

Financial Statement

2014-15

Reliance Gilts Limited

Independent Auditor's Report

**To,
The Members,
Reliance Gilts Limited**

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Independent Auditor's Report (Continued)

Reliance Gilts Limited

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

Independent Auditor's Report (*Continued*)

Reliance Gilts Limited

- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position of the Company.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Chaturvedi & Shah

Chartered Accountants

Firm's Registration No:101720W

Vijay Napawaliya

Partner

Membership No: 109859

Mumbai

Dated : May 26, 2015

Reliance Gilts Limited

Annexure to the Independent Auditor's Report (Continued)

(Referred to in our report of even date)

- (i) The Company does not have any fixed assets during the year, hence clause (i) of Paragraph 3 of the Order is not applicable to the Company.
- (ii) The Company is registered as a non banking financial Company with the Reserve Bank of India. Accordingly, it does not hold any physical inventories. Thus, paragraph 3 (ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loan secured/unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of clauses (iii) (a) and (iii)(b) of paragraph 3 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to sale of services. During the year the Company did not undertake any activities of purchase of fixed assets and inventories and sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public and hence directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable. During the year under audit, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for whether the same has been complied with or not.
- (vi) According to the information and explanations given to us, the Central Government has not specified for maintenance of cost records under sub section (1) of Section 148 of the Companies Act, 2013 in respect of activities carried on by the Company. Hence the provisions of clause 3 (vi) of the Order is not applicable to the Company.
- (vii) In respect of statutory dues:
 - a) According to the records of the Company, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including employees' state insurance, sales-tax, wealth tax, service tax, income tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable. Further, there are no undisputed amounts

Reliance Gilts Limited

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

(Referred to in our report of even date)

- payable outstanding as at March 31, 2015 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited on account of any dispute.
 - c) According to the information and explanations given to us, there is no outstanding amount, which is required to be transferred to investor education and protection fund in accordance with the relevant provision of the Companies Act, 1956 and rules made thereunder.
- (viii) The Company has accumulated losses which are not more than fifty percent of its net worth. The Company has not incurred any cash losses during the current financial year and in the immediate preceding financial year.
- (ix) The Company does not have any dues to financial institutions, banks or debenture holders, hence question of default does not arise.
- (x) The Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xi) The Company has not raised any term loan during the year.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

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

Vijay Napawaliya
Partner
Membership No: 109859

Mumbai
Dated : May 26, 2015

RELIANCE GILTS LIMITED
BALANCE SHEET AS AT MARCH 31, 2015

(Amount in Rupees)

	Note No.	As at March 31,2015	As at March 31,2014
I. EQUITY AND LIABILITES:			
(1) Shareholders' Funds			
(a) Share Capital	"3"	12 30 07 000	7 00 07 000
(b) Reserves and Surplus	"4"	(2 82 23 321)	(2 84 36 492)
(2) Non Current Liabilities			
(a) Long -term provisions	"5"	6 750	-
(3) Current Liabilities			
(a) Other current liabilities	"6"	45 802	61 798
(b) Short-term provisions	"7"	78 653	1 17 725
TOTAL		9 49 14 884	4 17 50 031
II. ASSETS:			
(1) Non - Current Assets			
(a) Non-current Investments	"8"	9 16 75 000	3 87 75 000
(b) Long Term Loans & Advances	"9"	27 00 000	-
(2) Current Assets			
(a) Current Investments	"10"	-	29 36 767
(b) Cash & Cash Equivalents	"11"	5 39 884	38 264
TOTAL		9 49 14 884	4 17 50 031

See accompanying notes to the financial statements "1-27"

