

Financial Statement

2014-15

Reliance AIF Management Company Limited

Independent Auditors' Report

To the Members of Reliance AIF Management Company Limited

Report on the financial statements

We have audited the accompanying financial statements of Reliance AIF Management Company Limited ('the Company'), which comprise the balance sheet as at 31 March 2015, the statement of profit and loss and the 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 matters stated in Section 134(5) of the Companies Act 2013 ('the Act') with respect to preparation of these financial statements that give a true and fair view of the financial position, financial performance and the cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control, 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 thereunder.

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

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

Independent Auditors' Report (*Continued*)

Reliance AIF Management Company Limited

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.

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 of the state of affairs of the Company as at 31 March 2015, its profit and cash flows for the year ended on that date.

Report on other legal and regulators matters

As required by the Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 purpose of our audit;
- (b) in our opinion proper books of accounts 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 aforesaid financial statement comply with the Accounting Standards referred to in section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of written representations received from the Directors as on 31 March 2015, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2015, from being appointed as a Director in terms of Section 164 (2) of the Act; and
- (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) the Company does not have any pending litigations which would impact its financial position;
 - ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

Independent Auditors' Report (*Continued*)

Reliance AIF Management Company Limited

- iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Mumbai
20 April 2015

Milind Ranade

Partner

Membership No: 100564

Reliance AIF Management Company Limited

Annexure to the Independent Auditors' Report – 31 March 2015

(Referred to in our report of even date)

1. The Company does not have any fixed assets during the year. Hence, paragraph 3(i) of the Order is not applicable.
2. The Company is a service company primarily rendering investment management services to various Alternative Investment Funds to be launched from time to time. Accordingly, it does not hold any inventories. Thus, paragraph 3(ii) of the Order is not applicable.
3. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to the sale of services. The activities of the Company do not involve purchase of inventory and sale of goods. We have not observed continuing failure on part the Company to correct major weakness in the internal control system in regard to above during the course of our audit.
5. According to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
6. The Central Government has not prescribed the maintenance of cost records under sub-section 1 of Section 148 of the Act, for any of the services rendered by the Company.
7.
 - (a) According to the information and explanations given to us and on the basis of our examination of the books of account, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income tax, Service tax, Provident Fund, Employees State Insurance and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Sales tax, Wealth tax, Excise duty and Customs duty. According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Service tax, Provident Fund, Employees State Insurance, and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no dues of Income tax or Service tax or Provident Fund or Employees State Insurance and other material statutory dues which have not been deposited by the Company on account of disputes.
 - (c) According to the information and explanations given to us, there are no dues of investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder which is required to be transferred.
8. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

Reliance AIF Management Company Limited

Annexure to the Independent Auditors' Report – 31 March 2015

(Continued)

9. In our opinion and according to the information and explanations given to us, the Company did not have any dues to any financial institution or bank. The Company did not have any outstanding debentures during the year. Thus, paragraph 3(ix) of the Order is not applicable.
10. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Thus, paragraph 3(x) of the Order is not applicable.
11. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, the Company does not have any term loans during the year. Thus, paragraph 3(xi) of the Order is not applicable.
12. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Mumbai
20 April 2015

Milind Ranade

Partner

Membership No: 100564

Reliance AIF Management Company Limited

Balance Sheet

as at 31 March 2015

(Currency: Indian rupees)

	Note	As at 31 March 2015	As at 31 March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3.1	5,100,000	5,100,000
Reserves and surplus	3.2	18,681,595	6,199,329
		23,781,595	11,299,329
Non current liabilities			
Long term borrowing	3.3	65,000,000	-
Deferred tax liability		51,939,371	-
Long - term provisions	3.4	58,383	-
		116,997,754	-
Current liabilities			
Trade payables	3.5	54,427,293	301,500
Other current liabilities	3.6	11,113,028	47,196
Short term provisions	3.7	1,217,052	1,466
		66,757,373	350,162
TOTAL		207,536,722	11,649,491
ASSETS			
Non-current assets			
Non - current investments	3.8	315,950	1,944,141
Long term loans and advances	3.9	124,517,334	7,155,827
		124,833,284	9,099,968
Current assets			
Trade receivables	3.10	1,766,875	-
Cash and bank balances	3.11	18,134,357	2,549,523
Short term loans and advances	3.12	62,802,206	-
		82,703,438	2,549,523
TOTAL		207,536,722	11,649,491
Significant accounting policies and notes to the accounts	2 & 3		

