

Financial Statement

2016-17

Reliance Wealth Management Limited

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RELIANCE WEALTH MANAGEMENT LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Reliance Wealth Management Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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 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 provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements 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 thereunder.

We conducted our audit of the financial statements 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 disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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, 2017; 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 section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the 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 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 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, 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 A".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has no pending litigations on its financial position in its financial statements as on March 31, 2017.
 - 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 the year ended March 31, 2017.
 - iv. The company had provided requisite disclosures in its financial statements as regards to its holdings as well as dealings in Specified Bank Notes, during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company

For Pathak H.D & Associates
Chartered Accountants
Firm Registration no. 107783W

Mukesh Mehta
Partner
Membership No.: 043495

Mumbai
Date: April 19th, 2017.

Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirement' section of our Report of even date)

- 1) In respect of its fixed assets :
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information except for in some assets where Company is in the process of tagging the assets.
 - b) As explained to us, all the fixed assets of the Company have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) The Company do not have any immovable properties and hence clause (i) (c) of paragraph 3 of the Order is not applicable to the company.
- 2) The Company did not have any inventory at anytime during the year. Hence, the requirements of clause (ii) of paragraph 3 of the said order are not applicable to the Company.
- 3) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to any companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, the provisions of clause (iii) (a) to clause (iii) (c) of paragraph 3 of the Order are not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities. The Company has not granted any loans to any director or any person in whom director is interested as specified under Section 185 of the Companies Act, 2013 and hence clause (iv) of paragraph of the Order is not applicable to the Company to that extent.
- 5) According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the Order is not applicable to the Company.
- 6) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Act. Hence, the provisions of Clause (vi) of paragraph 3 of the Order is not applicable to the Company.
- 7) In respect of Statutory dues:
 - a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues have been generally regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at March 31, 2017 for a period of more than six months from the date of becoming payable.
 - b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, on account of any dispute, which have not been deposited.
- 8) In our opinion and according to the information and explanations given to us, The Company has not defaulted in repayment of dues to banks and financial institutions. The Company does not have and the Company did not have any outstanding debentures during the year

- 9) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term Loan and hence clause (ix) of paragraph 3 of the Order is not applicable to the Company.
- 10) In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- 11) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- 12) In our opinion company is not a Nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.
- 13) In our opinion and according to the information and explanations given to us the Company's transactions with its related party are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and details of related party transactions have been disclosed in the financial statement as required by the applicable accounting standards.
- 14) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the company.
- 15) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the Company
- 16) In our opinion and according to information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Pathak H.D & Associates
Chartered Accountants
Firm Registration no. 107783W

Mukesh Mehta
Partner
Membership No.: 043495

Mumbai
Date: April 19th, 2017.

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE WEALTH MANAGEMENT LIMITED

(Referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" of our report of even date)

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

We have audited the Internal Financial Control over financial reporting of Reliance Wealth Management Limited ("the company") as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year then ended.

Management Responsibility for the Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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.

For Pathak H.D & Associates
Chartered Accountants
Firm Registration no. 107783W

Mukesh Mehta
Partner
Membership No.: 043495

Mumbai
Date: April 19th, 2017.

RELIANCE WEALTH MANAGEMENT LIMITED

BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Note	March 31, 2017 Amount in ₹	March 31, 2016 Amount in ₹
I. EQUITY AND LIABILITIES			
1 Shareholders funds			
(a) Share capital	2	1750,00,000	1750,00,000
(b) Reserves and surplus	3	(1144,82,052)	(1434,61,909)
2 Non current liabilities			
(a) Long term provisions	4	2,12,235	1,84,144
3 Current liabilities			
(a) Short term borrowings	5	338,00,000	233,89,387
(b) Other current liabilities	6	847,49,699	432,95,399
(c) Short term provisions	7	25,74,812	42,786
TOTAL		1818,54,694	984,49,807
II. ASSETS			
Non current assets			
1 (a) Fixed assets	8		
(i) Tangible assets		162,65,345	95,32,691
(ii) Intangible assets		57,73,120	78,73,307
(b) Long term loans and advances	9	137,71,116	206,16,655
2 Current assets			
(a) Trade receivables	10	1231,55,888	566,74,725
(b) Cash and bank balances	11	93,15,654	4,28,972
(c) Short term loans and advances	12	135,73,571	33,23,457
TOTAL		1818,54,694	984,49,807
Significant accounting policies Note on financial statements	1 to 31		

