</b>	<b>12</b>	<b>38</b>	<b>25</b>	<b>176</b>	<b>5,250</b>	<b>280</b>
Previous Year	387	-	36	405	98	18	-	23	125	280	

Notes:

- \* Addition to Buildings includes ` 45 crore (Previous year ` 49 crore) acquired against settlement of loan and deletion to Freehold Land ` 13 crore (Previous year ` Nil) and Buildings ` 49 crore (Previous year ` Nil) on which accumulated depreciation thereon ` 1 crore acquired against settlement of loan has been reclassified and transferred to investment in properties during the year.
- (i) ` 3 30 822 (ii) ` 28 41 355 (iii) ` 3 30 822
- # Adjustment to additions are on account of acquisition of subsidiary during the year.

## Reliance Capital Limited

### Notes to the Consolidated Financial Statement as at March 31, 2016

	(` in crore)	
	As at March 31, 2016	As at March 31, 2015
<b>14 Non-current investments (valued at cost unless stated otherwise)</b>		
Investment in properties		
- Land	29	-
- Buildings	109	-
Investments in equity shares		
-Quoted {Net of provision of ` 148 crore (Previous year ` 144 crore)}	5 872	449
-Unquoted {Net of provision of ` 17 crore (Previous year ` 77 crore)}	519	598
Investments in associate companies		
-Equity shares (carrying cost) {Net of Provision of ` 35 crore (Previous year ` 35 crore)}	99	5 389
-Deep Discount Bonds {Net of Provision of ` 29 crore (Previous year ` 29 crore)}	-	-
Investments in preference shares		
-Unquoted {Net of provision of ` 10 crore (Previous year ` 7 crore)}	1 198	1 762
Investments in government or trust securities		
-Unquoted	7 055	1 683
-Pass through certificates & security receipts	36	32
Investments in debentures or bonds		
-Quoted	4 479	1 901
-Unquoted {Net of provision of ` Nil (Previous year ` 26 crore)}	635	1 104
Investments in mutual funds		
-Quoted	119	140
-Unquoted	199	79
Other non-current investments		
-Units of seed/equity fund- unquoted, fully paid-up {Net of provision of ` 4 crore (Previous year ` 25 98 601)}	119	8
-Units of fund - unquoted, fully paid-up	200	200
-Joint venture (Refer Note 2 below)	68	68
	<u>20 736</u>	<u>13 413</u>
<b>Notes:</b>		
1. Aggregate value of provision for diminution in value of investments		
Quoted Investments	148	144
Unquoted Investments	95	174
<b>Total</b>	<u>243</u>	<u>318</u>
2. The Holding Company has entered into a joint venture with KGS Developers Limited in respect of real estate project development. The Holding Company has invested ` 85 crore in the financial year 2008-09 and is entitled to share the Profit / Loss equally. However assets, liabilities, revenue and expenses related to the project are not included in the financial statements of the Company as it does not meet the definition criteria of a Joint Venture under AS 27 "Financial Reporting of Interests in Joint Ventures".		
<b>15 Deferred tax assets</b>		
Deferred tax asset included in the balance sheet comprises the following:		
<b>(a) Deferred tax assets</b>		
Provision for non performing assets/diminution in the value of assets & investments	18	14
Straight lining of lease rentals (` 40 94 473)	-	1
Unabsorbed depreciation and carried forward losses as per Income Tax Act,1961	2	36
Depreciation on fixed assets	37	3
Employee compensation / leave encashment	6	4
<b>Total (a)</b>	<u>63</u>	<u>58</u>
<b>(b) Deferred tax liabilities</b>		
Reserve for unexpired risk & others	15	11
Unamortised expenditure	9	12
<b>Total (b)</b>	<u>24</u>	<u>23</u>
<b>Net deferred tax assets [(a)-(b)]</b>	<u>39</u>	<u>35</u>

## Reliance Capital Limited

### Notes to the Consolidated Financial Statement as at March 31, 2016

(` in crore)

	As at March 31, 2016	As at March 31, 2015	
<b>16 Long-term loans and advances</b>			
(a) Capital advances			
Secured, considered good	90	90	
Unsecured, considered good	<u>161</u>	<u>78</u>	168
(b) Security deposits			
Unsecured, considered good	91	92	
Unsecured, considered doubtful	-	-	
[ ` 25 89 283 (Previous year ` 24 26 303)]			
Less : Provision for doubtful debts	<u>-</u>	<u>-</u>	92
[ ` 25 89 283(Previous year ` 24 26 303)]			
(c) Loans			
Considered doubtful			
-Secured	391	275	
-Unsecured	-	60	
Less : Provision for non performing assets and doubtful debt	<u>70</u>	<u>81</u>	
	<u>321</u>	<u>254</u>	
Considered good			
Related party (Refer Note No. 45)			
-Unsecured	569	61	
Officer of the company (Refer Note No. 45)			
-Secured	1	1	
-Unsecured [ ` 44 64 047 (Previous year ` 4 06 551)]	-	-	
Others			
-Secured	16 497	10 539	
-Unsecured	<u>4 350</u>	<u>4 752</u>	
	<u>21 417</u>	<u>15 353</u>	15 607
(d) Advances			
Considered doubtful			
-Secured	140	147	
-Unsecured	-	4	
Less : Provision for non performing assets and doubtful debt	<u>38</u>	<u>28</u>	
	<u>102</u>	<u>123</u>	
Considered good - others (Unsecured)	<u>303</u>	<u>343</u>	466
(e) Other loans and advances			
-VAT & service tax credit available	9	7	
-Advance income tax & TDS deducted (net of income tax provision)	<u>301</u>	<u>256</u>	263
	<u>22 795</u>	<u>16 596</u>	

**Note:**

In the opinion of the management, loans and advances, other than doubtful, are considered as good and fully recoverable.

### 17 Other non-current assets

(a) Other bank balances			
- In fixed deposit accounts			
-Under lien (Refer Note below)	108	210	
-Other (Previous Year ` 40 04 803)	<u>82</u>	<u>-</u>	210
(b) Accrued interest / finance income on investments			
- Investments	405	1 048	
- Loans	<u>135</u>	<u>4</u>	1 052
(c) Unamortised expenditures			
Unamortised DSA commission	98	91	
Add : Incurred during the year	56	52	
Less : Amortised during the year	<u>55</u>	<u>45</u>	
	<u>99</u>	<u>98</u>	
Less : To be amortised during the next year	<u>22</u>	<u>25</u>	
	<u>77</u>	<u>73</u>	
Unamortised brokerage on borrowings	131	110	
Add : Incurred during the year	14	58	
Less :Amortised during the year	<u>50</u>	<u>37</u>	

## Reliance Capital Limited

### Notes to the Consolidated Financial Statement as at March 31, 2016

(` in crore)

	As at March 31, 2016	As at March 31, 2015		
	<b>95</b>	131		
Less : To be amortised during the next year	<b>20</b>	41		
	<b>75</b>	90		
Unamortised Mortgage Guarantee fees	<b>4</b>	-		
Add : Incurred during the year	<b>2</b>	4		
Less : Amortised during the year (Previous Year ` 19 98 000)	<b>1</b>	-		
	<b>5</b>	4		
Less : To be amortised during the next year (Previous Year ` 16 18 100)	<b>2</b>	-		
	<b>3</b>	4	167	
(d) Repossessed assets	<b>53</b>	49		
Less : Provision for repossessed assets	<b>29</b>	17	32	
	<b>909</b>	1 461		

#### Notes:

In respect of balances with Scheduled Banks in Fixed Deposit accounts above includes:

- ` 49 crore (Previous Year ` 206 crore) is kept as credit enhancement towards securitisation/assignment transaction.
- ` 5 33 932 (Previous Year ` 2 12 500) is kept as deposit with sales tax authority.
- ` 5 00 000 (Previous year ` 5 00 000) is kept as deposit with the Pension Fund Regulatory and Development Authority (PFRDA).
- ` 8 crore (Previous year ` 4 crore) is kept as deposit with Bank & Financial institutions for issuing guarantee.
- ` 32 crore (Previous year ` 21 00 000) is pledged towards collateral security deposit in favour of National Stock Exchange of India Limited and BSE Limited.
- ` 19 crore (Previous year ` Nil) is pledged towards margin money given for clearing houses.

#### 18 Current investments

Investments in preference shares		
-Unquoted	<b>10</b>	643
Investments in government or trust securities		
-Unquoted	<b>661</b>	2
Investments in debentures or bonds		
-Quoted	<b>2 557</b>	448
-Unquoted	<b>558</b>	804
Investments in mutual funds		
-Quoted	<b>81</b>	186
-Unquoted	<b>557</b>	360
Pass through certificates & security receipts	<b>119</b>	25
	<b>4 543</b>	2 468

#### 19 Inventories (As certified by management)

Securities	<b>5</b>	64
Paintings and Antiques	<b>57</b>	55
Gold [ ` 29 10 030 (Previous year ` 28 62 990)]	-	-
Stock of currencies [ ` 16 64 322 (Previous year ` 20 01 546)]	-	-
	<b>62</b>	119

#### 20 Trade receivables

Doubtful unsecured		
Debts outstanding for a period exceeding six months	<b>44</b>	37
Less : Provision for doubtful debts	<b>44</b>	37
	-	-
Other debts-unsecured, considered good (less than six months)	<b>933</b>	352
	<b>933</b>	352



## Reliance Capital Limited

### Notes to the Consolidated Financial Statement as at March 31, 2016

	(` in crore)			
	As at March 31, 2016		As at March 31, 2015	
<b>21 Cash &amp; bank balances</b>				
(a) Cash & cash equivalents				
Balances with banks				
- In current accounts	2 532		1 110	
- Fixed deposits (less than 3 months)	32		84	
Cheques on hand	109		24	
Cash on hand	73	2 746	7	1 225
(b) Other bank balances				
- Unclaimed dividend accounts		18		16
- In fixed deposit accounts				
- Under lien (Refer Note below)	453		353	
- Under margin (Refer Note below)	65		30	
- Others	53	571	-	383
		<u>3 335</u>		<u>1 624</u>

#### Notes:

1. In respect of balances with Banks in Fixed Deposit accounts above includes:
  - (a) ` 200 crore (Previous Year ` 124 crore) is kept as credit enhancement towards securitisation transaction.
  - (b) ` 57 crore (Previous Year ` 105 crore) as collateral security deposit in favour of National Stock Exchange of India Limited and BSE Limited and ` 65 crore (Previous Year ` 30 crore) placed as margin for the issue of bank guarantee favouring National Securities Clearing Corporation Limited.
  - (c) ` Nil (Previous Year ` 18 crore) placed as margin for the issue of bank guarantee favouring Multi Commodity Exchange of India Limited and National Commodity and Derivatives Exchange Limited.
  - (d) ` 10 crore (Previous Year ` 86 crore) are liened against bank overdraft facility.
  - (e) ` 184 crore (Previous Year ` 20 crore) is kept as deposit with Bank for issuing guarantees.
  - (f) ` 1 crore (Previous Year ` Nil) is kept as deposit with Sales Tax Authority.
  - (g) ` 1 crore (Previous Year ` Nil) is kept as deposit with Directorate of Enforcement.

