

Reliance Gilts Limited

CIN: U66010MH2000PLC128301

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

Tel No. 022 3303 1000 Fax No.: 022 3303 6664

DIRECTORS' REPORT

Dear Shareowners,

Your Directors have pleasure in presenting the Annual Report and the audited financial statement for the financial year ended March 31, 2016.

Financial Results

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

(Amount in Rupees)

Particulars	Financial Year ended March 31, 2016	Financial Year ended March 31, 2015
Total Revenue	5 35 961	3 01 313
Profit Before Tax	3 47 033	1 99 258
Tax Expense	(83 735)	(13,913)
Net Profit After Tax	2 63 298	2 13 171

Dividend

During the year under review, the Board of Directors has not recommended any dividend on equity shares of the Company.

Scheme of Amalgamation

The Board of Directors of the Company at its Meeting held on February 25, 2016 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 Reliance Capital Limited (the 'holding company') into the Company. 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.

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 stood at 101.10 per cent, well above the regulatory minimum of 15 per cent.

Issue of Shares

Your Company during the year has issued and allotted 5,10,00,000 equity shares of Rs. 10 each aggregating to Rs. 51 crore to its holding company. The paid-up capital of the Company accordingly stood increased to Rs. 63.30 crore.

Deposits

Your Company is Non-Deposit taking Non-Banking Financial Company (NBFC-ND). The Company has not accepted any deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 (the 'Act') read with the Companies (Acceptance of Deposits) Rules, 2014. The Company has passed a resolution for non acceptance of fixed deposits from public.

Particulars of Loans, Guarantees or Investments

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

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Subsidiary, Joint Venture or Associate companies

During the year under review, there are no companies which have become / ceased to be a Subsidiary / Joint Venture / Associate company of the Company.

The Statement containing the salient features of the financial statement of the Company's associate company under the first proviso to sub-section (3) of Section 129 of the Act read with rule 5 of the Companies (Accounts) Rules, 2014, forms part of the financial statement of the Company.

Directors

During the year under review, the Board has appointed Shri Soumen Ghosh as an Additional Director with effect February 19, 2016 and confirmed him as a Director. Further, In terms of the provisions of the Act, the Company has appointed Smt. Deena Mehta and Shri P. P. Vora as Independent Directors of the Company with effect from March 11, 2016. They shall hold office upto the date of the Annual General Meeting. The Company has received notice in writing from a member proposing their candidature for the office of the Director.

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.

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

Key Managerial Personnel

During the year under review, Shri Varun Agarwal, Chief Financial Officer and Shri Ravin Tank, Company Secretary & Manager were designated as Key Managerial Personnel of the Company as per the requirements of Section 203 of the Companies Act, 2013.

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 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;

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- 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

There were no materially significant related party transactions made by the Company with Directors which may have a potential conflict with the interest of the Company at large. None of the Director has any pecuniary relationship or transaction vis-a-vis the Company.

The details of related party transactions are disclosed in Notes to Accounts.

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

During the year under review, 14 (fourteen) Board Meetings were held on May 11, 2015, May 26, 2015, May 27, 2015, June 30, 2015, August 12, 2015, November 1, 2015, January 20, 2016, February 6, 2016, February 8, 2016, February 19, 2016, February 25, 2016, March 11, 2016, March 15, 2016 and March 16, 2016.

Audit Committee

During the year under review, 5 (five) Audit Committee Meetings were held on May 26, 2015, August 12, 2015, November 1, 2015, January 20, 2016 and February 25, 2016. All the members of the Committee possess financial / accounting expertise / exposure. The Audit Committee functions in accordance with Section 177 of the Act. All recommendations made by the Audit Committee were accepted by the Board.

The Audit Committee was reconstituted by the Board of Directors of the Company on April 20, 2016 and presently comprises of Shri P. P. Vora, Smt. Deena Mehta and Shri Monish Sheth as its members.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board was constituted on April 20, 2016 and presently comprises of Shri P. P. Vora, Smt. Deena Mehta and Shri Monish Sheth as its members.

The terms of reference of Nomination and Remuneration Committee are in accordance with the provisions of the Act, as amended from time to time.

Auditors and Auditor's Report

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 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 Act and that they are not disqualified from appointment as statutory auditors of the Company.

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.