The accompanying notes forms an integral part of the financial statements

As per our report of even date

For Pathak H D and Associates
Chartered Accountants
Firm registration No. 107783W

For and on behalf of the Board of Directors

Mukesh Mehta
Partner
Membership No.: 43495

Amit Bapna
Director
DIN : 00008443

B. Gop Kumar
Director
DIN : 07223999

Place : Mumbai
Date : April 19, 2017

Paresh Maheshwari
Chief Financial Officer

Viral Sarvalya
Company Secretary
Membersip No. A33764

RELIANCE WEALTH MANAGEMENT LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Note	April 1, 2016 to March 31, 2017 Amount in ₹	April 1, 2015 to March 31, 2016 Amount in ₹
I. Revenue from operations	13	3480,41,040	2441,99,151
II. Other income	14	8,03,622	19,47,831
III. Total Revenue (A)		<u>3488,44,662</u>	<u>2461,46,982</u>
IV Expenses:			
Operating expenses	15	549,02,982	380,28,452
Employee benefits expense	16	1895,11,765	1870,71,081
Depreciation and amortization expense	8	63,53,186	56,87,901
Finance cost	17	57,87,458	12,01,134
Administrative and other expenses	18	633,09,414	429,57,170
Total Expenses (B)		<u>3198,64,805</u>	<u>2749,45,738</u>
V Profit/(oss) before exceptional items and tax (A-B)		289,79,857	(287,98,756)
VI Exceptional items		-	-
VII Profit/(loss) before tax (V-VI)		<u>289,79,857</u>	<u>(287,98,756)</u>
VIII Tax expense:			
Current tax		100,70,452	-
MAT Credit entitlement		(100,70,452)	-
Income tax for earlier years		-	27,523
IX Profit/(loss) for the year (VII-VIII)		<u>289,79,857</u>	<u>(288,26,279)</u>
Earning per share on Equity Shares of Rs 10 each (Refer note 26)			
- Basic		1.66	(1.71)
- Diluted		1.66	(1.71)
Significant Accounting Policies			
Note on financial statements	1 to 31		

The accompanying notes forms an integral part of the financial statements

As per our report of even date

For Pathak H D and Associates
Chartered Accountants
Firm registration No. 107783W

Mukesh Mehta
Partner
Membership No.: 43495

Place : Mumbai
Date : April 19, 2017

For and on behalf of the Board of Directors

Amit Bapna
Director
DIN : 00008443

B. Gop Kumar
Director
DIN : 07223999

Parish Maheshwari
Chief Financial Officer

Viral Sarvaiya
Company Secretary
Membership No. A33764

RELIANCE WEALTH MANAGEMENT LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	April 1, 2016 to March 31, 2017 Amount in ₹	April 1, 2015 to March 31, 2016 Amount in ₹
A. Cash Flows From Operating Activities :		
Net profit/(loss) before tax as per statement of profit and loss	289,79,857	(287,98,756)
Adjustments for:		
Less: Profit on Foreign Exchange	-	9,904
Less: Profit on sale on fixed assets	(63,171)	-
Less: Profit on sale on investments	-	(10,58,028)
Add back: Depreciation	63,53,186	56,87,901
Add back: Interest Expenses	57,87,458	12,01,134
Operating profit before working capital changes	410,57,330	(229,57,845)
Adjustments for :		
(Increase) in trade receivable	(664,81,163)	(361,12,526)
(Increase) in long term loans and advances	-	(18,88,784)
(Increase) in short term loans and advances	(102,50,114)	(2,73,340)
Increase in Current Liabilities	414,54,300	354,72,467
Increase in long term provision	28,091	18,821
Increase in short term provision	25,32,026	37,922
Cash (used in)/ generated from operations	83,40,470	(257,03,285)
Payment of taxes (net of refunds)	(68,45,537)	(11,77,778)
Net cash flow (used in)/ from operating activities (A)	151,86,007	(245,25,508)
B. Cash Flow From Investing Activities :		
Purchase of fixed assets	(110,09,481)	(97,73,127)
Sale of fixed assets	87,001	-
Profit on sale of Investments	-	10,58,028
Net cash flow (used in) investment activities (B)	(109,22,480)	(87,15,099)
C. Cash Flow From Financing Activities :		
Short Term Borrowings	104,10,613	91,89,388
Share Capital Issued	-	200,00,000
Interest on Loan	(57,87,458)	(12,01,134)
Net cash flow from financing activities (C)	46,23,155	279,88,254
Net increase/(decrease) in cash or cash equivalents (A+B+C)	88,86,682	(52,52,353)
Cash and cash equivalents at the beginning of the year	4,28,972	56,81,325
Cash And cash equivalents as at the end of the year	93,15,654	4,28,972