#### 22 Short-term loans and advances

(a) Loans				
Considered good				
Related party (Refer Note No. 45)				
- Secured	-		80	
- Unsecured	246		508	
Officer of the company (Refer Note No. 45)				
- Secured [ ` 20 86 537 (Previous year ` 10 13 135)]	-		-	
Others				
- Secured	4 789		6 232	
- Unsecured	1 395	6 430	2 685	9 505
(b) Advances				
Considered good				
Related Party-unsecured (Refer Note No. 45)	1		1	
Others				
- Secured	406		265	
- Unsecured	182	589	125	391
(c) Other loans and advances				
- VAT & service tax credit available	56		50	
- Advance income tax & TDS deducted (net of provision)	13	69	13	63
(d) Prepaid expenses		204		235
		<u>7 292</u>		<u>10 194</u>

## Reliance Capital Limited

### Notes to the Consolidated Financial Statement as at March 31, 2016

	( ` in crore)	
	As at March 31, 2016	As at March 31, 2015
<b>23 Other current assets</b>		
(a) Accrued interest / finance income		
-Loans	896	322
-Investments	11	258
(b) Unamortised DSA commission	907	580
(c) Unamortised brokerage on borrowings	23	25
(d) Unamortised mortgage guarantee fees (Previous year ` 16 18 100)	20	41
(e) Mark to Market Margin-Equity Index Future (Previous year ` 33 62 409)	1	-
	2	-
	<u>953</u>	<u>646</u>
		( ` in crore)
	2015-2016	2014-2015
<b>24 Revenue from operations</b>		
Interest and finance income on:		
Long term investments	605	862
Loans	3 564	2 909
Fixed deposits & others	73	114
Lease rental income	4 242	3 885
Processing fees	177	119
Less: Service tax recovered	20	14
Service tax recovered	100	87
Less: Service tax recovered	13	10
Profit / (loss) on sale of (Net):		
Long term investments	800	535
Current investments	68	94
Investment management and advisory fees	1 184	826
Trustee / portfolio management fees	42	42
Commission and brokerage earned	285	309
Premium & commission earned	2 863	2 750
Dividends on investments	61	76
Profit on sale of securities / commodities	18	-
Sale of gold	46	71
Bad debts recovered	14	17
Other operating income	54	46
	<u>9 941</u>	<u>8 855</u>
<b>25 Other income</b>		
Exchange difference / margin on sale of foreign currency (Net) ( ` 28 36 425)	-	3
Credit balance / excess provision written back	14	51
Profit on sale of fixed assets	9	2
Miscellaneous income	34	18
	<u>57</u>	<u>74</u>
<b>26 Cost of Materials Consumed - Gold</b>		
Opening stock [ ` 28 62 990 (Previous year ` 29 10 031)]	-	-
Add: Purchases during the year	44	68
Add: Making charges [ ` 11 82 194 (Previous year ` 14 07 631)]	-	-
Less: Closing stock [ ` 27 10 030 (Previous year ` 28 62 990)]	-	-
	<u>44</u>	<u>68</u>

## Reliance Capital Limited

### Notes to the Consolidated Financial Statement as at March 31, 2016

	(` in crore)	
	2015-2016	2014-2015
<b>27 Employee benefit expense (Including Managerial Remuneration)</b>		
Salary and wages	747	621
Contribution to provident fund & other funds	38	40
Staff welfare expenses	43	32
	<u>828</u>	<u>693</u>
<b>28 Finance cost</b>		
Interest expense		
-Debtentures	1 154	1 050
-Bank loans / financial institutions	1 174	1 128
-Bank loans (cash credit)	29	13
-Inter corporate deposits	2	-
-Others	2	4
Other borrowing costs		
-Discount on commercial papers	410	410
-Amortised brokerage on borrowings (Refer Note No. 17)	50	37
-Net (gain)/loss on foreign currency transactions and translation (` 27 32 110)	-	-
	<u>2 821</u>	<u>2 642</u>
<b>29 Other expenses</b>		
Bank charges	7	6
Rent	126	97
Rates and taxes	33	6
Repairs and maintenance		
- Buildings	1	1
- Others	93	77
Electricity	11	11
Insurance [ ` 19 15 826 (Previous year ` 35 88 252)]	-	-
Travelling and conveyance	44	41
Claims incurred (Net)	1 788	1 804
Premium paid on reinsurance ceded	850	845
Reserve for unexpired risk	22	(10)
Postage, telegram and telephones	51	47
Legal & professional fees	220	271
Commission & Brokerage paid	135	157
Auditors' remuneration (Refer Note No. 46)	3	4
Sales and marketing expenses	678	399
Employee seminar and training	29	4
Corporate Social Responsibility Expenditure (Refer Note No. 32)	19	19
Donation	1	1
Directors' sitting fees	1	1
Amortised DSA commission (Refer Note No. 17)	55	45
Provision for / (reversal) of NPA, doubtful debts and balances written off *	132	334
Provision for / (reversal) of diminution in the value investments / written off **	(6)	(71)
Provision and loss on repossessed stock #	49	29
Miscellaneous expenses	161	109
	<u>4 503</u>	<u>4 227</u>

# Reliance Capital Limited

## Notes to the Consolidated Financial Statement as at March 31, 2016

(` in crore)

	2015-2016	2014-2015
<b>Notes:</b>		
<b>* Breakup of provision for NPA, doubtful debts and bad debts written off</b>		
Provision for NPA and doubtful debts	1	61
Provision for standard debts	21	15
Bad debts written off	110	80
Loss on sale of assignment	-	178
	<u>132</u>	<u>334</u>
<b># Breakup of provision and loss on repossessed stock</b>		
Provision for repossessed stock	12	7
Loss on sale of repossessed stock	37	22
	<u>49</u>	<u>29</u>
<b>** Breakup of provision for diminution in the value of investments / written off</b>		
Provision for / (reversal) of diminution in value of investments	(74)	(78)
Investments written off	68	7
	<u>(6)</u>	<u>(71)</u>

### 30 Security clause in respect to Secured Loans/Debentures:

- (i) Non convertible debentures (NCDs) referred above are redeemable at par, in one or more installments, on various dates.
- (a) NCDs amounting to ` 4 276 crore (Previous year ` 4 589 crore) are secured by way of first pari passu legal mortgage and charge over the premises situated at Avdesh House, near Pritam Nagar, Ellisbridge, Ahmedabad and additional first pari passu charge by way of hypothecation on present and future book debts / business receivables of the Company. Business receivables includes Fixed Asset, Current Assets, Investments and any other assets, against security not exceeding ` 4 526 crore (Previous year ` 4 935 crore).
- (b) NCDs amounting to ` 4 901 crore (Previous year ` 5 091 crore) are secured by way of first pari passu legal mortgage and charge over the premises situated at Avdesh House, near Pritam Nagar, Ellisbridge, Ahmedabad and additional first pari passu charge by way of hypothecation on present and future book debts / business receivables of the Company (except security towards securing Outstanding Term Loan and Cash Credit Limits). Business receivables includes Current Assets and Investments, against security not exceeding ` 5 227 crore (Previous year ` 5 319 crore).
- (c) NCDs amounting to ` 536 crore (Previous year ` 426 crore) are secured by way of first pari passu legal mortgage and charge over the Reliance Home Finance Limited premises situated at Bharuch and additional pari passu charge by way of hypothecation on the present and future books debts/receivables, outstanding money (loan book), receivable claims of RHFL with other secured lenders, except those book debts and receivables charged/ to be charged in favour of National Housing Bank for refinance availed/ to be availed from them, of Home Finance Business subject to maintenance of minimum asset coverage of 100% of issue amount.
- (d) NCDs amounting to ` 12 crore (Previous year ` Nil) are secured by way of first pari passu legal mortgage and charges over the premises situated at Ahmedabad, Gujarat and additional first pari passu charge by way of hypothecation on present and future book debts/ business receivable of Reliance Financial Limited. Business receivable includes Fixed Assets, Current Assets, Investment and any Other Assets.
- (e) Unsecured NCDs amounting to ` 1 646 crore (Previous year ` 1 521 crore) are in respect to Tier II subordinate debts.

## Reliance Capital Limited

### Notes to the Consolidated Financial Statement as at March 31, 2016

(f) Maturity profile and rate of interest of Long Term NCDs are as set out below:

(₹ in crore)

Rate of Interest	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Total
#	336	27	5	-	-	-	-	-	-	368
8.75%	-	-	-	15	-	-	-	-	-	15
8.80%	-	20	-	25	-	-	-	-	-	45
8.82%	-	-	-	-	-	20	-	-	-	20
8.85%	-	250	-	-	-	-	-	-	-	250
8.90%	25	-	-	-	-	-	-	-	-	25
8.95%	-	90	-	-	-	-	-	-	-	90
8.99%	25	-	-	-	-	-	-	-	-	25
9.00%	25	30	-	60	-	-	-	-	18	133
9.05%	155	-	15	-	-	-	-	-	-	170
9.09%	-	5	-	-	-	-	-	-	-	5
9.12%	-	-	-	15	-	-	-	-	-	15
9.15%	-	-	-	-	20	-	-	-	15	35
9.25%	-	55	-	-	-	-	16	-	27	98
9.30%	-	500	-	-	-	-	-	-	-	500
9.32%	-	-	-	-	-	-	-	20	-	20
9.35%	-	-	-	-	-	-	30	-	-	30
9.40%	-	-	-	-	-	-	1 500	-	-	1 500
9.42%	-	-	-	-	-	-	-	40	-	40
9.45%	-	20	-	-	-	10	-	-	-	30
9.48%	-	-	-	-	-	-	-	-	1	1
9.50%	10	5	-	-	-	-	30	-	70	115
9.52%	-	-	-	-	-	-	15	-	-	15
9.60%	150	-	-	-	-	-	-	-	-	150
9.65%	-	-	-	-	-	-	-	225	-	225
9.70%	25	10	15	-	-	-	-	-	-	50
9.75%	15	-	15	-	-	-	-	-	-	30
9.80%	-	-	15	-	-	500	-	15	-	530
9.85%	75	-	-	-	-	45	-	-	-	120
9.86%	30	-	-	-	-	-	-	-	-	30
9.90%	-	-	-	500	-	75	2	-	-	577
9.95%	-	-	-	-	-	85	-	-	-	85
10.00%	256	-	-	-	-	26	-	-	-	282
10.05%	-	-	-	-	-	7	-	-	-	7
10.10%	20	16	-	-	-	10	-	1 045	-	1 091
10.15%	65	-	-	-	-	-	-	-	8	73
10.19%	-	-	-	-	-	-	155	-	-	155
10.20%	5	-	-	-	-	57	-	-	-	62
10.24%	-	-	500	-	-	-	-	-	-	500
10.25%	16	-	-	-	-	40	-	-	-	56
10.28%	-	-	15	-	-	-	-	-	-	15
10.30%	49	68	-	-	-	-	-	-	-	117
10.33%	25	-	-	-	-	45	-	-	-	70
10.35%	15	-	-	155	-	5	-	-	-	175
10.40%	-	-	5	-	-	400	-	-	-	405
10.50%	-	21	-	-	25	20	15	-	-	81

## Reliance Capital Limited

### Notes to the Consolidated Financial Statement as at March 31, 2016

(` in crore)

Rate of Interest	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Total
10.60%	-	-	-	-	83	59	-	-	-	142
10.65%	-	8	-	-	-	-	-	-	-	8
10.75%	-	-	-	-	342	-	-	-	-	342
MLD	203	62	97	-	-	-	-	-	12	374
<b>Total</b>	<b>1 525</b>	<b>1 187</b>	<b>682</b>	<b>770</b>	<b>470</b>	<b>1 404</b>	<b>1 763</b>	<b>1 345</b>	<b>151</b>	<b>9 297</b>

# Zero coupon non convertible debentures

(ii) Term Loans from banks above includes :

- (a) Term Loans from banks includes ` 6 939 crore (Previous year ` 6 588 crore) are secured by pari passu first charge on all present and future book debts, receivables, bills, claims and loan assets of the Company's commercial finance division.
- (b) Term Loans from Bank and current maturity of term loan of Reliance Home Finance Limited (RHFL):
  - (i) Term loan ` 3 413 crore (Previous year ` 2 595 crore) secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the RHFL, except for those book debts/receivables to be charged in favour of National Housing Bank for refinance to be availed, if any, from them, against security not exceeding ` 3 764 crore (Previous year ` 2 864 crore).
  - (ii) Term loan ` 1 345 crore (Previous year ` 100 crore) secured by pari passu first charge in favor of the lender on all the standard book debts, outstanding moneys, receivable claims of the RHFL, except for those book debts/receivables to be charged in favor of National Housing Bank for refinance to be availed, if any, from them, against security not exceeding ` 1 500 crore (Previous year ` 111 crore).
  - (iii) Term loan ` 180 crore (Previous year ` 250 crore) secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the RHFL, against security not exceeding ` 199 crore (Previous year ` 277 crore).
  - (iv) Term loan ` 33 crore (Previous year ` 87 crore) secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the RHFL, against security not exceeding ` 40 crore (Previous year ` 104 crore).