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Extract of Annual Return

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

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 the Annexure 'B' forming part of this Report.

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.

Order, if any, passed by Regulator 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.

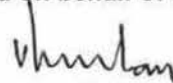
Internal Financial Controls and their adequacy

The Company has in place adequate internal financial controls. The same is subject to review periodically 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.

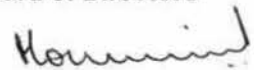
Acknowledgement

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

For and on behalf of the Board of Directors



V. R. Mohan
Director



Monish Sheth
Director

Place : Mumbai

Dated : April 21, 2016

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 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 & other details:

- | | |
|---|--|
| 1. CIN | U66010MH2000PLC128301 |
| 2. Registration Date | August 17, 2000 |
| 3. Name of the Company | Reliance Gilts Limited |
| 4. Category / Sub-category of the Company | Public Company / NBFC |
| 5. Address of the Registered office and contact details | Reliance Centre, 19,
Walchand Hirachand Marg,
Mumbai 400 001
Tel. : +91 22 3303 1000
Fax : +91 22 3303 6664 |
| 6. Whether listed company | No |
| 7. Name, Address and Contact details of the 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
Tel. : +91 40 6716 1500
Fax: +91 40 6716 1791 |

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 Limited	L65910MH1986PLC165645	Holding	100	2(46)
2.	Reliance Capital Pension Fund Limited	U66020MH2009PLC191340	Associate	35	2(6)

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

(i) Category-wise Share Holding

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	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	70 00 694	53 00 006	1 23 00 700	100.00	70 00 694	5 63 00 006	6 33 00 700	100.00	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1) :	70 00 694	53 00 006	1 23 00 700	100.00	70 00 694	5 63 00 006	6 33 00 700	100.00	-
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub -Total (A)(2) :	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters(A)=(A)(1) + (A)(2)	70 00 694	53 00 006	1 23 00 700	100.00	70 00 694	5 63 00 006	6 33 00 700	100.00	-

[illegible]

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	
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lac	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	70 00 694	53 00 006	1 23 00 700*	100.00	70 00 694	5 63 00 006	6 33 00 700*	100.00	-

*[Out of the above equity shares 6 equity shares (previous year 6 equity shares) are jointly held by Reliance Capital Limited and its Nominees]

(ii) Shareholding of Promoters

Sl. No.	Shareholder's 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 Capital Limited	1 23 00 700	100	-	6 33 00 700	100	-	-
	Total	1 23 00 700	100	-	6 33 00 700	100	-	-

(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.	At the beginning of the year	1,23,00,700	100	-	-
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)	#	#	#	#
3.	At the End of the year	6,33,00,700	100	-	-

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):

Shareholder's Name	Shareholding at the beginning of the year		Date	Increase / (Decrease) in share - holding	Reason	Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
Reliance Capital Limited	1,23,00,700	100	01.04.2015				
			08.02.2016	10,00,000	Allotment	1,33,00,700	100
			16.03.2016	5,00,00,000	Allotment	6,33,00,700	100

(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)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Nil					

(v) Shareholding of Directors and Key Managerial Personnel:

Shri V. R. Mohan, Shri Lav Chaturvedi, Shri Monish Sheth, Shri Soumen Ghosh, Smt. Deena Mehta and Shri P. P. Vora, Directors, Shri Varun Agarwal, Chief Financial Officer and Shri Ravin Tank, Company Secretary & Manager of the Company hold nil shares at the beginning and end of the year.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: Nil

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.

(a) Conservation of Energy:

The steps taken or impact on conservation of energy

The steps taken by the Company for utilizing alternate sources of energy

The capital investment on energy conservation equipments

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.

(b) Technology Absorption, Adoption and Innovation:

(i) The efforts made towards technology absorption

(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 uses latest technology and equipments into the business. Further the Company is not engaged in any manufacturing activities.