Note

The above cashflow statement has been prepared under the "Indirect method" as set out in the Accounting Standard on Cash Flow Statement (AS 3) specified under Section 133 of the Companies Act 2013 read with Rule 7 of Companies (Accounts) Rules, 2014

Component of cash and cash equivalents (Refer note 29)

The accompanying notes forms an integral part of the financial statements

As per our report of even date

For Pathak H D and Associates
Chartered Accountants
Firm registration No. 107783W

For and on behalf of the Board of Directors

Mukesh Mehta
Partner
Membership No.: 43495

Amit Bapna
Director
DIN : 00008443

B. Gpp Kumar
Director
DIN : 07223999

Place : Mumbai
Date : April 19, 2017

Paresh Maheshwari
Chief Financial Officer

Viral Sarvaiya
Company Secretary
Membership No. A33764

RELIANCE WEALTH MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 1

Summary of significant accounting policies

(Currency: Indian Rupee)

1 Corporate Information

Reliance Wealth Management Limited was incorporated on January 1, 2009. The Company had obtained the certificate from the Registrar of Companies Maharashtra Mumbai. The Company is licenced by SEBI to provide PMS services.

2 Significant accounting policies

2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards specified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) rules 2014.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Companies Act, 2013. Based on the nature of services offered the Company has ascertained its operating cycle as 12 months for the purpose of current-non current classification of assets and liabilities.

The financial statements are presented in Indian rupees.

2.2 Use of estimates

The preparation of financial statements is in conformity with Generally Accepted Accounting Principles (GAAP) and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the 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 could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.3 Revenue recognition

I. Portfolio Management Fees is recognised on accrual basis as follows :

- Processing fees is recognised on upfront basis in the year of receipt.
- Management fees is recognised as a percentage of the unaudited net asset value at the end of each month.
- Performance Fee on the funds managed is recognized when the actual performance of the fund is calculated and determined by the fund manager.
- Return based fees is recognised as a percentage of annual profit, in accordance with the terms of the agreement with clients on the completion of the period.

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

III. Revenue (Commission) from distribution activities, syndication activities is recognized on accrual basis in accordance with terms of the agreements.

IV. In respect of other heads of income, income from advisory fees etc, the company accounts the same on accrual basis.

2.4 Fixed assets and depreciation

Fixed assets are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses. Cost includes expenses related to acquisition and installation of the concerned asset.

Tangible Assets

Depreciation on all class of fixed assets is charged under the straight line method over the useful life of the assets as specified in Schedule II to the Companies Act, 2013.

The rates of depreciation for various assets are as follows:

Assets	Rate of deorecation
Leasehold improvements	Over the primary period of lease
Office Equipments	Over a period of 5 years
Furniture and Fixtures	Over a period of 10 years
Data Processing Equipments	Over a period of 3 years

Intangible Assets - Computer Software

Computer software which forms an integral part of the related hardware is capitalised along with the hardware as fixed asset. Softwares which are not an integral part of computer hardware and from which future economic benefits are expected are treated as intangible assets and are amortised over their estimated useful life, namely five years (Previous year five years).

Fixed assets costing less than Rs 5,000 are fully depreciated in the year of purchase.

2.5 Investments

Purchase and sale of investments are recorded on trade date.

Investments are classified into non current investments and current investments. Investments which are intended to be held for more than one year are classified as non current investments and investments which are intended to be held for less than one year, are classified as current investments. Non current investments are stated at cost and a provision for diminution in value of non current investments is made only if the decline is other than temporary in the opinion of the management. Current investments are valued at cost or market/fair value whichever is lower. In case of investments in mutual funds, the net asset value of units is considered as market/fair value.

