

Reliance Gilts Limited

Annual Accounts
2013 -14

Reliance Gilts Limited

CIN: U66010MH2000PLC128301

Registered Office: Reliance Centre, 19, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 14th Annual Report and the audited accounts for the financial year ended March 31, 2014.

Financial Results:

(Amount in Rupees)

Particulars	Financial Year ended March 31, 2014	Financial Year ended March 31, 2013
Total Revenue	6 09 541	20 39 985
Profit/(Loss) before Tax	2 03 661	18 99 598
Tax Expense	40 000	-
Profit/(Loss) after Tax	1 63 661	18 99 598
Appropriations		

Operation

During the year, the Company had applied for surrender of its Certification of Registration as a Non-Banking Financial Company (NBFC) with Reserve Bank of India (RBI), pursuant to the holding company i.e. Reliance Capital Limited (RCL) application for Banking Licence which, inter-alia, required RCL to surrender all NBFC registrations in the promoter group.

In view of the approvals provided by RBI to only two applicants, the Company had decided to continue with the NBFC business and withdraw its application for surrender of NBFC license with RBI.

Dividend:

Your Directors have not recommended any dividend on equity shares for the year under review.

Fixed Deposits

Your Company has not accepted any deposit from the public during the year under review.

Director:

In terms of the provisions of the Companies Act, 2013, Shri Lav Ramji Chaturvedi, Director of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

Audit Committee:

The Audit Committee comprises of three directors, Shri Amit Bapna – Chairman, Shri V.R. Mohan and Shri Lav Chaturvedi as its members.

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Directors' Responsibility Statement:

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) in the preparation of the annual accounts for the financial year ended March 31, 2014, the applicable Accounting Standards had been followed alongwith 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 on March 31, 2014 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 with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors had prepared the annual accounts for the financial year ended March 31, 2014 on a 'going concern' basis.

Auditors and Auditor's Report:

M/s. Chaturvedi & Shah, Chartered Accountants, the Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received a letter from M/s. Chaturvedi & Shah, Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013, and that they are not disqualified for re-appointment.

The observation and comments given by Auditors in their report read together with notes to Accounts are self explanatory and hence do not call for any further comments under Section 217 of the Companies Act, 1956.

Particulars of Employee:

The provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended, are not applicable as no employee was in receipt of remuneration in excess of the limits set out under the said section.

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

The particulars as required to be disclosed pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, are as under:

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- (1) Part A and B pertaining to conservation of energy and technology absorption are not applicable to the Company.
- (2) Foreign Exchange earnings and outgo: NIL

Acknowledgements:

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from the bankers, regulatory bodies and other business constituents during the year under review.

For and on behalf of the Board of Directors



Amit Bapna
Director



Lav Chaturvedi
Director

Place: Mumbai
Dated: August 7, 2014

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, 2014, 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.

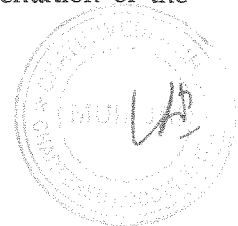
Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards notified under the Companies Act, 1956 ("the Act") read with General circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



Independent Auditor's Report (*Continued*)

Reliance Gilts Limited

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated September 13,



Independent Auditor's Report (Continued)
Reliance Gilts Limited

2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;

- e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Chaturvedi & Shah

Chartered Accountants

Firm's Registration No:101720W

Vijay Napawaliya

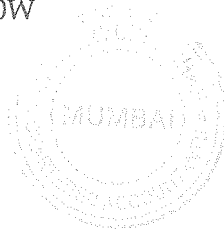
Vijay Napawaliya

Partner

Membership No: 109859

Mumbai

Dated : April 30, 2014



Reliance Gilts Limited

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

(Referred to in our report of even date)

- (i) The nature of the Company's business/ activities during the year have been such that, clause (i), (ii), (viii) & (xiii) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year.
- (ii) According to the information and explanations given to us, the Company has neither granted nor taken any loan secured/unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, provisions of clauses (iii) (a) to (iii)(g) of paragraph 4 of the Order are not applicable.
- (iii) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business. During the year the Company did not undertake any activities of purchase of inventories and fixed assets and sale of goods & services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- (iv) According to information and explanations given to us, there are no transactions that needed to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangement does not arise.
- (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 section 58A and 58AA of the Companies Act, 1956 and rules framed there under are not applicable.
- (vi) In our opinion, the Company has an internal audit system, commensurate with its size and nature of its business.
- (vii) In respect of statutory dues:
 - a) According to the records of the Company, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Income-tax, Sales-tax, Wealth tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable. According to the information and explanations given to us, there are no undisputed amounts payable outstanding