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 : Nil

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, 2016 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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



Head Office: 714-715, Tulsiani Chambers, 212, Nariman Point, Mumbai - 400 021, India. Tel.: +91 22 3021 8500 • Fax : +91 22 3021 8595
URL: www.cas.ind.in

Branches: Ahmedabad | Bengaluru | Delhi | Jamnagar

Independent Auditor's Report (Continued)

Reliance Gilts Limited

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 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, 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, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is



Independent Auditor's Report (Continued)

Reliance Gilts Limited

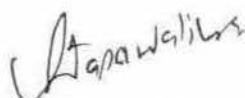
disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- 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".
- 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 does not have any pending litigations which would impact its financial position of the Company.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Chaturvedi & Shah

Chartered Accountants

Firm's Registration No:101720W



Vijay Napawaliya

Partner

Membership No: 109859



Mumbai

Dated : April 21, 2016

Reliance Gilts Limited

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

(Referred to in our report of even date)

- (i) In our opinion and according to the information and explanations given to us, 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) According to the information and explanations given to us, the Company is registered as a non-banking financial Company with the Reserve Bank of India and 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, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of clauses (iii)(a), (iii)(b) and (iii)(c) of paragraph 3 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, during the year under audit, neither the Company has given any loan nor provides any guarantee or security to its director or any other person, in whom director is interested. As the Company is registered as a non banking financial Company with the Reserve Bank of India, the provision of Section 186 of the Companies Act, 2013 is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company is a 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 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 provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable. Further, there are no undisputed amounts payable outstanding as at March 31, 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.



Reliance Gilts Limited

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

(Referred to in our report of even date)

- (viii) In our opinion and according to the information and explanations given to us, during the year under audit, the Company has not borrowed from any financial institutions, banks, Government or debenture holders, accordingly the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- (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 (including debt instruments) and term loan during the year.
- (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 employees, noticed or reported during the year, nor have we been informed of 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 neither provided nor paid any managerial remuneration. Hence the provisions of clause 3 (xi) of the Order is not applicable to the Company.
- (xii) 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, during the year under audit, the Company has not entered any related parties transactions which are covered under Section 188 of the Act and accordingly Section 177 of the Act is not applicable to the Company. 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 of shares and fully or partly convertible debentures. During the year the Company has issued equity shares on private placement basis to its holding company as per requirement of Section 42 of the Companies Act, 2013 and the amount raised have been used for the purposes for which the funds were raised.



Reliance Gilts Limited

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

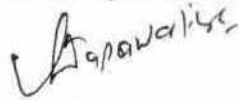
(Referred to in our report of even date)

- (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's Registration No:101720W



Vijay Napawaliya

Partner

Membership No: 109859



Mumbai

Dated : April 21, 2016

Annexure "B" to the Independent Auditor's Report of even date on the financial statements of Reliance Gilts Limited

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 Gilts Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the 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 issued by the Institute of Chartered Accountants of India (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 Companies Act, 2013.

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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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.



Annexure "B" to the Independent Auditor's Report of even date on the financial statements of Reliance Gilts Limited

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



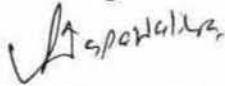
Annexure "B" to the Independent Auditor's Report of even date on the financial statements of Reliance Gilts Limited

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.

For Chaturvedi & Shah

Chartered Accountants

Firm's Registration No:101720W



Vijay Napawaliya

Partner

Membership No: 109859



Mumbai

Dated : April 21, 2016

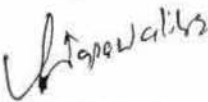
RELIANCE GILTS LIMITED
BALANCESHEET AS AT MARCH 31, 2016

		(Amount in Rupees)	
	Note No.	As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES:			
(1) Shareholders' Funds			
(a) Share Capital	"3"	63 30 07 000	12 30 07 000
(b) Reserves and Surplus	"4"	(2 79 60 023)	(2 82 23 321)
(2) Non Current Liabilities			
Long-term provisions	"5"	-	6 750
(3) Current Liabilities			
(a) Other current liabilities	"6"	42 938	45 802
(b) Short-term provisions	"7"	38 550	78 653
TOTAL		60 51 28 465	9 49 14 884
II. ASSETS:			
(1) Non - Current Assets			
(a) Non-current Investments	"8"	9 16 75 000	9 16 75 000
(b) Long Term Loans & Advances	"9"	48 471	27 00 000
(2) Current Assets			
(a) Current Investments	"10"	50 00 00 000	-
(b) Cash & Cash Equivalents	"11"	5 54 994	5 39 884
(c) Short term loans & advances	"12"	1 28 50 000	-
TOTAL		60 51 28 465	9 49 14 884

See accompanying notes to the financial statements "1-26"