(c) Maturity profile of Term loans from banks are as set out below :

(` in crore)

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Term Loan from Banks	3 000	2 588	1 975	941	166	90	8 760

### 31 Profit / (loss) on sale of subsidiaries & associates

(` in crore)

	2015-16	2014-15
Profit on sale of subsidiaries	-	11
Profit on sale of associates	-	34
<b>Total</b>	<b>-</b>	<b>45</b>

### 32 Corporate Social Responsibility Expenditure

As per Section 135 of the Companies Act, 2013 (the "Act") the Group is under obligation to incur ` 19 crore (Previous year ` 19 crore) and has incurred the same in cash, being 2% of the average net profit during the three immediately preceding financial years, calculated in the manner as stated in the Act towards Corporate Social Responsibility, *inter-alia*, through a non-profit centre engaged in the provision of health care for the purpose other than construction / acquisition of asset.

### 33 Goodwill on Consolidation of Subsidiaries

On Consolidation, the Company has recognised the following goodwill:

(` in crore)

	2015-16	2014-15
Opening balance of Goodwill/(Capital Reserve) on consolidation of subsidiaries	215	233
Add : Goodwill/(Capital Reserve) on acquisition of subsidiaries	4 969	-
Less : Goodwill on sale / amalgamation of investments in subsidiaries	-	18
Closing balance of Goodwill/(Capital Reserve) on consolidation of subsidiaries	5 184	215

Notes to the Consolidated Financial Statement as at March 31, 2016

**34 Employees Stock Option Plans**

**A) Reliance Capital Limited**

- a) The Company operated two Employee Stock Option Plans; ESOS Plan A and ESOS Plan B introduced in the financial year 2009-10. All options granted under the ESOS Plan A and ESOS Plan B have been surrendered and lapsed. The Company managed the ESOS Plan A and ESOS Plan B through a Trust. Advance of ₹ 59 crore (net of written off ₹ 64 crore) Previous Year (₹ 62 crore (net of written off ₹ 64 crore) has been granted to Trust. Out of the said advance, Trust has purchased 16 00 000 equity shares for the for the above purpose.
- b) The Company introduced ESOS 2015 which covers eligible employees of the Company and its subsidiaries. The vesting of the options is from expiry of one year till five years as per Plan. Each Option entitles the holder thereof to apply for and be allotted/transferred one Equity Share of the Company upon payment of the exercise price during the exercise period.

Details of ESOS 2015 are as under :

	<b>ESOS 2015</b>
Date of Grant	October 15,2015
Price of Underlying Stock (₹)	396
Exercise / Strike Price (₹)	396

The fair value of the options granted was estimated on the date of grant using the Black Scholes Model with the following assumptions:

Risk Free Interest Rate	7.51% - 7.56%
Expected Dividend Yield	2.28%
Expected Life (years)	4.51 to 6.51
Expected Volatility	44.61% to 46.39%

The information covering stock options granted, exercised, forfeited and outstanding at the year end is as follows:  
(As certified by the management)

	<b>No. of Stock Options As at March 31, 2016</b>
Outstanding at the beginning of the year	-
Granted	6 46 080
Exercised	-
Lapsed / Forfeited / Surrendered	3 520
Outstanding at the end of the year	6 42 560
Exercisable at end of the year	-

**B) Reliance Capital Asset Management Limited (RCAM)**

RCAM introduced ESOP Plan RCAM ESOP Plan I – 2007 and ESOP Plan II – 2011. All Options granted under the ESOP Plan have either been exercised or lapsed. There are no outstanding options as on March 31, 2016.

**C) In case of Reliance General Insurance Company Limited (RGIC)**

RGIC introduced RGIC ESOP Plan 2008-09. All Options granted under the ESOP Plan have either been surrendered or lapsed. There are no outstanding options as on March 31, 2016.

**D) In case of Reliance Securities Limited (RSL)**

RGIC introduced RSL ESOP Plan 2009. All Options granted under the ESOP Plan have either been surrendered or lapsed. There are no outstanding options as on March 31, 2016.

**E) Reliance Life Insurance Company Limited (RLIC)**

RLIC introduced ESOP Plan 2010. All Options granted under the ESOP Plan have either been surrendered or lapsed. There are no outstanding options as on March 31, 2016.

**35 Phantom Stock Option Scheme (PSOS):**

As a long term incentive plan to employees, the Group has initiated Phantom stock option plan which are cash settlement rights where the employees are entitled to get cash compensation based on a formulae linked to market value of subsidiary company shares upon exercise of phantom stock options over notional or hypothetical shares,

Liability towards the scheme is accounted for on the basis of an independent actuarial valuation done at the year end. The valuation of the shares is done considering the Project Unit Credit Method and the progression of share price up to the exercise of the option. Fair Value of Phantom Stock Options was estimated on the date of grant on the assumptions of Discount Rate of 7.72% and Expected Life of 5 years.

## Reliance Capital Limited

### Notes to the Consolidated Financial Statement as at March 31, 2016

Phantom Options can be exercised on continuation of employment any time upto 3 years from the date of last vesting and upon cessation of employment as per the terms of the Scheme. Settlement of Phantom Option is done in cash within 90 days from the date of exercise. For the current year the Group has created provision of ₹ 11 crore.

#### 36 In case of Reliance Money Express Limited (RMEL)

- (a) In the year 2008-09, RMEL had claimed service tax refund of ₹ 7 crore pertaining to period March 2005 to January 2009, pursuant to circular no.111/05-2009 dated 24/02/2009 issued by the Central Board of Excise and Customs (CBEC) in respect of money transfer services. During the year 2009-10, RMEL had received ₹ 3 crore towards service tax refund claim for the period December 2007 to January 2009. During the year 2010-11, RMEL received a show cause notice dated January 27, 2011 reclaiming the refund granted. From the above balance amount Service tax department had rejected the refund claim ₹ 2 crore. RMEL had filed an appeal against the order of the services tax department with Customs, Excise & Service Tax Appellate Tribunal (CESTAT). The CESTAT has decided the matter in the favor of RMEL and cancel the order issued by assessing officer. The Service Tax Department had filed a cross appeal on the matter before the High Court of Judicature at Bombay on February 3, 2016. Further, RMEL has received a show cause cum demand notice dated March 22, 2011 demanding service tax aggregating ₹ 3 crore (excluding interest and penalty) for the period October 2009 to September 2010.

The Management of RMEL is of the opinion that the money transfer services are construed as 'export' of services and hence not liable to service tax. Accordingly, no provision for the same has been made.

- (b) During the financial year 2009-10, the Directorate of Enforcement (DoE) seized foreign currency amounting to ₹ 3 crore. Based on investigations conducted by the DoE and documents furnished by RMEL, the DoE department released foreign currency worth ₹ 3 crore to RMEL in the financial year 2009-10. RMEL is confident of getting back the balance currency worth ₹ 16 64 322.
- (c) Pursuant to the Scheme of Arrangement ("the Scheme") under Sections 391 to 394 of the Companies Act, 1956 sanctioned by the Hon'ble High Court of Judicature at Bombay vide its Order dated August 28, 2015 and filed with the Registrar of Companies (RoC), Maharashtra on September 30, 2015 the Money Transfer Services (MTSS) and Full Fledged Money Changer (FFMC) division of RMEL has been demerged and transferred to You First Money Express Private Limited (YMEPL) with effect from the Appointed Date (Effective Date) i.e. October 01, 2015.

Consequently the following assets and liabilities have been transferred to YMEPL:

Particulars	Amount
<b>Purchase consideration</b>	45
Assets taken by YMEPL :	
Fixed assets (₹ 24 87 981)	-
Long term loans and advances	2
Current assets	1
Cash & Bank	31
<b>Total</b>	34
Liabilities taken by YMEPL (₹ 34 88 220)	-
Net assets taken by YMEPL	34
Excess Money over the Net Assets	11

Consideration for arrangement :

In consideration of transfer of FFMC and MTSS division of RMEL to YMEPL upon the terms of Scheme, YMEPL shall be required to pay lumpsum consideration without value being assigned to individual assets and liabilities, a total consideration amount of ₹ 45 crore.

The aforesaid Consideration would be discharged by YMEPL in 5 equal installments of ₹ 9 crore each.

#### 37 In case of Reliance General Insurance Company Limited (RGIC)

##### (a) Terrorism Pool

In accordance with the requirements of IRDAI, RGIC together with other insurance companies participates in the Terrorism Pool. This pool is managed by the General Insurance Corporation of India (GIC). Amount collected as terrorism premium in accordance with the requirements of the Tariff Advisory Committee (TAC) are ceded at 100% of the terrorism premium collected to the Terrorism Pool.

In accordance with the terms of the agreement, GIC retrocedes to RGIC, terrorism premium to the extent of RGIC's share in the risk which is recorded as reinsurance accepted. Such reinsurance accepted is recorded based on quarterly statements received from GIC. The reinsurance accepted on account of terrorism pool has been recorded in accordance with the last statement received from GIC.

The RGIC has created liability to the extent of 50% of premium retroceded to RGIC through reserve for unexpired risks.



Notes to the Consolidated Financial Statement as at March 31, 2016

(b) **Indian Motor Third Party Decline Risk Pool (IMTPDRP)**

In accordance with the directions of IRDAI, RGIC, together with other insurance companies, is participating in the Indian Motor Third Party Decline Risk Pool (IMTPDRP). The IMTPDRP is a multilateral reinsurance arrangement, in which all member companies are compulsorily required to participate. The IMTPDRP is administered by the General Insurance Corporation of India (GIC).

The Authority vide Order dated January 03, 2012 has created IMTPDRP for Act only Commercial Vehicle third party risks i.e. Act only policies.

Under this arrangement, any business relating to Act only policies of Commercial Vehicles which does not fall within the underwriting parameters of insurers shall be ceded to IMTPDRP. This arrangement is called the Declined Risk Pool.

IRDAI has mandated that every insurer has to comply with the obligation to underwrite a minimum percentage of such policies that is calculated as an average of insurer's total gross premium percentage share in the industry and gross motor premium percentage share in the industry. The insurers are required to retain 20% of such risk, while 5% is ceded to GIC under obligatory cession and remaining 75% ceded to IMTPDRP. RGIC has received its share of premium, claims and expenses of the pool, which is recorded as inward reinsurance business, based on the statement received from GIC.

Accordingly RGIC has recognized pool retrocession up to 9 months period ended December 31, 2015, the accounts for which statement received. RGIC has accounted for its share in Decline Risk Pool for the 3 months period January 2016 to March 2016 on provisional basis based on management estimate and recorded the net amount if any under claims incurred. Unexpired risks reserve is provided for at 50% of net premium of such inward business, being the minimum rate specified in Section 64V(1)(ii) of the Insurance Act, 1938.

(c) **Basis used by actuary for determining IBNR / IBNER**

As per the provision of Insurance Regulatory and Development Authority of India (IRDAI) Appointed Actuary Regulation 2000, as amended by the Insurance Regulatory and Development Authority (Appointed Actuary) (First Amendment) Regulations, 2013, IBNR / IBNER reserve should be certified by Appointed Actuary. The RGIC's Appointed Actuary had resigned from RGIC on August 28, 2015 and RGIC has initiated the process of appointment of new Appointed Actuary and is awaiting approval from IRDAI. Meanwhile since there is no Appointed Actuary in the current period, RGIC has made the provision based on the report from an external consulting Actuary.

For lines of business other than motor third party, the estimation was carried out using past trends in claims experience as indicated by paid claims chain ladder approach and Bomhuetter-Ferguson method as considered appropriate by an external consulting Actuary.

For motor third party line of business, the estimations were done using ultimate loss ratio method. For liabilities relating to erstwhile motor third party pool and declined risk pool, the ultimate loss ratios as specified in regulatory circulars were referred to in determining the estimates.

(d) **Contribution to Environment Relief Fund**

During the year, RGIC had collected ` 0.14 crore (Previous year ` 0.14 crore) towards Environment Relief Fund (ERF) for public liability policies, Out of which an amount of ` 0.14 crore (Previous year ` 0.14 crore) transferred to "United India Insurance RGIC Limited, Environment Fund Account" as per Notification of ERF scheme under the Public Liability Insurance Act, 1991 as amended, balance amount of ` 0.01 crore (Previous year ` 0.01 crore) is shown under current liabilities.