2.6 Employee benefits**i. Short-Term Employee Benefits:**

The employees of the Company are entitled to leave encashment as per the policy of the Company. The liability in respect of leave encashment is provided based on the actuarial valuation carried out by an independent actuary as at the year end. The actuarial valuation method used by the independent Actuary for measuring the liability is the Projected Unit Credit Method.

ii. Long-Term Employee Benefits:**(a) Defined Contribution Plan:**

The company contributes to a Government administered Provident Fund for the employees who have opted for this option. The company has no further obligation beyond making its contribution, which are expensed in the year to which it pertains.

(b) Defined Benefit Plan:

The employee gratuity fund scheme is managed by a trust, these are defined benefit plans. Liability for Defined Benefit Plan is provided on the basis of valuation as at the Balance Sheet date carried out by an independent Actuary. The actuarial valuation method used by independent Actuary for measuring the liability is the Project Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in the actuarial assumption are recognised immediately in the statement of profit and loss as income or expenses.

2.7 Taxation**a. Current Tax:**

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. MAT Credit entitlement is recognised when there is convincing evidence that the same can be realised in future.

b. Deferred Tax:

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised 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.

2.8 Foreign currency transactions

a) Transactions denominated in foreign currency are normally recorded at the exchange rate prevailing at the date of transaction.

b) Any income or expenses on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

c) Monetary items denominated in foreign currencies at the year end are restated at the year end rates.

d) Non monetary items denominated in foreign currencies are carried at cost.

RELIANCE WEALTH MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

2.9 Provisions, Contingent Liabilities and Contingent Asset

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 present obligation in respect of which the likelihood of outflow of resource 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 assets and related income are recognized in the period in which the change occurs.

2.10 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. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that reduce profit / loss per share are included.

2.11 Operating Leases

Lease Rental in respect of operating lease is charged to Statement of Profit and Loss as per terms of the lease agreement on straight line basis over the lease term.

2.12 Cash and cash equivalent

Cash and cash equivalent for the purpose of cash flow statement comprised cash at bank and cash in hand and other short term investment with maturity of three months or less.

RELIANCE WEALTH MANAGEMENT LIMITED

NOTES FORMING PART OF THE BALANCE SHEET

NOTE 2 SHARE CAPITAL	As at March 31, 2017		As at 31st March 2016	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
AUTHORISED Equity shares of ₹ 10 each*	175,00,000	1750,00,000	175,00,000	1750,00,000
Total	<u>175,00,000</u>	<u>1750,00,000</u>	<u>175,00,000</u>	<u>1750,00,000</u>

* During the previous year, the Authorised share capital of the company has been raised by ₹ 15,000,000 w.e.f July 31, 2015 pursuant to board resolution dated July 31, 2015

ISSUED, SUBSCRIBED AND PAID UP

Equity shares of ₹ 10 each fully paid up**	175,00,000	1750,00,000	175,00,000	1750,00,000
Total	<u>175,00,000</u>	<u>1750,00,000</u>	<u>175,00,000</u>	<u>1750,00,000</u>

**The company has issued 20,00,000 Shares on right basis to Reliance Capital Limited on July 31, 2015 at ₹ 10/- per share

Notes:

1 Terms and Rights attached to shares

EQUITY SHARE

The company has only one class of equity share having a par value of Rs 10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the company, the holder of equity shares will be entitled to receive any of the remaining asset of the company after distribution of all preferential amount.

2 The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2017 and March 31, 2016 is set out below:

	As at March 31, 2017		As at 31st March 2016	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
Equity Shares				
Number of shares at the beginning	175,00,000	1750,00,000	155,00,000	1550,00,000
Add: Shares issued during the year	-	-	20,00,000	200,00,000
Number of shares at the end	<u>175,00,000</u>	<u>1750,00,000</u>	<u>175,00,000</u>	<u>1750,00,000</u>

3 The details of shareholders, holding more than 5% and shares held by the holding/ultimate holding company as at March, 31, 2017 and March 31, 2016 is set out below :

	As at March 31, 2017		As at 31st March 2016	
	No. of shares	% held	No. of shares	% held
Equity shares				
Reliance Capital Limited (the holding company) and its nominees	175,00,000	100%	175,00,000	100%
	<u>175,00,000</u>		<u>175,00,000</u>	