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of
Reliance AIF Management Company Limited

Milind Ranade
Partner
Membership No. 100564

Soumen Ghosh
Director

Sundeep Sikka
Director

Mumbai, 20 April 2015

Mumbai, 20 April 2015

Reliance AIF Management Company Limited

Statement of Profit and Loss

for the year ended 31 March 2015

(Currency: Indian rupees)

	Note	For the year ended 31 March 2015	For the year ended 31 March 2014
Revenue			
Revenue from operations	3.13	139,161,172	3,339,308
Other income	3.14	142,094	-
Total revenue		139,303,266	3,339,308
Expenses			
Employee benefits expense	3.15	5,596,167	-
Administrative and other expenses	3.16	20,678,177	692,785
Marketing and publicity expenses	3.17	32,237,618	-
Finance Cost	3.18	1,121,261	-
Total expenses		59,633,223	692,785
Profit before tax		79,670,043	2,646,523
Income tax expense			
Current tax		(15,248,406)	-
Deferred tax liability		(51,939,371)	-
Profit after tax		12,482,266	2,646,523
Basic earning per share of Rs. 10 each		24.48	10.15
Diluted earning per share of Rs. 10 each		24.48	10.15
Significant accounting policies and notes to the accounts	2 & 3		

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of
Reliance AIF Management Company Limited

Milind Ranade

Partner

Membership No. 100564

Mumbai, 20 April 2015

Soumen Ghosh

Director

Mumbai, 20 April 2015

Sundeep Sikka

Director

Reliance AIF Management Company Limited

Cash Flow Statement

for the year ended 31 March 2015

(Currency: Indian rupees)

Particulars	For the year ended 31 March 2015		For the year ended 31 March 2014	
A. Cash flows from operating activities				
Profit before tax as per statement of profit and loss		79,670,043		2,646,523
Adjusted for				
Dividend Income	(142,094)	(142,094)	-	-
Operating profit before working capital changes		79,527,949		2,646,523
(Increase) / Decrease in Long Term Loans & Advances				
(Increase) / decrease in other non current assets	(108,845,815)		(3,339,308)	
(Increase) / Decrease in Trade Receivable	(1,766,875)		-	
(Increase) / decrease in short term loans & advances	(62,802,206)		-	
Increase / (Decrease) in Long term provisions	58,383		-	
Increase / (decrease) in short term provisions	1,215,586		-	
Increase / (decrease) in trade payables	54,125,793		231,017	
Increase / (decrease) in other current liabilities	11,065,832	(106,949,302)	47,196	(3,061,095)
Cash generated from operations		(27,421,353)		(414,573)
Income taxes (paid) / refunded		(23,764,098)		(4,918)
Net cash from operating activities		(51,185,451)		(419,491)
B. Cash flows from investing activities				
Drawings received from limited liability partnership	1,628,191		1,698,938	
Purchase of Investments	(32,500,000)		-	
Sale of Investments	32,500,000		-	
Dividend Received	142,094		-	
Net cash from / (used in) investing activities		1,770,285		1,698,938
C. Cash flows from financing activities				
Fresh issue of equity shares	-		5,000,000	
Inter Corporate Deposit received	65,000,000		-	
Increase / (decrease) in short term borrowings	-		(3,777,000)	
Net cash from / (used in) financing activities		65,000,000		1,223,000
Net increase / (decrease) in cash and cash equivalents (A+B+C)		15,584,834		2,502,448
Opening balance of cash and cash equivalents		2,549,523		47,075
Closing balance of cash and cash equivalents		18,134,357		2,549,523
Cash and cash equivalents comprise of:				
Cash on hand		-		-
Balance with bank in current accounts		18,134,357		2,549,523
Total		18,134,357		2,549,523