(e) **Contribution to Solatium Fund**

In accordance with the requirements of the IRDAI circular dated March 18, 2003 and based on recommendations made at the General Insurance Council meeting held on February 4, 2005, RGIC has provided 0.1% of gross written premium on all motor third party policies (excluding reinsurance premium accepted on motor third party for commercial vehicles) towards contribution to the solatium fund.

RGIC has received its share of premium, claims and expenses of the pool, which is recorded as inward reinsurance business, based on the statement received from GIC. Accordingly RGIC has recognized pool retrocession up to 9 month period ended December 31, 2014, the accounts for which statement received.

RGIC has accounted for its share in Decline Risk Pool for the 3 months period January 2015 to March 2015 on provisional basis based on management estimate and recorded the net amount if any under claims incurred. Unexpired risks reserve is provided for at 50% of net premium of such inward business, being the minimum rate specified in Section 64v(1)(ii) of the Insurance Act, 1938.

(f) Pursuant to the Hon'ble Bombay High Court Order dated January 8, 2016 and filed with Registrar of Companies on March 16, 2016, RGIC has reduced its Share Premium account from ` 1,624 crore to ` 805 crore and such reduction has been utilized towards writing off the deficit in Profit and Loss account of ` 819 crore as on March 31, 2015. RGIC has received a communication from IRDAI that the above matter is under examination. However, based on a legal opinion obtained by RGIC, it has complied with Hon'ble Bombay High Court Order.

(g) In accordance with Master Circular and Corrigendum on Master Circular on preparation of financial statement issued by IRDA vide circular number IRDA/F&I/CIR/F&A/231/10/2012 dated October 05, 2012 and circular number IRDA/F&A/

## Reliance Capital Limited

### Notes to the Consolidated Financial Statement as at March 31, 2016

CIR/FA/126/07/2013 dated July 03, 2013 respectively, in respect of calculation and recognition of Premium deficiency, there is premium deficiency at reportable segmental revenue account level in Marine segment for ₹ 0.26 crore (Previous Year: ₹ Nil). The expected claim cost is calculated based on the report from an external consulting Actuary since there is no Appointed Actuary in the current year.

#### 38 In case of Quant Capital Private Limited (QCPL)

- (a) Quant Transactional Services Private Limited (Plaintiffs) has filed a Suit in Hon'ble High Court against QCPL under section 6 of Specific Relief Act, 1963 and has claimed that QCPL and its subsidiaries has forcefully dispossessed the Plaintiffs from the Goregaon Premises and taken over the possession of the Fixed Assets. The interim relief claimed in Notice of Motion was repossession of the premises and inventory of the Fixed Assets. However, the Hon'ble High Court of Bombay has not granted any Interim Relief and Suit and Notice of Motion is pending hearing and for final disposal.
- (b) Mr. Adil Patrawala has filed a Petition under section 397 and 398 of Companies Act, 1956 against QCPL claiming mismanagement in the affairs of QCPL and oppression on the Minority Shareholder. The said Petition is pending hearing for the final disposal. There were certain Ad Interim reliefs claimed which were not granted by Hon'ble Company Law Board except one relief i.e. Mr. Adil Patrawala's holding in QCPL cannot be diluted.
- (c) QCPL has filed Summary Suit against Quant Transactional Services Private Limited for recovery of outstanding dues amounting to ₹ 9 crore (Previous year ₹ 9 crore). The Notice of Motion was filed in the said Suit claiming Ad Interim Relief praying lien over the Assets of Quant Transactional Services Private Limited which High Court has denied. Both Notice of Motion and Suit are pending hearing and final disposal.
- (d) QCPL's subsidiary companies has collected stamp duty on account of its statutory obligation towards transactions entered on various segments in the State of Tamil Nadu. QCPL's subsidiary companies has not deposited the same since in its opinion the same is not payable which is disputed by the State. The matter is pending with Hon'ble High Court, Tamil Nadu. In the Interim the amount so collected is reflected under statutory liability. The amount outstanding is to the tune of ₹ 12 crore (Previous year ₹ 11 crore).
- (e) One of the former employee has filed petition under the Industrial Dispute Act, 1947 for reinstatement of the service against the QCPL. QCPL has filed the rejoinder for the same as QCPL does not fall within the Definition of Industry under the said Act and also the Applicant is not workmen within the Definition, the same is pending for hearing.
- (f) In case of one of QCPL's Subsidiary Company, as per the provision of the merger scheme of Reliance Equities International Private Limited with QCPL vide Bombay High Court order dated June 11, 2010 and Madras High Court order June 14, 2010 excess balance of Net Assets transferred over Purchase Consideration, had been credited to general reserve.

In the above merger scheme, certain documentation and other compliances are in the process of being regularized as at the close of the year. Following are the brief details:

- (i) Security Deposit paid towards lease of Indiabulls premise ₹ 2 crore for occupation of Holding Company shown under the head deposit.
- (ii) Details of amount as contribution to corpus of Gratuity Fund ₹ 43 89 000.
- (iii) Decision as to Service Tax Input Credit amounting to ₹ 18 22 000.
- (iv) Year wise details of TDS receivable amounting to ₹ 2 crore.
- (v) Recoverable balances pending open for more than two years aggregating to ₹ 18 02 000 for which no information is available.
- (vi) Banks accounts aggregating to ₹ 1 30 000 without confirmation.

#### 39 In case of Reliance Capital Asset Management Limited (RCAM)

- (a) **Scheme of Arrangement during the previous year:**
  - (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 November 07, 2014 and filed with the Registrar of Companies (RoC) on November 26, 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 RCAM ("Resulting Company") with effect from the April 01, 2013 ("the Appointed date").
  - (ii) Operations of the division for the previous year, 2014-15, are included under the appropriate heads of income and expense aggregating to total income ₹ 1 crore & total expenses ₹ 1 crore.
- (b) RCAM along with Reliance Capital Trustee Co. Limited has entered into an agreement jointly with Goldman Sachs Asset Management (India) Private Limited, Goldman Sachs Trustee Company (India) Private Limited and Goldman Sachs Asset Management, L.P., on October 20, 2015 to acquire the Asset Management Rights of the mutual fund schemes of Goldman Sachs Asset Management (India) Private Limited for consideration of USD 37.50 million, subject to necessary regulatory approvals. As on March 31, 2016 RCAM has deposited USD 18.75 million in an escrow account for the acquisition of the

Notes to the Consolidated Financial Statement as at March 31, 2016

above mentioned rights as per the terms of the agreement and balance shall be paid after obtaining various regulatory approvals and fulfilling the conditions of the agreement.

(c) **Foreign Subsidiaries:**

RCAM has applied for strike off of the UK subsidiary to the Companies House, Registrar of Companies London. In F.Y. 2014-15, loss of ₹ 37 crore on account of liquidation of Malaysian subsidiary adjusted against reversal of ₹ 37 crore diminution provided in earlier years.

**40 In case of Reliance Money Precious Metals Private Limited (RMPMPL)**

- (a) RMPMPL has entered into an agreement with World Gold Council for its daily sale of gold and Computer Age Management Services Private Limited for data processing services. RMPMPL has appointed IDBI Trusteeship Services Limited as a Security Trustee for and on behalf of the customer. Lemiur Secure Logistics Private Limited is appointed as custodian and maintains physical stock of accumulated gold on behalf of trustees.
- (b) RMPMPL runs a plan, My Gold Plan where in, the customer subscribes for a plan with a tenor from 1 year to 15 years. The monthly subscription amount received from the customers is utilized for buying of gold. The gold is bought in twenty equated working days and is credited to the customer's account. The delivery of gold to the customer will be at the maturity, as decided by the customer. Till such time the gold stock will be held by RMPMPL and the same is shown as inventory. The corresponding money received from the customers is shown as advance received from the customer.
- (c) The members of RMPMPL have passed a special resolution at extraordinary general meeting held on March 02, 2016, to transfer the business of 'Reliance My Gold Plan' to Stock Holding Corporation of India Limited (SHCIL). However, there is no scheme of sale agreed as of the balance sheet date and hence, the financial statement of the RMPMPL are prepared on going concern basis.
- (d) RMPMPL collects making charges, delivery charges, value added tax, central sales tax at the time of redemption of gold coins to the customers. Until the customer pay these charges and tax, the accumulated grams of gold coins allocated to them lies with RMPMPL in fiduciary capacity. As on March 31, 2016, 52.83 Kgs of gold coins worth ₹ 16 crore is lying with RMPMPL (Previous Year, 43.72 Kgs worth ₹ 14 crore).

**41 In case of Reliance Life Insurance Company Limited (RLIFE)**

- (a) Main Actuarial Assumptions for valuation of life policies in force:
  - (i) Interest Rate – The valuation interest rate is determined based on the expected return on the existing assets, current asset mix and expected investment return on the future investment taking into consideration the asset classes mix and expected future mix. The interest rates used for the valuation vary according to the type of product and is in the range 5.50% p.a. to 6.25% p.a.
  - (ii) Expense Inflation Rate – The assumed rate of expense inflation is consistent with the investment returns assumed.
  - (iii) Expense assumption – Policy related maintenance expenses are set on the basis of expense analysis performed by RLIFE. The expense assumption used for valuation is ₹ 655 for in force policies and ₹ 437 for paid-up, fully paid-up and single premium policies.
  - (iv) Mortality basis – Mortality assumptions are set in accordance with Schedule 5(5) of Asset, Liability and Solvency Margin Regulations, 2000, in reference to published Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ultimate with adjustment to reflect expected experience and with an allowance for adverse deviation. The same is in the range of 33.33% – 416.625% of IALM 2006-08 (36.36% – 416.625% of IALM 2006-08 as at March 31, 2015).
  - (v) Future bonuses – Based on supportable bonus rates with allowance for tax and shareholder distributions.
  - (vi) Lapse and surrender – A prudent estimate of future lapses and surrenders has been assumed based on the current experience of RLIFE.
  - (vii) Tax – The tax rate as at March 31, 2016 is 14.42% p.a.
- (b) Shareholders' contribution
 

During the year, RLIFE has contributed ₹ 382 crore, to make good the accumulated deficit in the Policyholders Revenue Account. Any contribution made by the shareholder's to the policyholder's account is irreversible in nature and shall not be recouped to the shareholders at any point of time in future. The shareholders approval with regard to the contribution during the current year shall be obtained in the ensuing Annual General Meeting of RLIFE.
- (c) In accordance with the Investment Regulations, 2013 and IRDAI Circular IRDA/F&I/INV/Cir/062/03/2013 dated March 26, 2013, RLIFE has declared March 31, 2016 as a business day and NAV for all ULIP funds were declared on March 31, 2016. All application received till 3 p.m. on March 31, 2016 were processed with NAV of March 31, 2016. Applications received after this cut-off are taken into the next financial year.
- (d) Pursuant to the Hon'ble Bombay High Court Order dated January 08, 2016, RLIFE has reduced its Share Premium account from ₹ 2 198 crore to ₹ 303 crore and such reduction has been utilized towards writing off the deficit in Profit and Loss

## Reliance Capital Limited

### Notes to the Consolidated Financial Statement as at March 31, 2016

account of ₹ 1,895 crore as on March 31, 2015. RLIFE has received a communication from IRDAI that the above matter is under examination. However, based on the legal opinion, RLIFE has complied with Hon'ble Bombay High Court Order.

- (e) The actuarial valuation of liabilities for life policies in-force and policies where premium is discounted is the responsibility of RLIFE's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of the liabilities as at March 31, 2016 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuations are in accordance with the generally accepted actuarial principles and practices requirements of the Insurance Act, regulations notified by the IRDAI and Actuarial Practices Standards issued by the Institute of Actuaries of India in concurrence with the IRDAI.