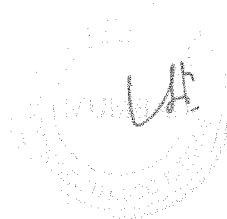
Reliance Gilts Limited

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

(Referred to in our report of even date)

as at March 31, 2014 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, custom duty, excise duty and cess which have not been deposited on account of any dispute.
- (viii) The Company has accumulated losses which are 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) In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (xi) The Company has maintained proper records of transactions and contract in respect of trading in shares, debentures and other investments and timely entries have been made therein. All the investments have been held by the Company in its own name.
- (xii) The Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xiii) The Company has not raised any term loan during the year.
- (xiv) According to information and explanation given to us and on an overall examination of the Balance Sheet of the Company as at March 31, 2014, no funds raised on short-term basis which have been used for long-term purposes.
- (xv) During the year, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xvi) The Company has not issued any debentures hence the question of creation of security or charge does not arise.



Reliance Gilts Limited

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

(Referred to in our report of even date)

(xvii) The Company has not raised any money by way of public issue during the year.

(xviii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For Chaturvedi & Shah

Chartered Accountants

Firm's Registration No:101720W


Vijay Napawaliya

Partner

Membership No: 109859



Mumbai

Dated : April 30, 2014

Independent Auditor's Additional Report

To,
The Board of Directors,
Reliance Gilts Limited

1. This report is issued in accordance with the terms of Chaturvedi & Shah engagement letter dated August 22, 2013.
2. We have audited the financial statements of Reliance Gilts Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended on that date issued our report dated April 30, 2014.

Management's Responsibility for the Financial Statements

3. The Company's Management is responsible for 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 Standards notified under the Companies Act, 1956 ("the Act") read with General circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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

4. Pursuant to the requirements of the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008 (the "Directions"), it is our responsibility to examine the books and records of the Company and report on the matters specified in paragraph 3 and 5 of the said directions to the extent applicable to the Company.
5. We conducted our examination in accordance with the Guidance Note on Special Purpose Audit Reports and Certificates issued by the Institute of Chartered Accountants of India.

Conclusion

6. Based on our examination of the books and records of the Company as produced for our examination and the information and explanations given to us we further report that:-
 - 6.1 The Company is engaged in the business of non-banking financial institution and has obtained a certificate of registration from the Reserve bank of India ('RBI') vide

- 6.1 The Company is engaged in the business of non-banking financial institution and has obtained a certificate of registration from the Reserve bank of India ('RBI') vide letter dated May 21, 2009, in pursuance of section 45-IA, of RBI Act, 1934. The management of the Company has represented to us that, NBFC registration is obtained as a pre-requisite to register as a primary dealer for dealing in government securities and during the year the Company has not done any business in government securities due to unfavorable market condition. During the year the Company had made submission to Reserve Bank of India (RBI), for surrender of its NBFC Registration vide its letter dated August 5, 2013 and further letter dated February 5, 2014. In response to these letters, Reserve Bank of India (RBI) vide their letter no. DNBS: MRO:CMD: No. 4227/ 12.18. 103/2013-14 had advised the Company, to bring down their financial assets to below 50% of its total assets and advised to submit the pending regulatory compliance, statutory returns / statements, immediately. The Company is in the process of submitting the reply to RBI;
- 6.2 Majority of assets of the Company for the year ended are non current investments in equity shares and majority income for the year is from the financial assets i.e. loan to body corporate and current investments in units of mutual fund;
- 6.3 Based on the criteria set forth by the RBI in Circular No. DNBS.PD. CC No. 85 / 03.02.089 /2006-07 dated 6 December 2006 for classification of Non-Banking Finance Companies (NBFC) as Asset Finance Company ('AFC'), the Company is not classified as AFC as defined in Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 with reference to the business carried on by it during the year ended March 31, 2014;
- 6.4 The Board of Directors has passed a resolution in its meeting held on May 8, 2013 for non-acceptance of public deposits;
- 6.5 The Company has not accepted public deposits during the year ended March 31, 2014;
- 6.6 In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with accounting standards and prudential norms relating to income recognition, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 in the preparation of financial statements for the year ended March 31, 2014;
- 6.7 The Company is not a Systemically Important Non-deposit taking NBFC as defined in paragraph 2(1) (xix) of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.