As per our report of even date

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No. : 101720W

Vijay Napawaliya

Partner

Membership No.: 109859

Mumbai

Dated: May 26, 2015

For and on behalf of the Board

Amit Bapna

Director

Lav Chaturvedi

Director

V. R. Mohan

Director

Varun Agarwal

Chief Financial Officer

Ravin Tank

Company Secretary & Manager

Mumbai

Dated: May 26, 2015

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

<i>(Amount in Rupees)</i>			
	Note No.	2014-15	2013-14
I Revenue from operations	"12"	2 99 353	3 09 541
II Other income	"13"	1 960	3 00 000
III Total Revenue (I+II)		<u>3 01 313</u>	<u>6 09 541</u>
Other Expenses	"14"	1 02 055	4 05 880
Total Expenses		<u>1 02 055</u>	<u>4 05 880</u>
V. Profit Before Tax		1 99 258	2 03 661
VI. Tax expense:			
(1) Current tax		60 000	40 000
[Net of MAT credit entitlement Rs. Nil (Previous Year Rs. 12 340)]			
(2) Deferred tax		-	-
(3) Taxation for earlier years		(73 913)	-
VII. Profit For the Year		<u>2 13 171</u>	<u>1 63 661</u>
VIII. Earnings Per Equity Share :	"20"		
(Face value of Rs. 10 each fully paid up)			
Basic & Diluted		0.03	0.02

See accompanying notes to the financial statements "1- 27"

As per our report of even date

For and on behalf of the Board

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

Amit Bapna
Director

Lav Chaturvedi
Director

Vijay Napawaliya
Partner
Membership No.: 109859

V. R. Mohan
Director

Varun Agarwal
Chief Financial Officer

Ravin Tank
Company Secretary & Manager

Mumbai
Dated: May 26, 2015

Mumbai
Dated: May 26, 2015

RELIANCE GILTS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(Amount in Rupees)

	2014-2015	2013-2014
A Cash Flows from Operating Activities		
Profit/(Loss) Before Tax	1 99 258	2 03 661
Adjustments for:		
Dividend Income	(29 908)	(36 767)
Interest Income	(2 69 445)	(2 72 774)
Profit on Sale of Current Investment	(1 703)	-
Operating Profit before working Capital Changes	(1 01 798)	(1 05 880)
Adjustments for:		
(Increase)/Decrease in Loans & Advances	(27 18 409)	27 00 000
Increase/(Decrease) in Liabilities & Provisions	(15 996)	(15 143)
Cash generated from operations	(28 36 203)	25 78 977
Taxes (Paid) / Refund	-	(50 000)
Net cash from/(used in) Operating Activities	(28 36 203)	25 28 977
B Cash flows from investing activities		
Purchase of Long Term Investments	(5 29 00 000)	-
(Purchase)/Sale of Current Investment (Net)	29 38 470	(29 00 000)
Dividend Income	29 908	
Interest received	2 69 445	2 72 774
Net cash from/(used in) Investing Activities	(4 96 62 178)	(26 27 226)
C Cash flows from financing activities		
Proceeds/(Repayment) of Issue of Capital	5 30 00 000	-
Net cash from/(used in) financing activities	5 30 00 000	-
Net increase in cash and cash equivalents (A+B+C)	5 01 620	(98 249)
Cash and cash equivalents at the beginning of the year	38 264	1 36 513
Cash and cash equivalents at the end of the year	5 39 884	38 264

Note:

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

As per our report of even date

For and on behalf of the Board

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No. : 101720W

Amit Bapna

Director

Lav Chaturvedi

Director

Vijay Napawaliya

Partner

Membership No.: 109859

V. R. Mohan

Director

Varun Agarwal

Chief Financial Officer

Ravin Tank

Company Secretary & Manager

Mumbai

Dated: May 26, 2015

Mumbai

Dated: May 26, 2015

RELIANCE GILTS LIMITED

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

1. Background

Reliance Gilts Limited ("the Company") was incorporated on August 17, 2000 with the Registrar of Companies (RoC), Maharashtra, Mumbai. Subsequently, as on May 21, 2009 the Company was registered as a Non-Banking Financial Company without accepting public deposits, as defined under Section 45 IA of the Reserve Bank of India Act, 1934. (Refer Note No. 25)

2. Significant Accounting Policies

a Basis of Preparation of Financial Statement

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

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 ('RBI') in terms of "Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015", as applicable to it.