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

Soumen Ghosh
Director

V. R. Mohan
Director

Monish Sheth
Director






Varun Agarwal
Chief Financial Officer

Ravin Tank
Company Secretary & Manager

Mumbai
Dated: April 21, 2016

Mumbai
Dated: April 21, 2016



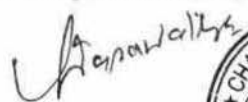
RELIANCE GILTS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

(Amount in Rupees)			
	Note No.	2015-16	2014-15
Revenue			
I. Revenue from operations	"13"	5 30 343	2 99 353
II. Other income	"14"	5 618	1 960
III. Total Revenue (I+II)		5 35 961	3 01 313
IV. Expenses			
Other expenses	"15"	1 88 928	1 02 055
Total Expenses		1 88 928	1 02 055
V. Profit Before Tax		3 47 033	1 99 258
VI. Tax expense:			
(1) Current tax		1 33 000	60 000
(2) Deferred tax		-	-
(3) Taxation for earlier years		(49 265)	(73 913)
VII. Profit For the Year		2 63 298	2 13 171
VIII. Earnings Per Equity Share :			
(Face value of Rs. 10 each fully paid up)	"21"		
Basic & Diluted		0.01	0.03

See accompanying notes to the financial statements "1-26"

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

Soumen Ghosh
Director

V. R. Mohan
Director

Monish Sheth
Director

Varun Agarwal
Chief Financial Officer

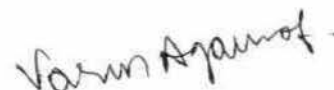
Ravin Tank
Company Secretary & Manager

Mumbai
Dated: April 21, 2016

Mumbai
Dated: April 21, 2016






RELIANCE GILTS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	(Amount in Rupees)	
	2015-2016	2014-2015
A Cash Flows from Operating Activities		
Profit/(Loss) Before Tax	3 47 033	1 99 258
Adjustments for:		
Excess Provision Written Back	(5 618)	
Dividend Income	-	(29 908)
Interest Income	(5 30 343)	(2 69 445)
Profit on Sale of Current Investment	-	(1 703)
Contingent Provision against Standard Assets	31 800	6 750
Operating Profit/(Loss) before working Capital Changes	(1 57 128)	(95 049)
Adjustments for:		
(Increase)/Decrease in Loans & Advances	(1 00 85 451)	(27 18 409)
Increase/(Decrease) in Liabilities & Provisions	(1 61 482)	(22 746)
Cash generated from operations	(1 04 04 062)	(28 36 204)
Taxes (Paid) / Refund	(1 11 171)	-
Net cash from/(used in) Operating Activities	(1 05 15 233)	(28 36 204)
B Cash flows from investing activities		
Purchase of Long Term Investments	-	(5 29 00 000)
(Purchase)/Sale of Current Investment (Net)	(50 00 00 000)	29 38 470
Dividend Income	-	29 908
Interest received	5 30 343	2 69 445
Net cash from/(used in) Investing Activities	(49 94 69 657)	(4 96 62 177)
C Cash flows from financing activities		
Proceeds/(Repayment) of Issue of Equity Shares	51 00 00 000	5 30 00 000
Net cash from/(used in) financing activities	51 00 00 000	5 30 00 000
Net increase in cash and cash equivalents (A+B+C)	15 110	5 01 620
Cash and cash equivalents at the beginning of the year	5 39 884	38 264
Cash and cash equivalents at the end of the year	5 54 994	5 39 884

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

Soumen Ghosh
Director

Vijay Napawaliya
Partner
Membership No.: 109859

V. R. Mohan
Director

Monish Sheth
Director

Varun Agarwal
Chief Financial Officer

Ravin Tank
Company Secretary & Manager

Mumbai
Dated: April 21, 2016

Mumbai
Dated: April 21, 2016



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 Statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting. They are in conformity with the accounting principles generally accepted in India ('GAAP'), and comply with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 specified under Section 133 of the 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" vide Reserve Bank of India (RBI) Notification No. DNBR.009/CGM(CDS)-2015 dated March 27, 2015, as applicable to the Company.

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 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 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 Contingent Provision against 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

g Provisions for Non Performing Assets (NPA) and doubtful

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 which meets the NBFC prudential norms prescribed by Reserve Bank of India.



h 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.

i 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.

j Provision, 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.

k Cash & Cash Equivalents

Cash and cash equivalents includes cash in hand, balance in banks and fixed deposits without lien with original maturities of three months or less.