Restriction on Use

This report is issued pursuant to our obligations under Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008 and should not be used by any other person or for any other purpose. Chaturvedi & Shah neither accepts nor assumes any duty or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

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



Vijay Napawaliya
Partner
Membership No: 109859



Mumbai
April 30, 2014

RELIANCE GILTS LIMITED
BALANCE SHEET AS AT MARCH 31, 2014

(Amount in Rupees)

Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
I. EQUITY AND LIABILITIES:			
(1) Shareholders' Funds			
(a) Share Capital	"3"	7 00 07 000	7 00 07 000
(b) Reserves and surplus	"4"	(2 84 36 492)	(2 86 00 153)
(2) Current Liabilities			
(a) Other current liabilities	"5"	61 798	19 664
(b) Short-term provisions	"6"	1 17 725	1 85 002
TOTAL		4 17 50 031	4 16 11 513
II. ASSETS:			
1) Non - Current Assets			
(a) Non-current Investments	"7"	3 87 75 000	3 87 75 000
(2) Current Assets			
(a) Current Investments	"8"	29 36 767	-
(b) Cash & Cash Equivalents	"9"	38 264	1 36 513
(c) Short Term Loans & advances	"10"	-	27 00 000
TOTAL		4 17 50 031	4 16 11 513

See accompanying notes to the financial statements "1-21"

As per our report of even date

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No. : 101720W

Vijay Napawaliya

Partner

Membership No.: 109859



For and on behalf of the Board

Amit Bapna

Director

Ilav Chaturvedi

Director

V. R. Mohan

Director

Divisha Jangla

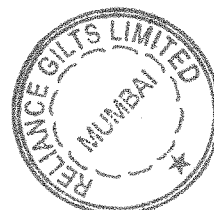
Company Secretary & Manager

Mumbai

Dated: April 30, 2014

Mumbai

Dated: April 30, 2014



RELIANCE GILTS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Rupees)			
Particulars	Note No.	2013-14	2012-13
I Revenue from operations		-	-
II Other income	"11"	6 09 541	20 39 985
III Total Revenue (I+II)		<u>6 09 541</u>	<u>20 39 985</u>
Other Expenses	"12"	4 05 880	1 40 387
Total Expenses		<u>4 05 880</u>	<u>1 40 387</u>
V. Profit Before Tax		2 03 661	18 99 598
VI. Tax expense:			
(1) Current tax		40,000	-
[Net of MAT credit entitlement Rs. 12 340 (Previous Year Rs. 10 110)]			
(2) Deferred tax		-	-
VII. Profit For the Year		<u>1 63 661</u>	<u>18 99 598</u>
VIII. Earning Per Equity Share :	"18"		
(Face value of Rs. 10 each fully paid up)			
Basic & Diluted		0.02	0.27

See accompanying notes to the financial statements "1-21"

As per our report of even date

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

Vijay Napawaliya
Partner
Membership No.: 109859



For and on behalf of the Board

Amit Bapna
Director

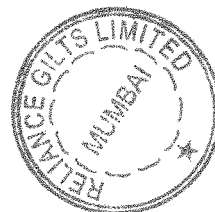
Lav Chaturvedi
Director

V. R. Mohan
Director

Divisha Jangla
Company Secretary & Manager

Mumbai
Dated: April 30, 2014

Mumbai
Dated: April 30, 2014



RELIANCE GILTS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Rupees)