Although the Company's assets is less than Rs. 500 crore but its holding company is a Systemically Important Non-deposit taking Non-Banking Financial Companies hence regulations as applicable to its holding company will also be applicable on it as per Para 7 of the RBI Circular on revised regulatory framework for multiple NBFC vide DNBR (PD)CC. No. 002/03.10.001/2014-15 dated November 10, 2014.

b Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are

c Revenue Recognition

i) Sales & Purchase:

Sale & Purchase of Government Securities are recognised on the deal date.

ii) Dividend Income:

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

iii) Interest Income:

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

iv) Income from Investments :

Profit earned from sale of securities is recognised on trade date basis. The cost of securities is computed on weighted average basis.

d Investments

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

e Inventories

Inventories are valued, scrip wise, at cost on weighted average basis or fair value, whichever is lower.

f Earnings per share

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

g Provision for Current Tax and Deferred Tax

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

h Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

RELIANCE GILTS LIMITED

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

3. Share Capital

(Amount in Rupees)

	As at March 31, 2015		As at March 31, 2014	
(a) Authorised:				
20 00 00 000 Equity Shares of Rs.10 each (March 31, 2014: 20 00 00 000 Equity Shares of Rs. 10 each)		200 00 00 000		200 00 00 000
		<u>200 00 00 000</u>		<u>200 00 00 000</u>
(b) Issued, Subscribed and Fully Paid Up				
1 23 00 700 Equity Shares of Rs.10 each (March 31, 2014 : 70 00 700 Equity Shares of Rs. 10 each)		12 30 07 000		7 00 07 000
		<u>12 30 07 000</u>		<u>7 00 07 000</u>
(c) Par Value per Share	Amount in Rupees		Amount in Rupees	
Equity Share		10		10
(d) Reconciliation of Issued, Subscribed and Fully Paid Up Share Capital	No. of Shares	(Amount in Rupees)	No. of Shares	(Amount in Rupees)
Equity Shares				
Opening Balance	70 00 700	7 00 07 000	70 00 700	7 00 07 000
Add : Addition during the year	53 00 000	5 30 00 000	-	-
Less : Reduction during the year	-	-	-	-
Closing Balance	<u>1 23 00 700</u>	<u>12 30 07 000</u>	<u>70 00 700</u>	<u>7 00 07 000</u>

(e) Rights, Preferences and Restrictions :

Each equityshare holder is entitled to one vote per share and carries dividend right. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(f) Shares held by holding Company:

	As at March 31, 2015			As at March 31, 2014		
	%	No. of Shares	(Amount in Rupees)	%	No. of Shares	(Amount in Rupees)
Equity shares						
Reliance Capital Limited	100	1 23 00 700	12 30 07 000	100	70 00 700	7 00 07 000
Total	100	1 23 00 700	12 30 07 000	100	70 00 700	7 00 07 000

(Out of the above equity shares, 6 equity shares (Previous year 6 equity shares) are jointly held by Reliance Capital Limited and its nominees.

4. Reserves & Surplus

(Amount in Rupees)

	As at March 31, 2015		As at March 31, 2014	
Statutory Reserve Fund*				
As per Last Balance Sheet		14 20 977		13,88,245
Add: Transfer from Statement of Profit & Loss		42 634		32 732
		<u>14 63 611</u>		<u>14 20 977</u>
Deficit in Statement of Profit & Loss				
As per Last Balance Sheet		(2 98 57 469)		(2 99 88 398)
Add: Transfer from Statement of Profit & Loss		2 13 171		1 63 661
Less: Transfer to Statutory Reserve Fund (Refer Note (i) Below)		42 634		32 732
		<u>(2 96 86 932)</u>		<u>(2 98 57 469)</u>
Net Deficit in Statement of Profit & Loss		<u>(2 82 23 321)</u>		<u>(2 84 36 492)</u>