#### 42 In case of Reliance Home Finance Limited (RHFL)

During the year, RHFL has changed the basis of calculation of Days Past Due (DPD) for the purpose of Non Performing Assets (NPA) identification and Provision for NPA & Doubtful Debt. DPD will be counted from the first date, on which borrower becomes NPA and will continue as Non Performing Assets, till the borrower becomes standard and regular in payment of Equated Monthly Income (EMI), as per observations, in the NHB Inspection report dated August 06, 2015 vide NHB (ND)/HFC/DRS/Sup./7637/2015.

RHFL has classified the loans in Sub-standard, Doubtful & Loss categories and calculated provision for NPA & doubtful debts based on the NHB Inspection Report. Accordingly an additional Provision for NPA & Doubtful Debts amounting to ₹ 35,47,052 and additional Bad Debts Written Off amounting to ₹ 1 crore has been charged off to profit & loss account by RHFL during the current year. Had RHFL continued to use the earlier basis for calculation of Days Past Due (DPD) for the purpose of Non Performing Assets (NPA) identification and Provision for NPA & Doubtful Debt, the profit after tax for the current year and its Net Owned Fund (NOF) as on March 31, 2016 would have been higher by ₹ 1 crore.

#### 43 In case of Reliance Exchangenext Limited (RNext)

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

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

- (a) that three years lock-in period condition shall apply to RNext, anchor investor, RNext afresh with effect from the date of Government approval, i.e., September 23, 2010;
- (b) that in case MMTC Ltd., which now becomes co-anchor investor, exercises its right to stake a claim to 14% in the Exchange from IBFSL in pursuance to its right to first refusal, IBFSL will be bound to transfer its remaining 14% to MMTC Ltd. at the same price at which it has been offered to RNext.

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

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

#### 44 The Group is organised into following reportable segments referred to in Accounting Standard (AS 17) "Segment Reporting"

Particulars	(₹ in crore)							Total
	Finance & Investments	Asset Management	General Insurance	Life Insurance#	Commercial Finance	Others	Elimination	
<b>Revenue</b>								
External	2,314	1,191	3,517	-	2,654	322	-	9,998
	(2,021)	(813)	(3,376)	(-)	(2,361)	(358)	(-)	(8,929)
Inter Segment	34	12	13	-	-	13	72	-
	(26)	(36)	(13)	(-)	(-)	(9)	(84)	(-)
<b>Total Revenue</b>	<b>2,348</b>	<b>1,203</b>	<b>3,530</b>	<b>-</b>	<b>2,654</b>	<b>335</b>	<b>72</b>	<b>9,998</b>
	(2,047)	(849)	(3,389)	(-)	(2,361)	(367)	(84)	(8,929)
<b>Results</b>								
Segment Results - Profit / (Loss) before Tax	898	393	99	-	448	(102)	-	1,736
	(422)	(343)	(81)	(-)	(441)	(-54)	(-)	(1,233)

## Reliance Capital Limited

### Notes to the Consolidated Financial Statement as at March 31, 2016

(` in crore)

Particulars	Finance & Investments	Asset Management	General Insurance	Life Insurance#	Commercial Finance	Others	Elimination	Total
Unallocated Expenses								4 (2)
<b>Profit / (Loss) before Tax</b>	<b>898</b> (422)	<b>393</b> (343)	<b>99</b> (81)	- (-)	<b>448</b> (441)	<b>(102)</b> (-54)	- (-)	<b>1 732</b> (1 231)
<b>Other information</b>								
Segment Assets	<b>24 810</b> (25 094)	<b>612</b> (585)	<b>6 307</b> (5 661)	<b>16 924</b> (-)	<b>20 732</b> (17 769)	<b>963</b> (1 102)	<b>3 236</b> (2 771)	<b>67 112</b> (47 440)
Unallocated Assets	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Total Asset	<b>24 810</b> (25 094)	<b>612</b> (585)	<b>6 307</b> (5 661)	<b>16 924</b> (-)	<b>20 732</b> (17 769)	<b>963</b> (1 102)	<b>3 236</b> (2 771)	<b>67 112</b> (47 440)
Segment Liabilities	<b>12 097</b> (12 782)	<b>386</b> (330)	<b>5 279</b> (4 733)	<b>15 622</b> (-)	<b>18 128</b> (15 367)	<b>615</b> (646)	<b>606</b> (411)	<b>51 521</b> (33 447)
Unallocated Liabilities	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Total Liabilities	<b>12 097</b> (12 782)	<b>386</b> (330)	<b>5 279</b> (4 733)	<b>15 622</b> (-)	<b>18 128</b> (15 367)	<b>615</b> (646)	<b>606</b> (411)	<b>51 521</b> (33 447)
Capital Expenditure	<b>12</b> (64)	<b>9</b> (11)	<b>15</b> (23)	<b>30</b> (-)	<b>18</b> (73)	<b>21</b> (10)	- (-)	<b>105</b> (181)
Depreciation	<b>14</b> (13)	<b>4</b> (13)	<b>17</b> (13)	- (-)	<b>24</b> (19)	<b>11</b> (10)	- (-)	<b>70</b> (68)
Non Cash Expenses other than Depreciation	<b>17</b> (199)	<b>9</b> (-8)	<b>20</b> (-6)	- (-)	<b>244</b> (171)	<b>12</b> (8)	- (-)	<b>302</b> (364)

Figures in bracket indicates previous year figures.

# Since the control was acquired on March 30, 2016 the figures of expenses and revenue are negligible and they are not included.

#### Notes:

- (i) As per Accounting Standard (AS-17) on "Segment Reporting", notified by the Companies (Accounts) Rules, 2014, the Group has reported segment information on the consolidated basis including business conducted through its subsidiaries.
- (ii) The reportable segments of the Reliance Capital Group are further described below
  - (a) Finance & Investments - This includes the corporate lending and investment activities.
  - (b) Asset Management - This includes the asset management activities including Mutual Fund and Portfolio Management Services.
  - (c) General Insurance - This includes the general insurance business.
  - (d) Life Insurance - This includes the life insurance business.
  - (e) Commercial Finance - This includes the commercial finance and home finance business.
  - (f) Others - This includes other financial and allied services.
- (iii) Since all the operations of the Group are largely conducted within India, as such there is no separate reportable geographical segment.

#### 45 Related party disclosures:

##### A. List of Related Parties and their relationship:

###### i) Major investing party

Reliance Inceptum Private Limited

###### ii) Individual Promoter

Shri Anil D. Ambani, the person having control during the year.

###### iii) Associates

- |                                                                             |                                     |
|-----------------------------------------------------------------------------|-------------------------------------|
| 1 Reliance Life Insurance Company Limited<br>(ceased w.e.f. March 30, 2016) | 3 Indian Commodity Exchange Limited |
| 2 Reliance Asset Reconstruction Company Limited                             | 4 Ammolite Holdings Limited         |

## Reliance Capital Limited

### Notes to the Consolidated Financial Statement as at March 31, 2016

#### iv) Key Managerial Personnel (KMP) and KMP Relatives

- 1 Shri Soumen Ghosh – Executive Director & Group CEO
- 2 Shri Amit Bapna – Chief Financial Officer
- 3 Shri V. R. Mohan – President & Company Secretary
- 4 Smt. Caroline Ghosh – KMP Relative
- 5 Shri Vijay Singh Bapna – KMP Relative

#### B. Other related parties with whom transactions have taken place during the year

Enterprise over which individual described in clause A (ii) above has control or significant influence.

- |   |                                                |    |                                                                                   |
|---|------------------------------------------------|----|-----------------------------------------------------------------------------------|
| 1 | Reliance Power Limited                         | 9  | Reliance Infocomm Infrastructure Limited                                          |
| 2 | Reliance Communications Limited                | 10 | Reliance Infratel Limited                                                         |
| 3 | Zapak Mobile Games Private Limited             | 11 | Reliance IDC Limited                                                              |
| 4 | Reliance Big Entertainment Private Limited     | 12 | Reliance Webstore Limited                                                         |
| 5 | Reliance Communications Infrastructure Limited | 13 | Campion Properties Limited                                                        |
| 6 | Reliance Telecom Limited                       | 14 | Reliance Big Broadcasting Private Limited                                         |
| 7 | Big Animation (India) Private Limited          | 15 | Zapak Digital Entertainment Limited                                               |
| 8 | Big Flicks Private Limited                     | 16 | Reliance Transport & Travels Private Limited<br>(ceased w.e.f. November 28, 2015) |

#### C. Transactions during the year with related parties:

(` in crore)

Particulars	Associates	Others (B above)	Total
<b>Debentures</b>			
a) Balance as at March 31, 2016	-	-	-
	(50)	(-)	(50)
b) Accrued interest on debentures as at March 31, 2016	-	-	-
	(3)	(-)	(3)
<b>Investments</b>			
a) Redeemed / Sold during the year	-	<b>632</b>	<b>632</b>
	(-)	(368)	(368)
b) Balance as at March 31, 2016	<b>99</b>	<b>268</b>	<b>377</b>
[Net of provision ` 137 crore (Previous year ` 137 crore)]	(5 389)	(852)	(6 241)
<b>Interest / Finance income accrued on Investment</b>			
a) Balance as at March 31, 2016	-	-	-
	(225)	(637)	(862)
<b>Loans Given</b>			
a) Given during the year	-	<b>2 654</b>	<b>2 654</b>
	(-)	(559)	(559)
b) Returned /Adjusted during the year	-	<b>2 489</b>	<b>2 489</b>
	(-)	(746)	(746)
c) Balance as at March 31, 2016	-	<b>815</b>	<b>815</b>
	(-)	(649)	(649)
d) Interest accrued on Loans	-	<b>78</b>	<b>78</b>
	(-)	(77)	(77)
<b>Advances</b>			
a) Balance as at March 31, 2016	-	<b>1</b>	<b>1</b>
	(1)	(-)	(1)
<b>Income</b>			
a) Interest & Finance Income (including Premium on Preference Shares)	-	<b>125</b>	<b>125</b>
	(-)	(188)	(188)
b) Rent (*` 9 00 000)	-	*	*
	(-)	(1)	(1)

## Reliance Capital Limited

### Notes to the Consolidated Financial Statement as at March 31, 2016

	(` in crore)		
Particulars	Associates	Others (B above)	Total
c) Dividend Income	47	-	47
	(47)	(1)	(48)
d) Reimbursement of Expenditure (* ` 11 69 618, Previous Year ` 4 23 150)	10	(*)	10
	(7)	(*)	(7)
e) Management Fees	6	-	6
	(6)	(-)	(6)
f) Other income (* ` 29 63 000)	*	-	*
	(1)	(-)	(1)
<b>Expenditure</b>			
a) Insurance *[ ` 48 17 137 (Previous year ` 46 97 875)]	*	1	1
	(*)	(-)	(*)
b) Rent	-	1	1
	(1)	(-)	(1)
c) Provision for Diminution in value of Investments	-	-	-
	(-)	(73)	(73)
<b>Contingent Liability</b>			
a) Guarantees to Banks and Financial Institutions on behalf of third parties	-	50	50
	(-)	(50)	(50)

#### D. The nature and volume of material transactions for the year with above related parties are as follows:

	(` in crore)		
Particulars	Associates	Others (B above)	Total
<b>Debentures</b>			
a) Balance as at March 31, 2016			
i) Reliance Life Insurance Company Limited	-	-	-
	(50)	(-)	(50)
b) Interest accrued on debentures as at March 31, 2016			
i) Reliance Life Insurance Company Limited	-	-	-
	(3)	(-)	(3)
<b>Fixed Assets</b>			
a) Purchased during the year			
i) Reliance Communications Infrastructure Limited *( ` 48 86 889)	-	*	*
	(-)	(-)	(-)
<b>Investments</b>			
a) Redeemed / Sold during the year			
i) Reliance Big Entertainment Private Limited	-	632	632
	(-)	(368)	(368)
b) Balance as at March 31, 2016			
i) Reliance Communications Limited [Net of provision of ` 73 crore (Previous year ` 73 crore)]	-	265	265
	(-)	(220)	(220)
ii) Reliance Asset Reconstruction Company Limited	71	-	71
	(65)	(-)	(65)
iii) Ammolite Holdings Limited [Net of Provision ` 29 crore (Previous year ` 29 crore)]	28	-	28
	(24)	(-)	(24)
iv) Reliance Life Insurance Company Limited	-	-	-
	(4 776)	(-)	(4 776)
v) Reliance Big Entertainment Private Limited	-	-	-
	(-)	(632)	(632)
vi) Indian Commodity Exchange Limited * ` Nil [Net of provision of ` 35 crore (Previous year ` 35 crore)]	*	-	*
	(*)	(-)	(*)
<b>Loans Given</b>			
a) Given during the year			
i) Reliance Big Entertainment Private Limited	-	140	140
	(-)	(346)	(346)