	2013-2014	2012-2013
A Cash Flows from Operating Activities		
Profit/(Loss) Before Tax	2 03 661	18 99 598
Adjustments for:		
Dividend Income	(36 767)	(20 07 265)
Credit Balance Written Back	-	(2 206)
Interest Income	(2 72 774)	(30 514)
Loss on Sale of Current Investment	-	1 08 937
Operating Profit before working Capital Changes	(1 05 880)	(31 450)
Adjustments for:		
(Increase)/Decrease in Loans & Advances	27 00 000	(27 00 000)
Increase/(Decrease) in Liabilities & Provisions	(15 144)	68 384
Cash generated from operations	25 78 976	(26 63 066)
Taxes (Paid) / Refund-Net	(50 000)	-
Net cash from/(used in) Operating Activities	25 28 976	(26 63 066)
B Cash flows from investing activities		
Purchase of Current Investments	(29 00 000)	(3 87 75 000)
Sale of Current Investment	-	4 15 16 872
Interest received	2 72 774	30 514
Net cash from/(used in) Investing Activities	(26 27 226)	27 72 386
C Cash flows from financing activities		
Proceeds/(Repayment) of Long term borrowings	-	-
Net cash from/(used in) financing activities	-	-
Net increase in cash and cash equivalents (A+B+C)	(98 249)	1 09 320
Cash and cash equivalents at the beginning of the year	1 36 513	27 193
Cash and cash equivalents at the end of the year	38 264	1 36 513

Note:

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

As per our report of even date

For Chaturvedi & Shah

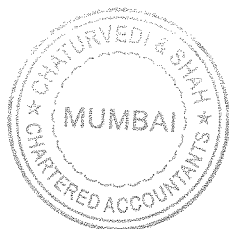
Chartered Accountants

Firm Registration No. : 101720W

Vijay Napawaliya

Partner

Membership No.: 109859



For and on behalf of the Board

Amit Bapna

Director

Ilav Chaturvedi

Director

V. R. Mohan

Director

Divisha Jangla

Company Secretary & Manager

Mumbai

Dated: April 30, 2014

Mumbai

Dated: April 30, 2014



RELIANCE GILTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

1. Background

Reliance Gilt 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 is registered as a Non Banking Financial company as defined u/s. 45 IA of the Reserve Bank of India Act 1934. (Refer Note No. 20)

2. Significant Accounting Policies

a Basis of Preparation of Financial Statements

The financial statements are prepared on an accrual basis of accounting and in accordance with the generally accepted accounting principles in India, provisions of the Companies Act, 1956 (the Act) and comply in material aspects with the accounting standards notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

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 Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007, as applicable to it.

b Use of Estimates

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

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.

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 of fair value, whichever is lower.

f Earning per share

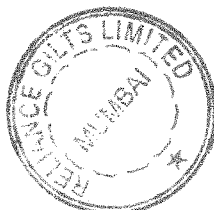
The basic earnings per share is computed by dividing the net profit / loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share reflect the potential dilution that could occur if securities 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.



3. Share Capital		(Amount in Rupees)	
	As at March 31, 2014	As at March 31, 2013	
(a) Authorised: 20 00 00 000 Equity Shares of Rs.10 each (March 31, 2013: 2 00 00 0000 Equity Shares of Rs. 10 each)	200 00 00 000 <u>200 00 00 000</u>	200 00 00 000 <u>200 00 00 000</u>	
(b) Issued, Subscribed and Fully Paid Up 70 00 700 Equity Shares of Rs.10 each (March 31, 2013 : 70 00 700 Equity Shares of Rs. 10 each)	7 00 07 000 <u>7 00 07 000</u>	7 00 07 000 <u>7 00 07 000</u>	
(c) Par Value per Share Equity Share	Amount in Rupees 10	Amount in Rupees 10	
(d) Reconciliation of Issued, Subscribed and Fully Paid Up Share Capital	No of Shares (Amount in Rupees)	No of Shares (Amount in Rupees)	
<u>Equity Shares</u>			
Opening Balance	70 00 700 7 00 07 000	70 00 700 7 00 07 000	
Add : Addition during the year	- -	- -	
Less : Reduction during the year	- -	- -	
Closing Balance	<u>70 00 700 7 00 07 000</u>	<u>70 00 700 7 00 07 000</u>	

(e) Rights, Preferences and Restrictions :