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

RELIANCE GILTS LIMITED

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

5. Long-term provisions (Amount in Rupees)

	As at March 31, 2015	As at March 31, 2014
Contingent Provision against Standard Assets	6 750	-
	<u>6 750</u>	<u>-</u>

6. Other current liabilities (Amount in Rupees)

	As at March 31, 2015	As at March 31, 2014
Others Payables #	45 802	61 798
	<u>45 802</u>	<u>61 798</u>

Other payables includes TDS Payables and Other Liabilities

7. Short-term provisions (Amount in Rupees)

	As at March 31, 2015	As at March 31, 2014
Provision for Income Tax [Net off Advance Tax & TDS Rs. 12 21 347 (Previous year Rs.12 47 275)]	78 653	1 17 725
	<u>78 653</u>	<u>1 17 725</u>

8. Non-current Investments (Amount in Rupees)

	Face Value/ Issue Price Rs.	Quantity As at 31.03.2015	Value As at 31.03.2015	Quantity As at 31.03.2014	Value As at 31.03.2014
Other Investments :					
Investment in Equity Shares-					
Associate Company - Unquoted, Fully Paid Up					
Reliance Capital Pension Fund Limited [Refer note (d) below]	10	87 50 000	9 16 75 000	-	-
Investment in Equity Shares- Unquoted, Fully Paid Up					
Reliance Capital Pension Fund Limited [Refer note (d) below]	10	-	-	37 50 000	3 87 75 000
			<u>9 16 75 000</u>		<u>3 87 75 000</u>

Notes:

a Aggregate value of Investments:

	As at March 31, 2015		As at March 31, 2014	
	Book Value	Market Value	Book Value	Market Value
Quoted Investments	-	-	-	-
Unquoted Investments	9 16 75 000	-	3 87 75 000	-
	<u>9 16 75 000</u>	<u>-</u>	<u>3 87 75 000</u>	<u>-</u>

b Aggregate Provision for Diminution in value of Investments:

	As at March 31, 2015	As at March 31, 2014
Quoted Investments	-	-
Unquoted Investments	-	-
	<u>-</u>	<u>-</u>

c Basis of Valuation:

	As at March 31, 2015 at cost	As at March 31, 2014 at cost

RELIANCE GILTS LIMITED

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

d As per Share Purchase Agreements and Option Agreements with Reliance Capital Asset Management Limited (RCAM) and Reliance Capital Pension Fund Limited (RCPFL), fellow subsidiaries of the Company, dated December 21, 2012 and February 18, 2015 with respect to investments in equity shares of Reliance Capital Pension Fund Limited :

a) As per the Option Agreements, the Company irrevocably grants RCAM the Option to purchase the Option shares at any time by issuing a notice in writing to the Company to exercise the Option.

b) From the date of receipt of the Option Exercise Notice upto Option Completion, the Company will deal with the Option shares, exercise or refrain from exercising any voting or other consensual rights of the Option shares with RCAM's instruction and hold any distributions in respect of Option shares in trust of RCAM.

9. Long Term Loans & Advances

(Amount in Rupees)

	As at March 31, 2015	As at March 31, 2014
Unsecured, considered good		
Loan to Body Corporate	27 00 000	-
	<u>27 00 000</u>	<u>-</u>

10. Current Investments

(Amount in Rupees)

	Face Value/ Issue Price Rs.	Quantity As at 31.03.2015	Value As at 31.03.2015	Quantity As at 31.03.2014	Value As at 31.03.2014
Investment in Mutual Fund -Unquoted					
Reliance Liquid Fund - Treasury Plan-Daily Dividend	1 000		-	1 921	29 36 767
			<u>-</u>	<u>1 921</u>	<u>29 36 767</u>

Notes:

a Aggregate value of Investments:

	As at March 31,2015		As at March 31, 2014	
	Book Value	Market Value	Book Value	Market Value
Quoted Investments	-	-	-	-
Unquoted Investments [Refer Note (d) Below]			29 36 767	29 39 043
	<u>-</u>	<u>-</u>	<u>29 36 767</u>	<u>29 39 043</u>

b The aggregate provision for diminution in the value of investments:

	As at March 31, 2015	As at March 31, 2014
Quoted Investments	-	-
Unquoted Investments	-	-
Total	<u>-</u>	<u>-</u>

c Basis of Valuation :

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

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

11. Cash & Cash Equivalents

(Amount in Rupees)

	As at March 31, 2015	As at March 31, 2014
Balances with Banks in Current Account	5 39 884	38 264
	<u>5 39 884</u>	<u>38 264</u>

RELIANCE GILTS LIMITED

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

12. Revenue from operations (Amount in Rupees)

	2014-2015	2013-2014
Interest Income on Loan to Body Corporate	2 69 445	2 72 774
Dividend Income on Current Investments	29 908	36 767
	<u>2 99 353</u>	<u>3 09 541</u>

13. Other income (Amount in Rupees)

	2014-2015	2013-2014
Interest on Income Tax Refund	257	-
Profit on Sale of Current Investment	1 703	-
Miscellaneous Income	-	3 00 000
	<u>1 960</u>	<u>3 00 000</u>

14. Other expenses (Amount in Rupees)

	2014-2015	2013-2014
Auditor's Remuneration	19 663	19 663
Bank Charges	3 371	3 371
Contingent Provision against Standard Assets	6 750	-
Interest on Income Tax	2 700	-
Miscellaneous Expenses	-	1 030
Professional Fees #	47 753	3 77 816
Rates & Taxes	21 818	4 000
	<u>1 02 055</u>	<u>4 05 880</u>

includes Prior Period Expenses Rs. 16 854 (Previous year Nil)

15. The management has identified enterprises which has provided goods and services to the Company and which qualify under the definition of medium, micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. At any point of time during the year there is no liability due for payment to such micro, small and medium enterprises.

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

17. Auditor's Remuneration : (Amount in Rupees)

	2014-2015	2013-2014
Statutory Audit Fees	19 663	19 663
	<u>19 663</u>	<u>19 663</u>

18. Segment Information :

The Company is registered as a Non Banking Financial Company ('NBFC'). There are no separate reportable segments under Accounting Standard -17 (AS-17), on "Segment Reporting" notified by the Companies (Accounting Standards) Rules, 2006.

19. Related Party Disclosure :

i) List of the Related Parties and their relationship:

A Ultimate Holding Company :

Reliance Innoventures Private Limited (Ceased w.e.f. March 27, 2015)

B Holding Company :

Reliance Capital Limited

C Associate Company :

Reliance Capital Pension Fund Limited (w.e.f. February 18, 2015)

D Fellow Subsidiaries :

Reliance Capital Asset Management Limited

Reliance Capital Pension Fund Limited

E Key Managerial Personnel :

Ms. Divisha Jangla - Company Secretary & Manager

RELIANCE GILTS LIMITED

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

ii) Transactions during the year with related parties:

(Amount in Rupees)

Particulars	Ultimate Holding Company	Holding Company	Fellow Subsidiary	Associate Company
Share Capital				
Issue during the year	-	5 30 00 000	-	-
	(-)	(-)	(-)	(-)
Balance of Equity Shares as at March 31, 2015	-	12 30 07 000	-	-
	(-)	(7 00 07 000)	(-)	(-)
Investments Purchased				
Investments purchased from Reliance Capital Asset Management Limited	-	-	5 29 00 000	-
	(-)	(-)	(-)	(-)
Investments				
Investments in Equity Shares of Reliance Capital Pension Fund Limited as at March 31, 2015	-	-	9 16 75 000	9 16 75 000
	(-)	(-)	(3 87 75 000)	(3 87 75 000)

Notes:

1) Figures in bracket indicate Previous year figures.