RELIANCE GILTS LIMITED
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

3. Share Capital		(Amount in Rupees)	
	As at March 31, 2016	As at March 31, 2015	
(a) Authorised:			
20 00 00 000 Equity Shares of Rs. 10 each	200 00 00 000	200 00 00 000	
(March 31, 2015 : 20 00 00 000 Equity Shares of Rs. 10 each)			
	<u>200 00 00 000</u>	<u>200 00 00 000</u>	
(b) Issued, Subscribed and Fully Paid Up			
6 33 00 700 Equity Shares of Rs. 10 each	63 30 07 000	12 30 07 000	
(March 31, 2015 : 1 23 00 700 Equity Shares of Rs. 10 each)			
	<u>63 30 07 000</u>	<u>12 30 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	1 23 00 700	12 30 07 000	70 00 700 7 00 07 000
Add : Addition during the year	5 10 00 000	51 00 00 000	53 00 000 5 30 00 000
Less : Reduction during the year	-	-	- -
Closing Balance	<u>6 33 00 700</u>	<u>63 30 07 000</u>	<u>1 23 00 700 12 30 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:

Equity shares	As at March 31, 2016			As at March 31, 2015		
	%	No. of Shares	Amount in Rupees	%	No. of Shares	Amount in Rupees
Reliance Capital Limited	100	6 33 00 700	63 30 07 000	100	1 23 00 700	12 30 07 000
Total	100	6 33 00 700	63 30 07 000	100	1 23 00 700	12 30 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, 2016	As at March 31, 2015	
Statutory Reserve Fund*			
As per Last Balance Sheet	14 63 611	1,420,977	
Add: Transfer from Statement of Profit & Loss	52 660	42 634	
	<u>15 16 271</u>	<u>14 63 611</u>	
Deficit in Statement of Profit & Loss			
As per Last Balance Sheet	(2 96 86 932)	(2 98 57 469)	
Add: Transfer from Statement of Profit & Loss	2 63 298	2 13 171	
Less: Transfer to Statutory Reserve Fund	52 660	42 634	
	<u>(2 94 76 294)</u>	<u>(2 96 86 932)</u>	
Net Deficit in Statement of Profit & Loss	<u>(2 79 60 023)</u>	<u>(2 82 23 321)</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, 2016

5. Long-term provisions		(Amount in Rupees)
	As at March 31, 2016	As at March 31, 2015
Contingent Provision against Standard Assets	-	6 750
	<u>-</u>	<u>6 750</u>

6. Other current liabilities		(Amount in Rupees)
	As at March 31, 2016	As at March 31, 2015
Others Payables #	42 938	45 802
	<u>42 938</u>	<u>45 802</u>
# Other payables includes TDS Payables and Other Liabilities.		

7. Short-term provisions		(Amount in Rupees)
	As at March 31, 2016	As at March 31, 2015
Contingent Provision against Standard Assets	38 550	-
Provision for Income Tax	-	78 653
[Net off Advance Tax & TDS Rs. Nil (Previous year Rs.12 21 347)]	<u>38 550</u>	<u>78 653</u>

8. Non-current Investments		(Amount in Rupees)			
	Face Value/ Issue Price Rs.	Quantity As at 31.03.2016	Value As at 31.03.2016	Quantity As at 31.03.2015	Value As at 31.03.2015
Other Investments :					
Investment in Equity Shares-					
Associate Company - Unquoted, Fully Paid Up					
Reliance Capital Pension Fund Limited	10	87 50 000	9 16 75 000	87 50 000	9 16 75 000
[Refer note (d) below]					
			<u>9 16 75 000</u>		<u>9 16 75 000</u>

Notes:

a Aggregate value of Investments:

	As at March 31, 2016		As at March 31, 2015	
	Book Value	Market Value	Book Value	Market Value
Quoted Investments	-	-	-	-
Unquoted Investments	9 16 75 000	-	9 16 75 000	-
	<u>9 16 75 000</u>	<u>-</u>	<u>9 16 75 000</u>	<u>-</u>

b Aggregate Provision for Diminution in value of Investments:

	As at March 31, 2016	As at March 31, 2015
Quoted Investments	-	-
Unquoted Investments	-	-
	<u>-</u>	<u>-</u>

c Basis of Valuation:

As at March 31, 2016 at cost	As at March 31, 2015 at cost
------------------------------------	------------------------------------

d As per Share Purchase Agreements and Option Agreements with Reliance Capital Asset Management Limited (RCAM) and with 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.