Each equity share 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, 2014			As at March 31, 2013		
Equity shares	%	No of Shares	(Amount in Rupees)	%	No of Shares	(Amount in Rupees)
Reliance Capital Limited	100	70 00 700	7 00 07 000	100	70 00 700	7 00 07 000
TOTAL	100	70 00 700	7 00 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, 2014	As at March 31, 2013	
Statutory Reserve Fund*			
As per Last Balance Sheet	13 88 245	-	
Add: Transfer from Statement of Profit & Loss	32 732	13 88 245	
	<u>14 20 977</u>	<u>13 88 245</u>	
Deficit in Statement of Profit & Loss			
As per Last Balance Sheet	(2 99 88 398)	(3 04 99 751)	
Add: Transfer from Statement of Profit & Loss	1 63 661	18 99 598	
Less: Transfer to Statutory Reserve Fund (Refer Note (i) Below)	32 732	13 88 245	
	<u>(2 98 57 469)</u>	<u>(2 99 88 398)</u>	
Net Deficit in Statement of Profit & Loss	<u>(2 84 36 492)</u>	<u>(2 86 00 153)</u>	

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

Note :

- (i) Transfer to Statutory Reserve Fund related to March 31, 2013 includes transfers, related to financial year 2012-13 Rs. 379 920, related to financial year 2011-12 Rs. 5 22 095 and related to financial year 2010-11 amounting to Rs. 4 86 230.



RELIANCE GILTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

5. Other current liabilities	(Amount in Rupees)	
	As at March 31, 2014	As at March 31, 2013

Others Payables #	61 798	19 664
	<u>61 798</u>	<u>19 664</u>
# Other payables includes TDS Payables and Other Liabilities		

6. Short-Term Provisions	(Amount in Rupees)	
	As at March 31, 2014	As at March 31, 2013

Provision for Income Tax [Net off Advance Tax & TDS Rs. 12 47 275 (Previous year Rs. 11 39 998)]	1 17 725	1 85 002
	<u>1 17 725</u>	<u>1 85 002</u>

7. Non-current investments	(Amount in Rupees)					
	Face Value/ Issue Price Rs.	Quantity As at 31.03.2014	Value As at 31.03.2014	Quantity As at 31.03.2013	Value As at 31.03.2013	

Other Investments :

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	37 50 000	3 87 75 000	
			<u>3 87 75 000</u>		<u>3 87 75 000</u>	

Notes:

a Aggregate value of Investments:	As at March 31, 2014		As at March 31, 2013		
	Book Value	Market Value	Book Value	Market Value	
Quoted Investments	-	-	-	-	
Unquoted Investments	3 87 75 000	-	3 87 75 000	-	
	<u>3 87 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, 2014		As at March 31, 2013		
Quoted Investments	-	-	-	-	
Unquoted Investments	-	-	-	-	
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	

c Basis of Valuation:	As at March 31, 2014		As at March 31, 2013		
	at cost		at cost		

d In case of investments in equity shares of Reliance Capital Pension Fund Limited, as on December 21, 2012 the Company had entered into a Share Purchase Agreement and Option Agreement with its fellow subsidiaries i.e. Reliance Capital Asset Management Limited (RCAM) and Reliance Capital Pension Fund Limited (RCPFL).

a) As per Option Agreement, 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.



RELIANCE GILTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

8. Current Investments (Amount in Rupees)

	Face Value/ Issue Price Rs.	Quantity As at 31.03.2014	Value As at 31.03.2014	Quantity As at 31.03.2013	Value As at 31.03.2013
Investment in Mutual Fund -Unquoted					
Reliance Liquid Fund - Treasury Plan-Daily Dividend	1 000	1 921	29 36 767	-	-
			<u>29 36 767</u>		<u>-</u>

Notes:

a Aggregate value of Investments:	As at March 31, 2014		As at March 31, 2013	
	Book Value	Market Value	Book Value	Market Value
Quoted Investments	-	-	-	-
Unquoted Investments [Refer Note (d) Below]	29 36 767	29 39 043	-	-
	<u>29 36 767</u>	<u>29 39 043</u>	<u>-</u>	<u>-</u>

b The aggregate provision for diminution in the value of investments:	As at March 31, 2014	As at March 31, 2013
Quoted Investments	-	-
Unquoted Investments	-	-
TOTAL	<u>-</u>	<u>-</u>

c Basis of Valuation :	As at March 31, 2014	As at March 31, 2013
	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.