As per our report of even date attached
For **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

For and on behalf of the Board of Directors
Reliance AIF Management Company Limited

Milind Ranade
Partner
Membership No. 100564

Soumen Ghosh
Director

Sundeep Sikka
Director

Mumbai, 20 April 2015

Mumbai, 20 April 2015

Reliance AIF Management Company Limited

Significant accounting policies and notes to the accounts

for the year ended 31 March 2015

1 Background

Reliance AIF Management Company Limited ('the Company') was incorporated on June 30, 2000 with the Registrar of Companies (RoC), Maharashtra. On 30 October 2013, the Company has changed its name from Reliance AIF Management Company Private Limited to Reliance AIF Management Company Limited.

The Company is to act as an Investment Manager to the various Alternative Investment Funds.

2 Significant accounting policies

2.1 Basis of preparation of financial statements

The accompanying financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government which continue to apply under section 133 of Companies Act 2013, read with Rule 7 of Companies (accounts) rule 2014 and other accounting principles generally accepted in India, to the extent applicable. The financial statements are presented in Indian Rupees. The accounting policies set out below have been applied consistently to the periods prescribed in the financial statements except otherwise disclosed separately.

2.2 Use of estimates

The preparation of the financial statements, in conformity with generally accepted accounting principles (GAAP), requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon Management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.3 Revenue recognition

Share of profits or losses in Limited Liability Partnership (LLP):

Share of profits / losses in Limited Liability Partnership (LLP) is accounted for once the amount of the share of profit/loss is ascertained and credited/debited to the Company's current account in the books of the Limited Liability Partnership.

Income from managing Yield Alternative Investment Fund (AIF) fund schemes are accounted on accrual basis (net of service tax).

Interest income is accounted on a time proportion basis.

2.4 Investments

Purchase and sale of investments are recorded on trade date

Investments are classified as long term or current based on intention of the management at the time of purchase. Investments that are intended to be held for not more than 1 year from the date on which such investments are made, are classified as current. All other investments are classified as long term investments.

Long-term investments are stated at cost of acquisition. Provision for diminution is made to recognise a decline, other than temporary, in the value of investments.

Current investments are valued at the lower of cost or net realisable value. The comparison of cost and net realisable value is done separately in respect of each individual investment.

2.5 Earnings per share

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

Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

Significant accounting policies and notes to the accounts

for the year ended 31 March 2015

2.6 Taxation

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law), deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). Provision for income tax is recognised on an annual basis under the taxes payable method, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with Indian Income Tax Act, 1961. In case of matters under appeal due to disallowance or otherwise, full provision is made when the said liabilities are accepted by the Company.

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 to the extent there is a 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 reasonable/virtually certain (as the case may be) to be realised.

2.7 Contingencies and provisions

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

2.8 Employee Benefits

Provident Fund

The Company expenses its contribution to the statutory provident fund, a defined contribution scheme, made at 12% of the basic salary of each employee.

Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Actuarial gains and losses are recognised immediately in the statement of profit and loss.

Compensated absences

The employees of the Company are entitled to compensated absence. The employees can carry forward a portion of the unutilized accrued leave balance and utilize it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the service that increases the entitlement. The Company measures the expected cost of compensated absence as the amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

2.9 Brokerage

The Company has decided to recognise the brokerage paid towards mobilization of scheme based on the period for which services are rendered.