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

20. Basic and Diluted Earnings Per Share

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

(Amount in Rupees)

Particulars	2014-2015	2013-2014
a) Amounts used as the numerators		
Net Profit After Tax	2 13 171	1 63 661
Net Profit available for equity shareholders	2 13 171	1 63 661
b) Amounts used as the Denominators		
Weighted average number of equity shares (Nos.)	76 10 563	70 00 700
c) Basic & Diluted Earnings / (Loss) Per Equity Share of Rs. 10/- each (a/b)	0.03	0.02

21. Disclosure of details as required by Para 11 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015

(Amount in Rupees)

Particulars	As at	As at
	March 31, 2015	March 31, 2014
a) Provision for Bad & Doubtful Debts	-	-
b) Provision for Depreciation in Investments	-	-
	-	-

(i) Capital to Risk Assets Ratio (CRAR)

Particulars	As at	As at
	March 31, 2015	March 31, 2014
i) CRAR (%)	103.42	98.01
ii) CRAR - Tier I capital (%)	103.36	98.01
iii) CRAR - Tier II capital (%)	0.06	-
iv) Amount of Subordinated Debt raised as Tier II Capital	-	-
v) Amount raised by issue of Perpetual Debts Instruments	-	-

(ii) Exposure to Real Estate

(Amount in Rupees)

Category	2014-15	2013-14
a) Direct Exposure		
i) Residential Mortgage		
Individual Housing Loan upto Rs.15 lakhs	-	-
Individual Housing Loan more than Rs.15 lakhs	-	-
ii) Commercial Real Estate	-	-
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
Residential	-	-
Commercial	-	-
b) Indirect Exposure		
Fund Based and Non Fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

(iii) Maturity pattern of asset and liabilities (At Book Values)

(Amount in Rupees)

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
Liabilities									
Borrowings	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Market Borrowings	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Assets									
Loans / Advances	-	-	-	-	-	27 00 000	-	-	27 00 000
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Investments	-	-	-	-	-	-	-	9 16 75 000	9 16 75 000
	(29 36 767)	(-)	(-)	(-)	(-)	(-)	(-)	(3 87 75 000)	(4 17 11 767)

Note:

- All unquoted equity shares 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 cashflows.
- 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 ALM with regard to the timing of various cash flows, which has been relied upon by the auditors.

22. Disclosure of details as required by Para 13 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015

Balance Sheet of a non deposit taking non-banking financial company

(Amount in Rupees)

Liabilities Side :				
	As at March 31, 2015		As at March 31, 2014	
	Amount outstanding	Amount Overdue	Amount outstanding	Amount Overdue
(1) Loans and advances availed by the non banking financials company inclusive of interest accrued thereon but not paid :				
a) Debentures				
i) Secured	-	-	-	-
ii) Unsecured	-	-	-	-
(Other than falling within the meaning of public deposits)				
b) Deferred Credits	-	-	-	-
c) Term Loans	-	-	-	-
d) Inter-corporate Loans and Borrowing	-	-	-	-
e) Commercial Paper	-	-	-	-
f) Other Loans	-	-	-	-
Assets Side :				
Particulars	Amount Outstanding			
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
(2) Break up of loans and advances including bills receivable other than those included in (4) below (Gross Amount)(Refer Note (b) below)				
a) Secured		-		-
b) Unsecured		27 00 000		-
		27 00 000		-
Particulars	Amount Outstanding			
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
(3) Break up of leased assets and stock on hire and other assets counting towards AFC activities:				
(i) Lease assets including lease rentals under sundry debtors:				
a) Financial lease		-		-
b) Operating lease		-		-
(ii) Stock on hire including higher charges under sundry debtors				
a) Assets on Hire		-		-
b) Repossessed Assets		-		-
(iii) Other loans counting towards AFC activities				
a) Loans where assets have been repossessed		-		-
b) Loans other than (a) above		-		-
Particulars	As at			
	March 31, 2015	March 31, 2015	March 31, 2014	March 31, 2014
(4) Break up of investments :				
a) Current investments				
1) Quoted				
i) Shares				
a) Equity (stock-in trade)		-		-
b) Preference		-		-
ii) Units of Mutual fund		-	29 36 767	
2) Unquoted				
i) Others				
b) Long term investments				
1) Quoted				
i) Shares				
a) Equity		-		-
b) Preference		-		-
ii) Debentures and bonds		-		-
iii) Government securities		-		-
2) Unquoted				
i) Shares				
a) Equity		9 16 75 000		3 87 75 000
b) Preference		-		-
ii) Debentures and bonds		-		-
iii) Units of Mutual fund		-		-
iv) GOI securities		-		-
v) Others		-		-
		9 16 75 000		4 17 11 767