9. Cash & Cash Equivalents (Amount in Rupees)

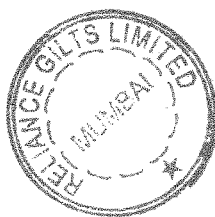
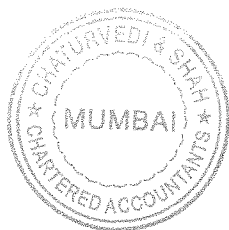
	As at March 31, 2014	As at March 31, 2013
Balances with Banks in Current Account	38 264	1 36 513
	<u>38 264</u>	<u>1 36 513</u>

10 Short Term Loan & Advances (Amount in Rupees)

	As at March 31, 2014	As at March 31, 2013
Unsecured, considered good		
Loan to Body Corporate	-	27 00 000
	<u>-</u>	<u>27 00 000</u>

11. Other Income (Amount in Rupees)

	2013-2014	2012-2013
Dividend Income on Current Investments	36 767	20 07 265
Interest Income on loan to Body Corporate	2 72 774	30 514
Credit Balance Written Back	-	2 206
Miscellaneous Income	3 00 000	-
	<u>6 09 541</u>	<u>20 39 985</u>



RELIANCE GILTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

12. Other Expense	(Amount in Rupees)	
	2013-2014	2012-2013
Auditor's Remuneration	19 663	19 663
Bank Charges	3 371	4 041
Rates & Taxes	4 000	5 500
Professional Fees	3 77 816	2 246
Loss on Sale of Current Investment	-	1 08 937
Miscellaneous Expenses	1 030	-
	<u>4 05 880</u>	<u>1 40 387</u>

13 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.

14 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.

15 Auditor's Remuneration :	(Amount in Rupees)	
	2013-2014	2012-2013
Statutory Audit Fees	19 663	19 663
	<u>19 663</u>	<u>19 663</u>

16 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.

17 Related Party Disclosure :

i) List of the Related Parties and their relationship:

A Ultimate Holding Company :

Reliance Innoventures Private Limited

B Holding Company

Reliance Capital Limited

C Fellow Subsidiaries

Reliance Capital Asset Management Limited

Reliance Capital Pension Fund Limited

D Key managerial personnel

Divisha Jangla - Company Secretary & Manager

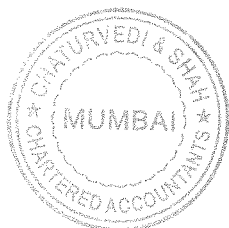
ii) Transactions during the year with related parties:

(Amount in Rupees)				
Particulars	Ultimate Holding Company	Holding Company	Fellow Subsidiary	Key managerial personnel
Share Capital				
Balance of Equity Shares as at March 31, 2014	-	7 00 07 000	-	-
	(-)	(7 00 07 000)	(-)	(-)
Investments Purchased				
Investments purchased from Reliance Capital Asset Management Limited	-	-	-	-
	(-)	(-)	(3 87 75 000)	(-)
Investments				
Investments in Equity Shares of Reliance Capital Pension Fund Limited as at March 31, 2014	-	-	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.



RELIANCE GILTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

18 Basic and Diluted Earning Per Share

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

		(Amount in Rupees)	
	Particulars	2013-2014	2012-2013
a)	Amounts used as the numerators		
	Net Profit/(Loss) After Tax	1 63 661	18 99 598
	Net Profit/(Loss) available for equity shareholders	1 63 661	18 99 598
b)	Amounts used as the Denominators		
	Weighted average number of equity shares (Nos.)	70 00 700	70 00 700
c)	Basic & Diluted Earning/(Loss) Per Share of Rs. 10/- each (a/b)	0.02	0.27

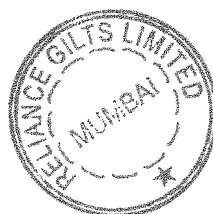
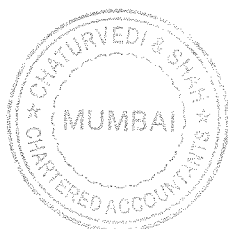
19 Disclosure of details as required by Para 13 of Non Banking Financial (Non - Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