Reliance AIF Management Company Limited

3. Note to the accounts

as at 31 March 2015

(Currency: Indian rupees)

3.1 Share Capital

Particulars	As at 31 March 2015	As at 31 March 2014
Authorised		
Equity shares, Rs.10 par value		
1,000,000 (1,000,000) equity shares	10,000,000	10,000,000
	<u>10,000,000</u>	<u>10,000,000</u>
Issued, subscribed and paid up		
Equity shares, Rs.10 par value		
510,000 (510,000 shares) equity shares fully paid up	5,100,000	5,100,000
Total share capital	<u>5,100,000</u>	<u>5,100,000</u>

Reliance AIF Management Company Limited

Notes to the accounts

as at 31 March 2015

(Currency: Indian rupees)

The details of equity shareholders holding more than 5% of equity share capital and shares held by holding company is set out below :

Name of the shareholder	As at		As at	
	31 March 2015		31 March 2014	
	No. of shares	% held	No. of shares	% held
Reliance Capital Asset Management Limited *	510,000	100%	510,000	100%

(* Including shares held by nominee shareholders)

The reconciliation of the number of shares outstanding and the amount of share capital is set out below:

Particulars	As at		As at	
	31 March 2015		31 March 2014	
	No. of shares	Amount	No. of shares	Amount
Equity shares at the beginning	510,000	5,100,000	10,000	100,000
Add / (less): shares issued during the year	-	-	500,000	5,000,000
Equity shares at the end	510,000	5,100,000	510,000	5,100,000

Terms / rights attached to equity shares :

The Company has one class of equity shares having a par value of Rs.10 per share. Each equity shareholder 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.

Reliance AIF Management Company Limited

3. Note to the accounts

as at 31 March 2015

(Currency: Indian rupees)

3.2 Reserves and surplus

Particulars	As at 31 March 2015	As at 31 March 2014
Surplus (Profit and Loss balance)		
Balance at the beginning of the year	6,199,329	3,552,806
Add: Profit after tax for the year	12,482,266	2,646,523
Balance at the end of the year	<u>18,681,595</u>	<u>6,199,329</u>
Total reserves and surplus	<u>18,681,595</u>	<u>6,199,329</u>

Reliance AIF Management Company Limited

Note to the accounts

as at 31 March 2015

(Currency: Indian rupees)

Particulars	As at 31 March 2015	As at 31 March 2014
3.3 Long term borrowings		
Inter corporate deposit		
Related party	65,000,000	-
	<u>65,000,000</u>	<u>-</u>
3.4 Long term provision		
Provision for Employee Benefits :		
Provision for Gratuity	58,383	-
	<u>58,383</u>	<u>-</u>
3.5 Trade payables		
Trade payables * (Includes provision for expenses)	54,427,293	301,500
	<u>54,427,293</u>	<u>301,500</u>
3.6 Other current liabilities		
Statutory Liabilities	11,113,028	47,196
	<u>11,113,028</u>	<u>47,196</u>
<p>(*) The Company does not have any outstanding dues towards small scale industrial undertakings as at 31 March 2015. The Company did not have any outstanding dues to any micro or small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 at any point during the year that were outstanding for a period of more than 45 days from the date of acceptance (as certified by Management).</p>		
3.7 Short term provisions		
Provision for Employees' benefit:		
Provision for Compensated Absence Cost	105,479	-
Provision for Gratuity	107	-
Provision for Income Tax	1,466	1,466
Other	1,110,000	-
	<u>1,217,052</u>	<u>1,466</u>

Reliance AIF Management Company Limited

Note to the accounts

as at 31 March 2015

(Currency: Indian rupees)

Particulars	Cost / Fair Value As at 31.03.2015	Cost / Fair Value As at 31.03.2014
3.8 Non - current investments		
Other Investment		
Investment in Limited Liability Partnership (Unquoted)		
Reliance India Realty Opportunities LLP	315,950	1,944,141
Total non - current investments	315,950	1,944,141

Notes:

- Unquoted investments
Aggregate of book value 315,950 1,944,141
- Provision for diminution in value of investments - -

Reliance AIF Management Company Limited

Note to the accounts

as at 31 March 2015

(Currency: Indian rupees)