## Reliance Capital Limited

### Notes to the Consolidated Financial Statement as at March 31, 2016

		(` in crore)		
Particulars	Associates	Others (B above)	Total	
ii) Reliance Infratel Limited	-	325	325	
	(-)	(213)	(213)	
iii) Reliance Communications Limited	-	2 104	2 104	
	(-)	(-)	(-)	
b) Returned/Adjusted during the year				
i) Reliance Big Entertainment Private Limited	-	80	80	
	(-)	(533)	(533)	
ii) Reliance Infratel Limited	-	325	325	
	(-)	(213)	(213)	
iii) Reliance Communications Limited	-	1 999	1 999	
	(-)	(-)	(-)	
c) Balance as at March 31, 2016				
i) Reliance Big Entertainment Private Limited	-	709	709	
	(-)	(649)	(649)	
ii) Reliance Communications Limited	-	106	106	
	(-)	(-)	(-)	
d) Interest accrued on loans				
i) Reliance Big Entertainment Private Limited	-	77	77	
	(-)	(77)	(77)	
<b>Advances</b>				
a) Balance as at March 31, 2016				
i) Reliance Asset Reconstruction Company Limited *[` 18 06 490 (Previous year ` 32 33 993)]	*	-	*	
	(*)	(-)	(*)	
ii) Reliance Life Insurance Company Limited *(` 26 26 243)	-	-	-	
	(*)	(-)	(*)	
iii) Reliance Communications Infrastructure Limited (* Net of ` 75 crore given & refund)	-	*	*	
	(-)	(-)	(-)	
<b>Income</b>				
a) Interest & Finance Income (including Premium on Preference Shares)				
i) Reliance Communications Limited	-	24	24	
	(-)	(-)	(-)	
ii) Reliance Big Entertainment Private Limited	-	91	91	
	(-)	(187)	(187)	
b) Rent				
i) Reliance Communications Infrastructure Limited (* ` 9 00 000)	-	*	*	
	(-)	(1)	(1)	
c) Dividend Income				
i) Reliance Communications Limited	-	-	-	
	(-)	(1)	(1)	
ii) Reliance Life Insurance Company Limited	46	-	46	
	(46)	(-)	(46)	
d) Reimbursement of Expenditure				
i) Reliance Communications Infrastructure Limited *[` 11 69 618 (Previous year ` 4 23 150)]	-	*	*	
	(-)	(*)	(*)	
ii) Reliance Life Insurance Company Limited	10	-	10	
	(7)	(-)	(7)	
e) Management Fees				
i) Reliance Life Insurance Company Limited	6	-	6	
	(6)	(-)	(6)	
f) Other income				
i) Reliance Asset Reconstruction Company Limited (* ` 29 63 000)	*	-	-	
	1	(-)	1	
<b>Expenditure</b>				
a) Finance cost				
i) Reliance Life Insurance Company Limited	3	-	3	
	(8)	(-)	(8)	



## Reliance Capital Limited

### Notes to the Consolidated Financial Statement as at March 31, 2016

	(₹ in crore)		
Particulars	Associates	Others (B above)	Total
b) Insurance			
i) Reliance Life Insurance Company Limited	*	-	*
*[₹ 48 17 137 (Previous year ₹ 46 97 875)]	(*)	(-)	(*)
ii) Reliance Communications Limited	-	1	1
	(-)	(-)	(-)
c) Rent			
i) Reliance Communications Limited	-	1	1
	(-)	(-)	(-)
d) Provision for Diminution in value of Investments			
i) Reliance Communications Limited	-	-	-
	(-)	(73)	(73)
<b>Contingent Liability</b>			
a) Guarantees to Banks and Financial Institutions			
i) Reliance Big Entertainment Private Limited	-	50	50
	(-)	(50)	(50)

#### Key Managerial Personnel

(₹ in crore)			
Name	Shri Soumen Ghosh	Shri Amit Bapna	Shri V. R. Mohan
Employee benefit expenses	8 (8)	3 (3)	1 (1)
Loan & Advance balance [* ₹ 44 64 047 (Previous year ₹ 4 06 551)]	1 (1)	- (-)	* (*)
Interest Income [# ₹ 3 29 535, * ₹ 9 96 021, (Previous year * ₹ 12 69 472)]	* (*)	- (-)	# (-)

Smt. Caroline Ghosh loan ₹ 47 74 487 (Previous year ₹ 1 crore) and interest income ₹ 6 62 387 (Previous year ₹ 6 90 661)  
Shri Vijay Singh Bapna interest income ₹ 1 62 534 (Previous year ₹ 5 40 423)

#### Notes :

- i) Figures in bracket indicate previous year figures.
- ii) Expenses incurred towards public utilities services such as communication and electricity charges have not been considered for related party transaction.
- iii) The above discloses transactions entered during the period of existence of related party relationship. The balances and transactions are not disclosed before existence of related party relationship and after cessation of related party relationship.
- iv) Director Sitting Fees of ₹ 1 60 000 (Previous year ₹ 2 60 000) has been paid to Shri Anil D. Ambani, an individual having control.

#### 46 Auditors' remuneration includes

(₹ in crore)		
	2015-16	2014-15
i) Audit Fees	2	3
ii) Tax Audit Fees [₹ 4 89 155 (Previous year ₹ 5 61 800)]	-	-
iii) Certification and other reimbursement charges	1	1
<b>Total</b>	<b>3</b>	<b>4</b>

#### 47 Leases

Details of Future Minimum Lease Receivables are as under :

(₹ in crore)		
Particulars	2015-16	2014-15
Not later than one year	15	22
Later than one year and not later than five years	14	24
Later than five years	-	-

## Reliance Capital Limited

### Notes to the Consolidated Financial Statement as at March 31, 2016

Details of Future Minimum Lease Payable under operating lease for each of the following periods:

	(` in crore)	
Particulars	2015-16	2014-15
Not later than one year	22	4
Later than one year and not later than five years	47	2
Later than five years	-	-

#### 48 Basic and diluted earnings per share

The computation of earnings per share is set out below:

	(` in crore)	
Particulars	2015-16	2014-15
a) Amounts used as the numerators		
Net profit after tax	1 101	1 001
Net profit attributable to equity shareholders	1 101	1 001
b) Weighted average number of equity shares (Nos.)	25 26 32 800	24 60 16 362
c) Basic earnings per share of face value ` 10 each (`)	43.56	40.69
d) Diluted earnings per share of face value ` 10 each (`)	43.56	40.69

As the fair value of ESOP is less than exercise price no expense has been charge to Statement of Profit & Loss.

#### 49 Contingent Liabilities and Commitments (As Certified by the Management)

Contingent liabilities and capital commitments of the Holding Company and its subsidiaries are as follows:

	(` in crore)	
Particulars	March 31, 2016	March 31, 2015
<b>a Contingent Liabilities</b>		
i) Guarantees to Banks and Financial Institutions	2 977	2 553
ii) Claims against the Group not acknowledge as debt	112	48
iii) Outstanding Forward Exchange Contract	-	66
iv) Others	62	-
<b>b Commitments</b>		
i) Estimated amount of contracts remaining to be executed on capital account (net of advances)	127	56
ii) Undrawn Committed Credit lines	1 547	1 088
iii) Uncalled amount of Investments	32	8

Share of Company in contingent liabilities and capital commitments of an associate is as follows:

	(` in crore)	
Particulars	March 31, 2016	March 31, 2015
<b>a. Contingent Liabilities</b>		
i) Claims against the Group not acknowledge as debt	1	31
ii) Statutory Demands /liabilities in disputed not provided for	-	18
iii) Guarantees to Banks and Financial Institutions	-	-
<b>b. Commitments</b>		
i) Commitment towards fixed Assets	-	2
ii) Other commitments	-	3

## Reliance Capital Limited

### Notes to the Consolidated Financial Statement as at March 31, 2016

**50 The subsidiaries / associate companies considered in the consolidated financial statement with their proportion of ownership are as under:**

Name	Country of Incorporation	Year Ending	Proportion of ownership (Interest)
<b>List of Subsidiaries</b>			
Reliance Capital Asset Management Limited	India	March 31, 2016	51.00%
Reliance Asset Management (Mauritius) Limited	Mauritius	March 31, 2016	51.00%
Reliance Asset Management (Singapore) Pte Limited	Singapore	March 31, 2016	51.00%
Reliance Capital Asset Management (UK) Limited (formerly Reliance Capital Asset Management (UK) Plc)	United Kingdom	March 31, 2016	51.00%
Reliance Capital Pension Fund Limited	India	March 31, 2016	68.15%
Reliance AIF Management Company Limited	India	March 31, 2016	51.00%
Reliance Capital Trustee Co. Limited	India	March 31, 2016	100.00%
Reliance General Insurance Company Limited	India	March 31, 2016	99.46%
Reliance Gilts Limited	India	March 31, 2016	100.00%
Reliance Money Express Limited	India	March 31, 2016	100.00%
Reliance Home Finance Limited	India	March 31, 2016	100.00%
Reliance Securities Limited	India	March 31, 2016	100.00%
Reliance Commodities Limited	India	March 31, 2016	100.00%
Reliance Financial Limited	India	March 31, 2016	100.00%
Reliance Wealth Management Limited	India	March 31, 2016	100.00%
Reliance Money Precious Metals Private Limited	India	March 31, 2016	100.00%
Reliance Money Solutions Private Limited	India	March 31, 2016	100.00%
Reliance Exchangenext Limited	India	March 31, 2016	100.00%
Reliance Spot Exchange Infrastructure Limited	India	March 31, 2016	100.00%
Reliance Capital AIF Trustee Company Private Limited	India	March 31, 2016	100.00%
Reliance Life Insurance Company Limited (w.e.f. March 30, 2016)	India	March 31, 2016	51.00%
Quant Capital Private Limited	India	March 31, 2016	74.00%
Quant Broking Private Limited	India	March 31, 2016	74.00%
Quant Commodity Broking Private Limited	India	March 31, 2016	74.00%
Quant Investment Services Private Limited	India	March 31, 2016	74.00%
Quant Securities Private Limited	India	March 31, 2016	74.00%
Quant Capital Finance and Investments Private Limited	India	March 31, 2016	74.00%
<b>List of Associates</b>			
Reliance Life Insurance Company Limited (ceased w.e.f. March 30, 2016)	India	March 31, 2016	47.78%
Reliance Asset Reconstruction Company Limited	India	March 31, 2016	49.00%
Indian Commodity Exchange Limited	India	March 31, 2016	26.00%
Ammolite Holdings Limited	Jersey	March 31, 2016	*50.00%
<b>Partnership Firm</b>			
Reliance Capital Partners	India	March 31, 2016	#

**Notes:-**

- a) \* The Unaudited Financial statement of Ammolite Holdings Limited, have been certified by the management.  
b) # Proportion of ownership interest in Partnership firm is on the basis of weighted average capital.