RELIANCE WEALTH MANAGEMENT LIMITED

NOTES FORMING PART OF THE BALANCE SHEET

	March 31, 2017 Amount in ₹	March 31, 2016 Amount in ₹
NOTE 3		
RESERVES AND SURPLUS		
Surplus (Balance as per Statement of Profit and Loss)		
As per last balance sheet	(1434,61,909)	(1146,35,630)
Add: Net profit/(loss) for the year	289,79,857	(288,26,279)
TOTAL	(1144,82,052)	(1434,61,909)
NOTE 4		
LONG TERM PROVISIONS		
Provision for leave encashment	2,12,235	1,84,144
TOTAL	2,12,235	1,84,144
NOTE 5		
SHORT TERM BORROWINGS		
(Unsecured repayable on demand)		
Bank Overdraft	-	3,89,387
Inter corporate deposit		
- From related parties	338,00,000	230,00,000
TOTAL	338,00,000	233,89,387
NOTE 6		
OTHER CURRENT LIABILITIES		
Statutory liabilities	51,19,943	67,45,406
Payable to or on behalf of employees	3,17,997	5,87,200
Provision for expenses	654,98,362	341,81,737
Service tax payable	96,53,188	13,46,504
Other liabilities	41,60,209	4,34,552
TOTAL	847,49,699	432,95,399
NOTE 7		
SHORT TERM PROVISIONS		
Provision for leave encashment	3,272	3,008
Provision for gratuity	25,71,540	39,778
TOTAL	25,74,812	42,786

RELIANCE WEALTH MANAGEMENT LIMITED

NOTES FORMING PART OF THE BALANCE SHEET

NOTE 8
Fixed Assets (at cost)

Fixed Assets (at cost)										Amount in ₹	
Description of Assets	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK			
	As at April 1, 2016	Additions during the Year	Deletions during the Year	As at March 31, 2017	Up to April 1, 2016	For the year	Deletions during the Year	Up to March 31, 2017	As at March 31, 2017	As at March 31, 2016	
Tangible Assets											
Office Equipments	18,59,790	4,01,787	1,77,729	20,83,848	12,17,549	2,53,592	1,53,901	13,17,239	7,66,609	6,42,241	
Furniture and Fixture	13,55,104	1,77,750	3,54,938	11,77,916	6,13,492	1,09,719	3,54,938	3,68,273	8,09,643	7,41,612	
Data processing equipments	12,89,901	15,75,066	3,42,990	25,21,977	6,29,417	5,99,824	3,42,988	8,86,252	16,35,725	6,60,484	
Lease Hold Improvement	98,07,239	88,54,878	42,336	1,86,19,781	23,18,885	32,89,864	42,336	55,86,413	1,30,53,368	74,88,354	
Total Tangible assets	1,43,12,034	1,10,09,481	9,17,993	2,44,03,522	47,79,343	47,52,999	8,94,103	81,38,177	1,62,65,345	95,32,691	
Intangible Assets (Other than internally generated)											
Software	132,27,641	-	-	1,32,27,641	53,54,334	21,00,187	-	74,54,521	57,73,120	78,73,307	
Total Intangible assets	1,32,27,641	-	-	1,32,27,641	53,54,334	21,00,187	-	74,54,521	57,73,120	78,73,307	
Total	2,75,39,675	1,10,09,481	9,17,993	3,76,31,163	1,01,33,677	6,83,186	8,94,103	1,55,92,698	2,20,38,465	1,74,05,998	

Description of Assets	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK	
	As at April 1, 2015	Additions during the Year	Deletions during the Year	As at March 31, 2016	Up to April 1, 2015	For the year	Up to March 31, 2016	As at March 31, 2016 As at March 31, 2015
Tangible Assets								
Office Equipments	17,44,027	1,15,763	-	18,59,790	6,47,114	5,70,435	12,17,549	10,96,914
Furniture and Fixture	10,57,825	2,97,279	-	13,55,104	1,17,879	4,95,613	6,13,492	9,39,946
Data processing equipments	10,04,461	2,85,440	-	12,89,901	2,44,997	3,84,420	6,29,417	7,59,464
Lease Hold Improvement	33,97,050	64,10,189	-	98,07,239	1,86,810	21,32,075	23,18,885	32,10,240
Total Tangible assets	72,03,363	71,08,671	-	143,12,034	11,96,800	35,82,543	47,79,343	60,06,564
Intangible Assets (Other than internally generated)								
Software	105,63,185	26,64,456	-	132,27,641	32,48,976	21,05,358	53,54,334	73,14,209
Total Intangible assets	105,63,185	26,64,456	-	132,27,641	32,48,976	21,05,358	53,54,334	73,14,209
Total	177,66,548	97,73,127	-	275,39,675	44,45,776	56,87,901	101,33,677	133,20,773