(i) Liability Side

		(Amount in Rupees)	
Particulars	Amount Outstanding	Amount Outstanding	Amount Overdue
	March 31, 2014	March 31, 2013	March 31, 2014
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	-	-	-
ii) Unsecured	-	-	-
b) Deferred Credits	-	-	-
c) Term Loans	-	-	-
d) Inter-corporate Loans and Borrowing	-	-	-
e) Commercial Paper	-	-	-
f) Other Loans	-	-	-

(ii) Assets Side

		(Amount in Rupees)	
Particulars	Amount Outstanding	Amount Outstanding	Amount Overdue
	March 31, 2014	March 31, 2013	March 31, 2013
2) Break up of loans and advances including bills receivable other than those included in (3) below			
a) Secured	-	-	-
b) Unsecured	-	27 00 000	-
	-	27 00 000	-
3) Break up of leased assets and stock on hire and Other assets counting towards AFC activities:			
Lease assets including lease rentals under sundry debtors:			
1) Financial lease (net of depreciation and lease adjustment)	-	-	-
2) Operating lease (net of depreciation)	-	-	-
4) Break up of investments			
a) Current investments			
1) Quoted			
i) Shares			
a) Equity	-	-	-
b) Preference	-	-	-
ii) Units of Mutual fund	-	-	-
2) Unquoted			
i) Others	-	-	-
ii) Units of Mutual fund	29 36 767	-	-
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	3 87 75 000	3 87 75 000	-
b) Preference	-	-	-
ii) Debentures and bonds	-	-	-
iii) Units of Mutual fund	-	-	-
iv) Government of India securities	-	-	-
v) Others	-	-	-
	4 17 11 767	3 87 75 000	-



RELIANCE GILTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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

Particulars	Secured		Unsecured		Total	
	March 31,	March 31,	March 31,	March 31,	March 31,	March 31,
	2014	2013	2014	2013	2014	2013
a) Related parties						
1) Subsidiaries	-	-	-	-	-	-
2) Companies in the same group	-	-	-	-	-	-
3) Other related parties	-	-	-	-	-	-
b) Other than related parties	-	-	-	27 00 000	-	27 00 000
Total	-	-	-	27 00 000	-	27 00 000

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

Particulars	Market value / Fair Value or NAV		Book Value (Net of provisions)	
	March 31,	March 31,	March 31,	March 31,
	2014	2013	2014	2013
a) Related parties				
1) Subsidiaries	-	-	-	-
2) Companies in the same group	-	-	-	-
3) Other related parties	3 87 75 000	3 87 75 000	3 87 75 000	3 87 75 000
b) Other than related parties	29 39 043	-	29 36 767	-
Total	4 17 14 043	3 87 75 000	4 17 11 767	3 87 75 000

Note:

- a) Companies in same group means companies under the same management as per section 370(1B) of the Companies Act, 1956
b) In case of unquoted investments, it is assumed that market value is same as book value.

7) Other information

Particulars	(Amount in Rupees)	
	March 31, 2014	March 31, 2013
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)	-	-

Notes:

- a) Companies in same group means companies under the same management as per section 370(1B) of the Companies Act, 1956
b) In case of unquoted investments, it is assumed that market value is same as book value.

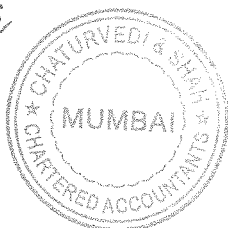
20 During the year the Company had made submission to Reserve Bank of India (RBI), for surrender of its NBFC Registration vide its letter dated August 5, 2013 and further letter dated February 5, 2014. In response to these letters, Reserve Bank of India (RBI) vide their letter no. DNBS: MRO:CMD: No. 4227/ 12.18. 103/2013-14 had advised the Company to bring down their financial assets to below 50% of its total assets and advised to submit the pending regulatory compliance, statutory returns / statements, immediately. The Company is in the process of submitting the reply to RBI.

21 Previous year have been regrouped and reclassified wherever necessary.

As per our report of even date

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

Vijay Napawaliya
Partner
Membership No.: 109859



Mumbai
Dated: April 30, 2014

For and on behalf of the Board

Amit Bapna
Director

Lav Chaturvedi
Director

V. R. Mohan
Director

Divisha Jangala
Company Secretary & Manager

Mumbai
Dated: April 30, 2014