5) Borrower group-wise classification of assets financed as in (2) and (3) above: (Amount in Rupees)

Particulars	Secured		Unsecured		Total	
	As at	As at	As at	As at	As at	As at
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
a) Related parties						
1) Subsidiaries	-	-	-	-	-	-
2) Companies in the same group	-	-	-	-	-	-
3) Other related parties	-	-	-	-	-	-
b) Other than related parties	-	-	-	-	-	-
Total	-	-	-	-	-	-

6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted excluding (Amount in Rupees)

Particulars	Market value / Fair Value or NAV		Book Value (Net of provisions)	
	March 31, 2015	March 31, 2014	As at March 31, 2015	As at March 31, 2014
	a) Related parties			
1) Subsidiaries				
2) Companies in the same group				
3) Other related parties	9 16 75 000	3 87 75 000	9 16 75 000	3 87 75 000
b) Other than related parties		29 39 043		29 36 767
Total	9 16 75 000	4 17 14 043	9 16 75 000	4 17 11 767

7) Other information (Amount in Rupees)

Particulars	March 31, 2015	March 31, 2014
a) Gross Non Performing Assets		
1) Related Parties	-	-
2) Other than Related Parties	-	-
b) Net Non Performing Assets		
1) Related Parties	-	-
2) Other than Related Parties	-	-
c) Assets Acquired in satisfaction of Debt [Net of provision Nil (Previous year Nil)]	-	-

Notes :

- a) In case of unquoted investments, in the absence of market value book value has been considered.
b) Investments are classified between non-current and current investments (including current portion of long term investments) as required under Schedule III to the Companies Act, 2013.

23. 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. Financial sector regulators

Items	Type	Number reference
i) Securities and Exchange Board of India	N.A.	-
ii) Reserve Bank of India	Registration No.	N-13.01933
iii) Ministry of Finance	N.A.	-
iv) Ministry of Corporate Affairs	Ministry of Corporate Affairs	U66010MH2000PLC128301
v) Insurance Regulatory and Development Authority of India	N.A.	-
vi) PFRDA	N.A.	-

II. Ratings assigned by rating agencies

Rating agency	Borrowings type	Rating
No Ratings has been assigned to the Company by any Rating agencies during the year.		

III. No penalties were levied upon the Company by any of the regulator.

IV. Other information

Items	March 31, 2015	
i) Area, country of operation	India	India
ii) Joint venture partners with regard to Joint ventures and Overseas subsidiaries	None	None

V. Investments

(Amount in Rupees)

March 31, 2015 **March 31, 2014****1) Value of Investments**

i) Gross Value of Investments		
a) In India	9 16 75 000	4 17 11 767
b) Outside India	-	-
ii) Provisions for Depreciation		
a) In India	-	-
b) Outside India	-	-
iii) Net Value of Investments		
a) In India	9 16 75 000	4 17 11 767
b) Outside India	-	-

2) Movement of provisions held towards depreciation of investments

i) Opening Balance	-	-
ii) Add: Provisions made during the year	-	-
iii) Less: Write-off / write-back of excess provisions during the year	-	-
iv) Closing balance	-	-

VI. During the year and till March 31, 2015 the Company has not made any securitisation and assignment of loans accordingly Company has not disclosed the information related to securitisation and assignments.