RELIANCE GILTS LIMITED
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

9. Long Term Loans & Advances		(Amount in Rupees)
	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good		
Loan to Body Corporate	-	27 00 000
TDS & Advance Income Tax	48 471	-
[Net off Income Tax Provision Rs. 1 93 000 (Previous year Nil)]	<u>48 471</u>	<u>27 00 000</u>

10. Current Investments		(Amount in Rupees)			
	Face Value/ Issue Price Rs.	Quantity As at 31.03.2016	Value As at 31.03.2016	Quantity As at 31.03.2015	Value As at 31.03.2015
Investment in Mutual Fund -Unquoted					
Reliance Liquid Fund - Treasury Plan-Direct Plan Growth Plan - Growth Options	1 000	1 35 909	50 00 00 000	-	-
			<u>50 00 00 000</u>		<u>-</u>

Notes:

a Aggregate value of Investments:		As at March 31, 2016		As at March 31, 2015	
		Book Value	Market Value	Book Value	Market Value
Quoted Investments		-	-	-	-
Unquoted Investments [Refer Note (d) Below]		50 00 00 000	50 21 87 231	-	-
		<u>50 00 00 000</u>	<u>50 21 87 231</u>	<u>-</u>	<u>-</u>

b The aggregate provision for diminution in the value of investments:		As at March 31, 2016	As at March 31, 2015
Quoted Investments		-	-
Unquoted Investments		-	-
Total		<u>-</u>	<u>-</u>

c Basis of Valuation :		As at March 31, 2016	As at March 31, 2015
		at cost or fair value, whichever is lower	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, 2016	As at March 31, 2015
Balances with Banks in Current Account	5 54 994	5 39 884
	<u>5 54 994</u>	<u>5 39 884</u>

12. Short term loans & advances		(Amount in Rupees)
	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good		
Loan to Body Corporate	1 28 50 000	-
	<u>1 28 50 000</u>	<u>-</u>



RELIANCE GILTS LIMITED
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

13. Revenue from operations (Amount in Rupees)

	2015-16	2014-15
Interest Income on Loan to Body Corporate	5 30 343	2 69 445
Dividend Income on Current Investments	-	29 908
	<u>5 30 343</u>	<u>2 99 353</u>

14. Other income (Amount in Rupees)

	2015-16	2014-15
Interest on Income Tax Refund	-	257
Profit on Sale of Current Investment	-	1 703
Excess Provision Written Back	5 618	-
	<u>5 618</u>	<u>1 960</u>

15. Other expenses (Amount in Rupees)

	2015-16	2014-15
Auditor's Remuneration	26 137	19 663
Bank Charges	5 606	3 371
Contingent Provision against Standard Assets	31 800	6 750
Interest on Income Tax	5 560	2 700
Professional Tax ##	25 000	-
Interest on Professional Tax	27 925	-
Professional Fees #	17 175	47 753
Rates & Taxes	49 725	21 818
	<u>1 88 928</u>	<u>1 02 055</u>

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

includes Prior Period Expenses Rs. 22 500 (Previous year Rs. Nil)

16. 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.

17. 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.

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

	2015-16	2014-15
Statutory Audit Fees	26 137	19 663
	<u>26 137</u>	<u>19 663</u>

19. 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 as amended by the Companies (Accounting Standards) Amendment Rules, 2016.