## Reliance Capital Limited

### Notes to the Consolidated Financial Statement as at March 31, 2016

#### 51 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates.

##### A For the year ended March 31, 2016

(<sup>₹</sup> in crore)

Sr. No.	Name	As % of consolidated net assets	Net asset amount	As % of consolidated profit or loss	Profit/(loss) after taxation amount
<b>A Parent</b>					
1	Reliance Capital Limited	75.13%	10,625.44	65.45%	885.79
<b>B Subsidiaries</b>					
<b>(i) Indian</b>					
1	Reliance Capital Asset Management Limited	5.28%	747.12	28.05%	379.67
2	Reliance Capital Pension Fund Limited	0.18%	26.01	0.00%	0.02
3	Reliance AIF Management Company Limited	0.08%	10.87	0.63%	8.49
4	Reliance Capital Trustee Co. Limited	0.01%	0.99	0.05%	0.68
5	Reliance General Insurance Company Limited	6.20%	877.02	6.29%	85.06
6	Reliance Gilts Limited	0.36%	51.34	0.00%	0.03
7	Reliance Money Express Limited	0.18%	25.56	0.63%	8.55
8	Reliance Money Precious Metals Private Limited	0.01%	1.41	-0.23%	(3.14)
9	Reliance Home Finance Limited	4.35%	615.09	6.66%	90.14
10	Reliance Securities Limited	0.75%	106.75	-4.93%	(66.78)
11	Reliance Commodities Limited	0.05%	6.59	0.24%	3.29
12	Reliance Financial Limited	0.33%	47.00	-0.09%	(1.24)
13	Reliance Wealth Management Limited	0.04%	5.44	-0.30%	(4.08)
14	Reliance Money Solutions Private Limited	0.10%	14.50	-2.48%	(33.57)
15	Reliance Exchangenext Limited	0.09%	13.25	0.00%	(0.02)
16	Reliance Spot Exchange Infrastructure Limited	0.01%	1.06	-0.01%	(0.10)
17	Reliance Capital AIF Trustee Company Private Limited	0.00%	0.01	0.00%	0.00
18	Reliance Life Insurance Company Limited (w.e.f. March 30, 2016)	4.70%	665.04	0.00%	-
19	Quant Capital Private Limited	-0.01%	(1.56)	0.05%	0.65
20	Quant Broking Private Limited	1.11%	156.75	-0.84%	(11.41)
21	Quant Securities Private Limited	0.01%	1.97	0.05%	0.69
22	Quant Commodity Broking Private Limited	0.01%	1.54	0.01%	0.09
23	Quant Capital Finance and Investments Private Limited	0.15%	21.70	0.00%	0.06
24	Quant Investment Services Private Limited	0.00%	-	0.00%	0.03
<b>(ii) Foreign</b>					
1	Reliance Asset Management (Mauritius) Limited	0.10%	14.74	0.04%	0.55
2	Reliance Asset Management (Singapore) Pte. Limited	0.22%	31.63	-0.20%	(2.76)
3	Reliance Capital Asset Management (UK) Limited (formerly Reliance Capital Asset Management (UK) Plc)	0.00%	-	-0.03%	(0.41)
<b>C Partnership firm</b>					
1	Reliance Capital Partners	0.53%	75.63	0.97%	13.11
<b>Total</b>		<b>100.00%</b>	<b>14,142.88</b>	<b>100.00%</b>	<b>1,353.38</b>
<b>D Minority interest</b>					
1	Reliance Capital Asset Management Limited	-	736.79	-	166.07
2	Reliance General Insurance Company Limited	-	5.55	-	0.54
3	Quant Capital Private Limited	-	63.31	-	(2.61)
4	Reliance Capital Partners	-	3.90	-	0.11
5	Reliance Life Insurance Company Limited	-	638.08	-	-
<b>Total Minority interest</b>		<b>-</b>	<b>1,447.64</b>	<b>-</b>	<b>164.11</b>

## Reliance Capital Limited

### Notes to the Consolidated Financial Statement as at March 31, 2016

(` in crore)

Sr. No.	Name	As % of consolidated net assets	Net asset amount	As % of consolidated profit or loss	Profit/(loss) after taxation amount
<b>E Associate</b>					
<b>(i) Indian</b>					
1	Reliance Asset Reconstruction Company Limited	-	66.40	-	4.76
2	Reliance Life Insurance Company Limited (ceased w.e.f. March 30, 2016)	-	622.19	-	(94.26)
3	Indian Commodity Exchange Limited	-	0.26	-	-
<b>(ii) Foreign</b>					
1	Ammolite Holdings Limited		26.32		1.24
<b>Total Associate</b>		<b>-</b>	<b>715.17</b>	<b>-</b>	<b>(88.26)</b>

### B For the year ended March 31, 2015

(` in crore)

Sr. No	Name	As % of consolidated net assets	Net asset Amount	As % of consolidated profit or loss	Profit/(loss) after Taxation Amount
<b>A Parent</b>					
1	Reliance Capital Limited	76.86%	10,241.41	47.33%	476.64
<b>B Subsidiaries</b>					
<b>(i) Indian</b>					
1	Reliance Capital Asset Management Limited	6.53%	869.67	30.95%	311.65
2	Reliance Capital Pension Fund Limited	-	0.40	0.01%	0.15
3	Reliance AIF Management Company Limited	0.02%	2.38	0.12%	1.25
4	Reliance Capital Trustee Co. Limited	0.01%	0.85	0.01%	0.13
5	Reliance General Insurance Company Limited	5.92%	788.22	7.79%	78.43
6	Reliance Gilts Limited	-	0.62	-	0.02
7	Reliance Home Finance Limited	4.00%	533.36	6.70%	67.47
8	Reliance Securities Limited	0.86%	114.56	(1.19)%	(12.01)
9	Reliance Money Express Limited	0.13%	17.24	0.16%	1.63
10	Reliance Money Precious Metals Private Limited	0.01%	1.58	(0.20)%	(1.98)
11	Reliance Commodities Limited	0.06%	8.02	(0.20)%	(2.06)
12	Reliance Financial Limited	0.02%	2.39	(0.54)%	(5.46)
13	Reliance Wealth Management Limited	0.04%	5.46	0.02%	0.18
14	Reliance Exchangenext Limited	0.00%	0.27	-	(0.01)
15	Reliance Spot Exchange Infrastructure Limited	(0.04)%	(4.75)	(0.02)%	(0.18)
16	Reliance Money Solutions Private Limited	0.05%	6.75	(3.61)%	(36.33)
17	Reliance Capital AIF Trustee Company Private Limited	0.00%	0.01	-	(0.01)
18	Quant Capital Private Limited	1.13%	151.07	0.07%	0.67
19	Quant Broking Private Limited	1.26%	167.62	0.46%	4.59
20	Quant Securities Private Limited	0.01%	1.28	(0.13)%	(1.30)
21	Quant Commodity Broking Private Limited	0.01%	1.45	(0.07)%	(0.67)
22	Quant Investment Services Private Limited	0.04%	5.45	(0.05)%	(0.55)
23	Quant Capital Finance and Investments Private Limited	0.16%	21.64	-	(0.00)
24	Fairwinds Asset Managers Limited (formerly Reliance Equity Advisors (India) Private Limited)	-	-	0.98%	9.91
25	Fairwinds Trustees Services Private Limited (formerly Reliance Alternative Investment Services Private Limited)	-	-	-	(0.04)
26	Indian Agri Services Private Limited	-	-	-	-
27	Reliance Composite Insurance Broking Limited	-	-	-	-
28	Quant Capital Advisors Private Limited	-	-	-	-
29	Quant Commodities Private Limited	-	-	-	-

## Reliance Capital Limited

### Notes to the Consolidated Financial Statement as at March 31, 2016

(` in crore)

Sr. No	Name	As % of consolidated net assets	Net asset Amount	As % of consolidated profit or loss	Profit/(loss) after Taxation Amount
<b>(ii) Foreign</b>					
1	Reliance Asset Management (Mauritius) Limited	0.10%	13.37	0.03%	0.34
2	Reliance Asset Management (Singapore) Pte. Limited	0.24%	31.92	0.08%	0.78
3	Reliance Capital Asset Management (UK) Plc	0.20%	25.99	0.01%	0.15
4	Reliance Asset Management (Malaysia) SDN BHD	-	-	-	-
5	Reliance Consultants (Mauritius) Limited	-	-	-	-
<b>C Partnership firm</b>					
1	Reliance Capital Partners	2.37%	315.77	11.28%	113.61
<b>Total</b>		<b>100.00%</b>	<b>13,324.00</b>	<b>100.00%</b>	<b>1,007.00</b>
<b>D Minority interest</b>					
1	Reliance Capital Asset Management Limited	-	596.53	-	128.31
2	Reliance General Insurance Company Limited	-	5.03	-	0.44
3	Quant Capital Private Limited	-	66.18	-	0.67
4	Reliance Capital Partners (Partnership Firm)	-	1.43	-	0.36
<b>Total Minority</b>		<b>-</b>	<b>669.17</b>	<b>-</b>	<b>129.78</b>
<b>E Associate</b>					
<b>(i) Indian</b>					
1	Reliance Life Insurance Company Limited	-	5,300.00	-	64.59
2	Reliance Asset Reconstruction Company Limited	-	64.92	-	3.92
3	Indian Commodity Exchange Limited	-	-	-	-
<b>(ii) Foreign</b>					
1	Ammolite Holdings Limited	-	23.70	-	10.71
<b>Total Associate</b>		<b>-</b>	<b>5,388.62</b>	<b>-</b>	<b>79.22</b>

**52** In accordance with Para 7 of Accounting Standard (AS-23) on Accounting for Investments in Associates in Consolidated Financial Statement as per the Companies (Accounts) Rules, 2014, the Company's stake in Sula Vineyards Private Limited and Reliance Capital Partner's stake in Ravissant Private Limited though in excess of 20% of their shareholdings have not been accounted for as associates in the preparation of consolidated financial statement as the Company does not have any "Significant Influence" on these companies, as defined by Accounting Standard (AS-18) on Related Party Disclosures as per the Companies (Accounts) Rules, 2014 and hence the transaction with these parties have not been considered for Related Party Disclosures.

**53** The Group has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, respective companies in the Group have reviewed and ensured that adequate provision as required under any law / accounting standards there are no foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

As per our report of even date attached

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

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Reg. No. : 101248W/  
W-100022

For and on behalf of the Board

Chairman  
Vice Chairman

Directors

**Anil D. Ambani**  
**Amitabh Jhunjhunwala**  
**Rajendra P. Chitale**  
**Dr. Bidhubhusan Samal**  
**V. N. Kaul**  
**Chhaya Virani**

**Vijay Napawaliya**  
Partner  
Membership No: 109859  
Mumbai  
Dated: May 6, 2016

**Akeel Master**  
Partner  
Membership No: 046768

Executive Director & Group CEO  
Chief Financial Officer  
President & Company Secretary  
Mumbai  
Dated: May 6, 2016

**Soumen Ghosh**  
**Amit Bapna**  
**V. R. Mohan**

**Statement containing salient features of the financial statement of subsidiaries / associate companies**

(Pursuant to first proviso to subsection (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)  
**Part "A": Subsidiaries**