Particulars	As at 31 March 2015	As at 31 March 2014
3.9 Long term loans and advances		
Balances with Limited Liability Partnership in Current Account	10,521,120	7,155,827
Prepaid / Unamortised Brokerage	105,480,522	-
Advance tax paid	8,515,692	-
	<u>124,517,334</u>	<u>7,155,827</u>
3.10 Trade receivables		
Unsecured, Considered Good	-	-
Outstanding for more than six months	-	-
Others	1,766,875	-
	<u>1,766,875</u>	<u>-</u>
3.11 Cash and bank balances		
Cash and cash equivalents		
Balance with banks in current accounts	18,134,357	2,549,523
	<u>18,134,357</u>	<u>2,549,523</u>
3.12 Short term loans & advances		
Others (Unsecured, considered good)		
Service tax credit-unutilised	8,197,475	-
Prepaid / Unamortised Brokerage	54,604,731	-
	<u>62,802,206</u>	<u>-</u>

Reliance AIF Management Company Limited

Note to the accounts

for the year ended 31 March 2015

(Currency: Indian rupees)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
3.13 Revenue from operations		
Investment Management Fees (Including Set up fees)	135,795,879	-
Share of profit in Limited Liability Partnership	3,365,293	3,339,308
	<u>139,161,172</u>	<u>3,339,308</u>
3.14 Other income		
Dividend on current investment	142,094	-
	<u>142,094</u>	<u>-</u>
3.15 Employee benefit expense		
Salaries, allowances and bonus	5,363,786	-
Contribution to provident and other funds	231,005	-
Staff welfare expenses	1,376	-
	<u>5,596,167</u>	<u>-</u>
3.16 Administrative and other expenses		
Legal and professional charges	19,292,989	179,944
Filing fees and stamp duty	1,200	5,010
Communication	13,115	-
Conveyance and travelling	605,934	21,491
Printing and stationary	-	1,358
Auditors remuneration:		
Audit fees	337,080	300,000
Out of pocket expenses	13,484	-
Director sitting fees	21,236	11,236
Office Administration	4,520	-
Miscellaneous expenses	26,119	246
Courier charges	340,000	-
Rates and taxes	22,500	173,500
	<u>20,678,177</u>	<u>692,785</u>
3.17 Marketing and publicity expenses		
Brokerage and Incentives	30,285,339	-
Marketing expenses	1,952,279	-
	<u>32,237,618</u>	<u>-</u>
3.18 Finance Cost		
Interest expense	1,121,261	-
	<u>1,121,261</u>	<u>-</u>

Reliance AIF Management Company Limited

Notes to accounts

for the year ended 31 March 2015

(Currency: Indian rupees)

3.19 Disclosure pursuant to Accounting Standard - 15 (Revised) " Employee Benefits" :

A Defined Contribution Plans:

Amount of Rs. 851,729 (previous year: Nil) is recognised as an expense for provident fund and superannuation fund included in "Employee Costs" - refer note "3.15" of the Statement of profit and loss.

B Defined Benefit Plans:

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

		Gratuity Benefit - Funded	
		2015	2014
a.	Present value of Defined Benefit Obligation at the beginning of the year	-	
b.	Interest cost	-	
c.	Current service cost	58,490	
d.	Actuarial Losses / (Gains)	-	
e.	Benefits paid	-	
f.	Present value of Defined Benefit Obligation at the close of the year	58,490	

ii Changes in the fair value of Plan Assets and the reconciliation thereof:

		Gratuity Benefit - Funded	
		2015	2014
a.	Fair value of Plan Assets at the beginning of the year	-	
b.	Add: Expected return on Plan Assets	-	
c.	Add / (Less) : Actuarial (Losses) / Gains	-	
d.	Add: Contributions	-	
e.	Less: Benefits Paid	-	
f.	Fair value of Plan Assets at the close of the year	-	

iii. Amount Recognised in the Balance Sheet including a reconciliation of the present value of the defined obligation in (i) and the fair value of the plan assets in (ii) to the assets and liabilities recognised in the balance sheet

		Gratuity Benefit - Funded	
		2015	2014
a.	(Present value of Defined Benefit obligation)	(58,490)	
b.	Less: Fair value of Plan Assets	-	
c.	Funded Status (Surplus / (Deficit))	(58,490)	
d.	Present value of unfunded obligation	-	
e.	Net (Liability) /Asset recognised in the Balance sheet	(58,490)	

iv. Amount recognised in the statement of profit & loss are as follows :