RELIANCE GILTS LIMITED
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

20. Related Party Disclosure :

i) List of the Related Parties and their relationship:

A Holding Company :

Reliance Capital Limited

B Associate Company :

Reliance Capital Pension Fund Limited

C Fellow Subsidiaries :

Reliance Capital Asset Management Limited
 Reliance Asset Management (Singapore) Pte Limited
 Reliance Asset Management (Mauritius) Limited
 Reliance Capital Asset Management (UK) Limited (formerly Reliance Capital Asset Management (UK) Plc)
 Reliance Capital Pension Fund Limited
 Reliance AIF Management Company Limited
 Reliance Capital Trustee Co. Limited
 Reliance General Insurance Company Limited
 Reliance Money Express Limited
 Reliance Money Precious Metals Private Limited
 Reliance Home Finance Limited
 Reliance Securities Limited
 Reliance Commodities Limited
 Reliance Financial Limited
 Reliance Wealth Management Limited
 Reliance Money Solutions Private Limited
 Reliance Exchangenext Limited
 Reliance Spot Exchange Infrastructure Limited
 Reliance Capital AIF Trustee Company Private Limited
 Reliance Life Insurance Company Limited (w.e.f. March 30, 2016)
 Quant Capital Private Limited
 Quant Broking Private Limited
 Quant Securities Private Limited
 Quant Commodity Broking Private Limited
 Quant Capital Finance and Investments Private Limited
 Quant Investments Services Private Limited

D Key Managerial Personnel :

Mr. Ravin Tank - Company Secretary & Manager (w.e.f. May 11, 2015)

Ms. Divisha Jangla - Company Secretary & Manager (w.e.f. May 11, 2015)

Mr. Varun Agrawal - Chief Financial Officer (w.e.f. May 11, 2015)

ii) Transactions during the year with related parties:

Particulars	(Amount in Rupees)		
	Holding Company	Fellow Subsidiary	Associate Company
	Reliance Capital Limited	Reliance Capital Pension Fund Limited	Reliance Capital Pension Fund Limited
Share Capital			
Equity Share Capital issued during the year	51 00 00 000 (-)	- (-)	- (-)
Balance of Equity Share Capital as at March 31, 2016	63 30 07 000 (12 30 07 000)	- (-)	- (-)
Investments			
Balance as at March 31, 2016	- (-)	9 16 75 000 (9 16 75 000)	9 16 75 000 (9 16 75 000)

Notes:

1) Figures in bracket indicate Previous year figures.

2) Expenses reimbursed towards Registrar of Companies filing fees (Rates & Taxes) have not been considered for related party transaction.

21. 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	2015-16	2014-15
a) Amounts used as the numerators		
Net Profit After Tax	2 63 298	2 13 171
Net Profit available for equity shareholders	2 63 298	2 13 171
b) Amounts used as the Denominators		
Weighted average number of equity shares (Nos.)	1 85 93 050	76 10 563
c) Basic & Diluted Earnings / (Loss) Per Equity Share of Rs. 10/- each (a/b)	0.01	0.03



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

(i) Liability side: (Amount in Rupees)

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				
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	-	-	-	-

(ii) Assets side:

Particulars	Amount Outstanding	
	March 31, 2016	March 31, 2015
(2) Break up of loans and advances including bills receivable other than those included in (4) below (Gross Amount)		
a) Secured	-	-
b) Unsecured	1 28 50 000	27 00 000
Total	1 28 50 000	27 00 000
(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	-	-
(4) Break up of investments:		
a) Current investments		
1) Quoted		
i) Shares		
a) Equity (stock-in trade)	-	-
b) Preference	-	-
ii) Units of Mutual fund	-	-
2) Unquoted		
i) Others	50 00 00 000	-
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	9 16 75 000
b) Preference	-	-
ii) Debentures and bonds	-	-
iii) Units of Mutual fund	-	-
iv) Government of India securities	-	-
v) Others	-	-
Total	59 16 75 000	9 16 75 000



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, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
a) Related parties	-	-	-	-	-	-
1) Subsidiaries	-	-	-	-	-	-
2) Companies in the same group	-	-	-	-	-	-
3) Other related parties	-	-	-	-	-	-
b) Other than related parties	-	-	1 28 50 000	27 00 000	1 28 50 000	27 00 000
Total	-	-	1 28 50 000	27 00 000	1 28 50 000	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)

(Amount in Rupees)

Particulars	Market value / Fair Value or NAV		Book Value (Net of provisions)	
	As at	As at	As at	As at
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
a) Related parties	-	-	-	-
1) Subsidiaries	-	-	-	-
2) Companies in the same group	-	-	-	-
3) Other related parties	9 16 75 000	9 16 75 000	9 16 75 000	9 16 75 000
b) Other than related parties	50 21 87 231	-	50 00 00 000	-
Total	59 38 62 231	9 16 75 000	59 16 75 000	9 16 75 000