Sr. No.	Name	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend (Excluding Dividend Tax)	% of shareholding
1	Reliance Capital Asset Management Limited	41.52	1,404.06	1,886.64	441.06	878.17	1,271.02	495.87	125.70	370.18	247.68	51.00
2	Reliance Asset Management (Mauritius) Limited	12.97	1.77	16.29	1.54	0.01	4.99	0.62	0.07	0.55	-	51.00
3	Reliance Asset Management (Singapore) Pte Limited	28.22	3.41	33.06	1.44	6.46	9.81	(2.76)	-	(2.76)	-	51.00
4	Reliance Capital Asset Management (UK) Limited (formerly Reliance Capital Asset Management (UK) Plc)	30.83	(30.83)	-	-	-	-	(0.41)	-	(0.41)	-	51.00
5	Reliance Capital Pension Fund Limited	25.00	1.01	26.45	0.44	26.11	0.01	0.02	(0.00)	0.02	-	68.15
6	Reliance AIF Management Company Limited	0.51	10.36	32.72	21.85	-	22.61	8.68	0.19	8.49	-	51.00
7	Reliance Capital Trustee Co. Limited	0.05	0.94	0.99	0.01	0.93	0.56	0.20	0.06	0.14	-	100.00
8	Reliance General Insurance Company Limited	122.77	904.56	6,293.05	5,265.72	5,381.37	3,530.07	99.08	-	99.08	-	99.46
9	Reliance Life Insurance Company Limited (w.e.f. March 30, 2016)	1,196.32	105.88	16,934.92	15,632.71	15,750.73	-	-	-	-	-	51.00
10	Reliance Gilts Limited	63.30	(2.80)	60.51	0.01	59.17	0.05	0.03	0.01	0.03	-	100.00
11	Reliance Money Express Limited	13.81	38.13	59.74	7.80	-	28.63	15.08	3.92	11.16	-	100.00
12	Reliance Money Precious Metals Private Limited	25.00	(23.56)	3.59	2.15	-	48.10	(3.59)	-	(3.59)	-	100.00
13	Reliance Home Finance Limited	65.82	554.30	7,693.59	7,073.47	80.42	815.03	136.70	49.95	86.76	-	100.00
14	Reliance Securities Limited	200.00	(119.57)	391.81	311.37	5.19	141.53	(73.89)	0.02	(73.91)	-	100.00
15	Reliance Commodities Limited	3.00	8.12	34.92	23.80	0.00	14.77	2.12	(0.98)	3.11	-	100.00
16	Reliance Financial Limited	40.16	67.98	132.51	24.37	39.24	5.83	1.60	1.13	0.47	-	100.00
17	Reliance Wealth Management Limited	17.50	(14.35)	9.84	6.69	-	24.61	(2.88)	0.00	(2.88)	-	100.00
18	Reliance Money Solutions Private Limited	25.05	(70.63)	21.59	67.17	-	22.40	(29.02)	0.00	(29.02)	-	100.00
19	Reliance ExchangeNext Limited	19.91	(13.31)	13.26	6.66	0.02	-	(0.02)	0.00	(0.02)	-	100.00
20	Reliance Spot Exchange Infrastructure Limited	17.65	(22.47)	1.09	5.91	-	-	(0.07)	0.00	(0.07)	-	100.00
21	Reliance Capital AIF Trustee Company Private Limited	0.06	(0.05)	0.03	0.02	-	0.02	0.00	0.00	0.00	-	100.00
22	Quant Capital Private Limited	10.00	207.73	218.53	0.80	0.30	4.11	0.84	0.19	0.65	-	74.00
23	Quant Broking Private Limited	18.01	138.83	284.30	127.46	50.00	18.72	(10.76)	0.02	(10.78)	-	74.00
24	Quant Securities Private Limited	1.54	(0.25)	9.18	7.89	-	0.68	0.01	(0.01)	0.01	-	74.00
25	Quant Commodity Broking Private Limited	0.14	1.40	9.06	7.52	-	0.50	0.12	0.03	0.09	-	74.00
26	Quant Capital Finance and Investments Private Limited	3.83	17.87	34.13	12.43	-	2.64	0.15	0.09	0.06	-	74.00
27	Quant Investment Services Private Limited	0.74	4.75	7.40	1.92	-	2.15	0.04	0.01	0.03	-	74.00

**Notes:**

- The Financial Year of the Subsidiaries is for 12 months from April 1, 2015 to March 31, 2016
- Investment exclude investment in Subsidiaries
- Exchange rate as of March 31, 2016: 1 USD = ` 66.1752 1 GBP = ` 95.1622 1 SGD = ` 49.1470

**Name of Subsidiaries which are yet to commence operations - Nil**

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

Statement containing salient features of the financial statement of subsidiaries / associate companies

Part "B": Associates

Sr. No.	Name of Associates	Latest audited Balance Sheet Date	Shares of Associate held by the Company on the year end		Description of how there is significant influence Refer Note 1 below	Reason why the associate / joint venture is not consolidated	Network attributable to shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
			No.	Amount of Investment in Associate / joint Venture				Extend of Holding %	i. Considered in Consolidation
1	Reliance Life Insurance Company Limited (ceased w.e.f. March 30, 2016)	31.03.2016	-	-	47.78	-	-	(94.26)	
2	Reliance Asset Reconstruction Company Limited	31.03.2016	4,90,00,000	49	49	-	66.40	4.76	
3	Indian Commodity Exchange Limited	31.03.2016	5,20,00,000	47	26	-	1.01	-	
4	Ammolite Holdings Limited	31.03.2016	1,000	29	50	-	26.32	1.24	

( : in crore)

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

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

**Notes:**

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

For and on behalf of the Board

Chairman

Vice Chairman

Directors

**Anil D. Ambani**

**Amitabh Jhunjhunwala**

**Rajendra P. Chitale**

**Dr. Bidhubhusan Samal**

**V. N. Kaul**

**Chhaya Virani**

**Sourmen Ghosh**

**Amit Bapna**

**V. R. Mohan**

Executive Director & Group CEO

Chief Financial Officer

President & Company Secretary

Mumbai

Dated: May 6, 2016



**RELIANCE****Capital****Reliance Capital Limited**

Registered Office: H Block, 1<sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710  
 CIN: L65910MH1986PLC165645, Tel.: +91 22 3303 1000, Fax: +91 22 3303 6664  
 Website: www.reliancecapital.co.in, E-mail: rcl.investor@relianceada.com

**ATTENDANCE SLIP  
ANNUAL GENERAL MEETING**

*DP Id. / Client Id.		Name and Address of the registered Shareholder
Regd. Folio No.		
No. of Share(s) held		

(\* Applicable for Members holding share(s) in electronic form)

I/ We hereby record my/our presence at the **30<sup>th</sup> Annual General Meeting** of the Members of Reliance Capital Limited held on Tuesday, September 27, 2016 at 10:00 A.M. at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020.

\_\_\_\_\_  
Member's / Proxy's Signature

Note: Please complete this and hand it over at the entrance of the hall.

----- ✂ ----- TEAR HERE ----- ✂ -----

**PROXY FORM****RELIANCE****Capital****Reliance Capital Limited**

Registered Office: H Block, 1<sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710  
 CIN: L65910MH1986PLC165645, Tel.: +91 22 3303 1000, Fax: +91 22 3303 6664  
 Website: www.reliancecapital.co.in, E-mail: rcl.investor@relianceada.com

**FORM NO. MGT-11**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)		
Registered Address		
E-mail Id:		
*DP Id. / Client Id.		Regd. Folio No.

(\* Applicable for Members holding share(s) in electronic form)

I / We, being the member(s) of ..... shares of the above named company, hereby appoint:

- (1) Name: ..... Address: .....  
 E-mail Id: ..... Signature..... or failing him
- (2) Name: ..... Address: .....  
 E-mail Id: ..... Signature..... or failing him
- (3) Name: ..... Address: .....  
 E-mail Id: ..... Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **30<sup>th</sup> Annual General Meeting** of the Company, to be held on Tuesday, September 27, 2016 at 10:00 A.M. at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020, and at any adjournment thereof in respect of such resolutions as are indicated below:

<b>Resolution no. and Matter of Resolution</b>	<b>For</b>	<b>Against</b>
1. To consider and adopt:		
a) the audited financial statement of the Company for the financial year ended March 31, 2016 and the reports of the Board of Directors and Auditors thereon, and		
b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2016 and the report of the Auditors thereon.		
2. To declare dividend on equity shares.		
3. To appoint a Director in place of Shri Soumen Ghosh (DIN:01262099), who retires by rotation and being eligible, offers himself for re-appointment.		
4. To appoint Auditors and to fix their remuneration:		
a) M/s. B S R & Co. LLP, Chartered Accountants		
b) M/s. Pathak H.D. & Associates, Chartered Accountants		
5. To appoint Shri Jai Anmol Ambani (DIN:07591624) as Executive Director of the Company.		
6. To approve Private Placement of Non-Convertible Debentures and/or other Debt Securities.		
7. To consider issue of securities to the Qualified Institutional Buyers.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

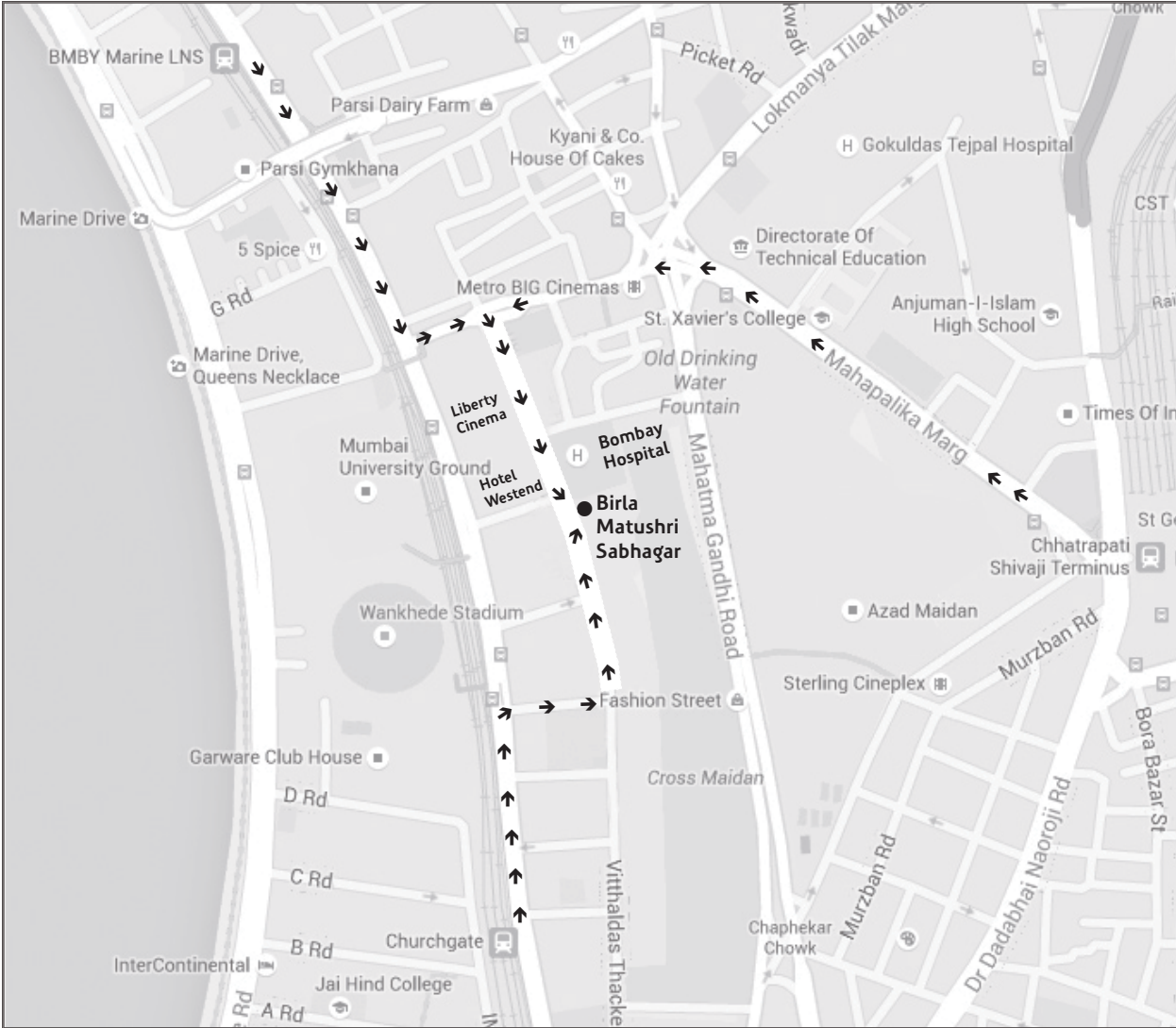
Signature of the Shareholder(s) \_\_\_\_\_ Signature of Proxy holder(s) \_\_\_\_\_

Affix  
Revenue  
Stamp

**Note:** This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

**Route Map to the AGM Venue**

Venue : Birla Matushri Sabhaagar, 19, New Marine Lines, Mumbai 400 020



**Landmark : Next to Bombay Hospital**  
**Distance from Churchgate Station : 1 km**  
**Distance from Chhatrapati Shivaji Terminus : 1.2 km**  
**Distance from Marine Lines Station : 0.8 km**



If undelivered please return to :

**Karvy Computershare Private Limited  
(Unit: Reliance Capital Limited)**

Karvy Selenium Tower - B

Plot No. 31 & 32

Survey No. 116/22, 115/24, 115/25

Financial District, Nanakramguda

Hyderabad 500 032.

Website: [www.karvy.com](http://www.karvy.com)

Tel. : +91 40 6716 1500

Fax : +91 40 6716 1791

E-mail : [rclinvestor@karvy.com](mailto:rclinvestor@karvy.com)