		Gratuity Benefit - Funded	
		2015	2014
a.	Current Service Cost	58,490	
b.	Interest Cost	-	
c.	Expected return on Plan Assets	-	
d.	Actuarial Losses / (Gains)	-	
e.	Past service costs	-	
f.	Effect of curtailment / settlement	-	
g.	Adjustments for earlier years Recognised in the Statement of Profit and Loss	-	
h.	Total	58,490	

Reliance AIF Management Company Limited

Notes to accounts

for the year ended 31 March 2015

(Currency: Indian rupees)

v. Broad Categories of plan assets as a percentage of total assets

		Gratuity Benefit - Funded	
		2015	2014
		-	-
a.	Government of India Securities	-	-
b.	State Government Securities	-	-
c.	Corporate Bonds	-	-
d.	Fixed Deposit under Special Deposit Scheme	-	-
e.	Equity Shares	-	-
f.	Money market instruments	-	-
g.	Public Sector Bonds	-	-
i.	Property	-	-
		-	-

vi. Actuarial Assumptions as the Balance sheet date:

		Gratuity	
		2015	2014
a.	Discount Rate	8.03%	-
b.	Expected rate of return on Plan Assets	0.00%	-
c.	Salary Escalation rate -- Management Staff	6.00%	-
d.	Attrition rate	2.00%	-
e.	Retirement age	58 years	-
f.	Mortality table used	Indian Assured Lives Mortality (2006 - 08) Ultimate	-

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

vii. General Descriptions of significant defined plans:

a. Gratuity Plan :

Gratuity is payable to all eligible employees of the Company on superannuation, death and permanent disablement, in terms of the provisions of the Payment of Gratuity Act 1972 or as per the Company's Scheme whichever is more beneficial.

Reliance AIF Management Company Limited

Notes to the accounts

for the year ended 31 March 2015

(Currency: Indian rupees)

3.20 Segment Reporting

The Company is in the business of providing investment management services to various alternative investment funds. The primary segment is identified as investment management services.

Pursuant to Accounting Standard (AS) 17 Segment Reporting, no segment disclosure has been made in these financial statements, as the Company has only one geographical segment and no other separate reportable business segment.

3.21 Related Party Disclosure:

(i) List of Related Parties and their relationship:

1 Holding company

Reliance Capital Asset Management Limited (w.e.f. 30 September 2013)

(ii) Transaction during the year with related parties:

Sr. No.	Nature of Transaction	Holding Company
I A	Transactions during the year Issue of equity shares Reliance Capital Asset Management Limited	- (5,000,000)
B	Inter corporate deposit received Reliance Capital Asset Management Limited	65,000,000 (-)
C	Interest Expenses Reliance Capital Asset Management Limited	1,121,261 (-)
D	Reimbursement of expenses Reliance Capital Asset Management Limited	15,905,351 (-)
II A	Balances outstanding at the end of the year Loans and advances to Related Parties Reliance Capital Asset Management Limited	65,000,000 (-)

Note : Related Party Relationship is as identified by the Company.
(Previous year figures are in brackets)

Reliance AIF Management Company Limited

Notes to the accounts

for the year ended 31 March 2015

(Currency: Indian rupees)

3.22 Earning Per Share (EPS)

	2015	2014
Net profit attributable to equity shareholders	12,482,266	2,646,523
Weighted average number of equity shares outstanding	510,000	260,685
Basic EPS	24.48	10.15
Weighted average number of equity shares outstanding	510,000	260,685
Diluted EPS	24.48	10.15

3.23 Contingent liability and commitments

There are no contingent liability and commitments as at 31 March 2015.

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No. 101248W/W-100022

**For and on behalf of the Board of Directors of
Reliance AIF Management Company Limited**

Milind Ranade

Partner

Membership No. 100564

Mumbai, 20 April 2015

Soumen Ghosh

Director

Mumbai, 20 April 2015

Sundeep Sikka

Director