7) Other information

(Amount in Rupees)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
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) Pension Fund Regulatory and Development Authority	N.A.	-

II. Ratings assigned by rating agencies:

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	As at March 31, 2016	As at 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. Capital

Particulars	As at March 31, 2016	As at March 31, 2015
i) CRAR (%)	100.10	103.42
ii) CRAR - Tier I capital (%)	100.09	103.36
iii) CRAR - Tier II capital (%)	0.01	0.06
iv) Amount of Subordinated Debt raised as Tier II Capital	-	-
v) Amount raised by issue of Perpetual Debts Instruments	-	-



VI. Investments		(Amount in Rupees)	
		As at March 31, 2016	As at March 31, 2015
1) Value of Investments			
i) Gross Value of Investments			
a) In India		59 16 75 000	9 16 75 000
b) Outside India		-	-
ii) Provisions for Depreciation			
a) In India		-	-
b) Outside India		-	-
iii) Net Value of Investments			
a) In India		59 16 75 000	9 16 75 000
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		-	-

VII. a) The Company has not made any securitisation and assignment of loans.

b) Non Performing Financial Assets purchased:		(Amount in Rupees)	
Particulars		2015-16	2014-15
i) No. of accounts purchased during the year		-	-
ii) Aggregate outstanding		-	-
(a) Of these, number of accounts restructured during the year		-	-
(b) Aggregate outstanding		-	-
c) Non Performing Financial Assets sold:			
Particulars		2015-16	2014-15
i) No. of accounts sold during the year		-	-
ii) Aggregate outstanding		-	-
iii) Aggregate consideration received		-	-

VIII. 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	-	-	-	-	1 28 50 000	-	-	-	1 28 50 000
Security Deposits	(-)	(-)	(-)	(-)	(-)	(27 00 000)	(-)	(-)	(27 00 000)
Investments	50 00 00 000	-	-	-	-	-	-	9 16 75 000	59 16 75 000
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(9 16 75 000)	(9 16 75 000)

Notes:

- 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.

IX. Exposure to Real Estate		(Amount in Rupees)	
Category		2015-16	2014-15
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)		-	-

X. Concentration of Advances		(Amount in Rupees)	
Particulars		As at March 31, 2016	As at March 31, 2015
Total Advances to twenty largest borrowers		1 28 50 000	27 00 000
Percentage of Advances to twenty largest borrowers to Total Advances of the Company		100%	100%



RELIANCE GILTS LIMITED
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

XI. Concentration of Exposures

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Total Exposure to twenty largest borrowers	1 28 50 000	27 00 000
Percentage of Exposures to twenty largest borrowers to Total Exposure of the Company	100%	100%

XII. Concentration of NPAs

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Total Exposure to top four NPA accounts	-	-

XIII. Sector-wise NPAs

S.No	Particulars	Percentage of NPAs to total advances in that sector 2015-16	2014-15
1	Agriculture & allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	-	-
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	-	-
7	Other personal loans	-	-

XIV. Movement of NPAs

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
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	-	-

XV. Break up of 'Provisions and Contingencies' shown under the head Expenditure in statement of Profit and Loss

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
a) Provision for Contingencies against Standard Assets	38 550	6 750
b) Provision made towards Income tax	83 735	(13 913)

XVI. Customer Complaints

Particulars	As at March 31, 2016	As at 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	-	-



XVII. Details of financing of parent company products

There are no parent Company products which are financed.

XVIII. 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.

XIX. Unsecured Advances

There are no unsecured advances against intangible assets.

XX. Policy on dealing with Related Party Transactions

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.

XXI. Remuneration of Directors

No remuneration has been paid to the Directors during the year.

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

There are no Overseas Assets.

XXIII. 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.

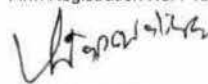
24. In the opinion of management, all the assets other than non current investments are approximately of the value stated if realised in the ordinary course of business.

25. The Board of Directors of the Company at its Meeting held on February 25, 2016 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 Reliance Capital Limited (the 'holding company') into the Company. 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.

26. 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 21, 2016

For and on behalf of the Board

Soumen Ghosh
Director

V. R. Mohan
Director

Monish Sheth
Director

Varun Agarwal
Chief Financial Officer

Ravin Tank
Company Secretary & Manager

Mumbai
Dated: April 21, 2016