VII. Concentration of Advances

(Amount in Rupees)

Particulars	March 31, 2015	March 31, 2014
Total Advances to twenty largest borrowers	27 00 000	-
Percentage of Advances to twenty largest borrowers to Total Advances of the Company	100%	-

VIII. Concentration of Exposures

(Amount in Rupees)

Particulars	March 31, 2015	March 31, 2014
Total Exposure to twenty largest borrowers	27 00 000	-
Percentage of Exposures to twenty largest borrowers to Total Exposure of the Company	100%	-

IX. Concentration of NPAs

(Amount in Rupees)

Particulars	March 31, 2015	March 31, 2014
Total Exposure to top four NPA accounts	-	-

X. Sector-wise NPAs

(Amount in Rupees)

Particulars	Percentage of NPAs to total
Agriculture & allied activities	-
MSME	-
Corporate borrowers	-
Services	-
Unsecured personal loans	-
Auto loans	-
Other personal loans	-

XI Movement of NPAs

(Amount in Rupees)

Particulars	March 31, 2015	March 31, 2014
i) Net NPAs to Net Advances (%)	-	-
ii) Movement of NPAs(Gross)		
(a) Opening Balance	-	-
(b) Additions during the year	-	-
(c) Reductions during the year	-	-
(d) Closing balance	-	-
iii) Movement of Net NPAs		
(a) Opening Balance	-	-
(b) Additions during the year	-	-
(c) Reductions during the year	-	-
(d) Closing balance	-	-
iv) Movement of provisions for NPAs		
(a) Opening Balance	-	-
(b) Provisions made during the year	-	-
(c) Write-off / write-back of excess provisions	-	-
(d) Closing balance	-	-

XII Customer Complaints

Particulars	March 31, 2015
(a) No. of complaints pending at the beginning of the year	-
(b) No. of complaints received during the year	-
(c) No. of complaints redressed during the year	-
(d) No. of complaints pending at the end of the year	-

XIII Details of financing of parent company products

There are no parent Company products which are financed.

XIV Details of single Borrower limit (SGL) / Group Brorower limit (GBL) exceeded by the NBFC

There are no Single Borrower limit (SGL) / Group Brorower limit (GBL) exceeded by the Compny.

XV Unsecured Advances

There are no unsecured advances against intangible assets.

XVI Policy on dealing with Related Party Transcations

Transactions between the Company and Related Parties shall be entered into in the manner that is compliant with the applicable provision of the Companies Act, 2013 and rules made thereunder.

XVII Remunerations of Directors

No remuneration has been paid to Director during the year.

XVIII Overseas Assets (for those with joint Ventures and Subsidiaries abroad)

There are no Overseas Assets.

XIX 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.

24. In the opinion of management, all the assets other than non current investments are approximately of the value stated if realised in the ordinary course of business.
25. The Compnay has submitted its reply to RBI letter No. DNBS.MRO. (CMD). No. 4227/12.18.103/2013-14 dated April 4, 2014 on May 7, 2014. The Compnay has withdrawn its application for surrender of its NBFC Registration.
26. As per the provision of Section 203 of the Companies Act, 2013, the Company has appointed Chief Financial Officer W.e.f. May 11, 2015.
27. Previous year have been regrouped and reclassified wherever necessary.

As per our report of even date

For and on behalf of the Board

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No. : 101720W

Amit Bapna

Director

Lav Chaturvedi

Director

Vijay Napawaliya

Partner

Membership No.: 109859

V. R. Mohan

Director

Varun Agarwal

Chief Financial Officer

Ravin Tank

Company Secretary & Manager

Mumbai

Dated: May 26, 2015

Mumbai

Dated: May 26, 2015