RELIANCE WEALTH MANAGEMENT LIMITED

NOTES FORMING PART OF THE BALANCE SHEET

	March 31, 2017 Amount in ₹	March 31, 2016 Amount in ₹
NOTE 9		
LONG TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
Security deposit to vendors	116,15,000	116,15,000
Advance payment of tax and tax deducted at source (Net of provision for tax ₹ 47,48,962, Previous year: Nil)	21,56,116	90,01,655
TOTAL	137,71,116	206,16,655
NOTE 10		
TRADE RECEIVABLES		
(Unsecured and considered good)		
Outstanding for :		
- more than six months	6,40,253	-
- less than six months	1225,15,635	566,74,725
TOTAL	1231,55,888	566,74,725
NOTE 11		
CASH AND BANK BALANCE		
Cash and cash equivalents		
Balance with banks		
- In current accounts	93,15,654	4,28,972
TOTAL	93,15,654	4,28,972
NOTE 12		
SHORT TERM LOANS AND ADVANCES		
(Unsecured and considered good unless otherwise stated)		
Advance to vendors	27,46,543	6,88,589
Advance to employees	18,582	1,71,604
Prepaid expenditure	7,37,995	24,63,264
MAT Credit entitlement	100,70,452	-
TOTAL	135,73,571	33,23,457

RELIANCE WEALTH MANAGEMENT LIMITED

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS

	April 1, 2016 to March 31, 2017 Amount in ₹	April 1, 2015 to March 31, 2016 Amount in ₹
NOTE 13		
REVENUE FROM OPERATIONS		
Income from Portfolio Services - Gross	1160,82,688	1109,53,406
Less: Service Tax recovered	(150,92,298)	(132,73,345)
Distribution and related income - Gross	2787,32,701	1602,50,641
Less: Service Tax recovered	(354,76,824)	(198,39,052)
Other Operating Income - Advisory Fees	37,94,773	61,07,501
TOTAL	3480,41,040	2441,99,151
NOTE 14		
OTHER INCOME		
Profit on sale of investments	-	10,58,028
Interest on Income tax refund	3,84,435	5,64,705
Profit on sale of fixed assets	63,171	-
Miscellaneous Income	3,56,016	3,25,098
TOTAL	8,03,622	19,47,831
NOTE 15		
OPERATING EXPENSES		
Referral Fees	549,02,982	380,28,452
TOTAL	549,02,982	380,28,452
NOTE 16		
EMPLOYEE BENEFIT EXPENSES		
Salary, bonus and allowances	1818,81,135	1808,18,223
Contribution to provident fund and other funds (Refer note 30)	72,95,300	57,16,470
Staff welfare Expenses	1,92,181	2,66,862
Manpower Deputation expenses	1,43,149	2,69,526
TOTAL	1895,11,765	1870,71,081
NOTE 17		
FINANCE COST		
Interest on Inter corporate deposits	57,87,458	12,01,134
	57,87,458	12,01,134
NOTE 18		
ADMINISTRATIVE AND OTHER EXPENSES		
Rent Rates and Taxes	203,12,862	112,24,947
Electricity Expenses	28,85,342	10,87,314
Stamp duty and share issue expense	-	1,62,500
ROC filing fees	1,09,641	1,16,178
Membership Fees	2,06,750	11,250
Advertising & Marketing	43,82,420	22,50,553
Business Promotion	18,42,117	12,44,431
Recruitment charges	8,99,444	15,01,500
Postage and courier	10,07,722	4,63,384
Bank charges	3,34,895	2,54,263
Communication expenses	7,35,554	5,63,803
Travelling, conveyance and motor car expenses	45,59,024	38,33,696
Printing and stationery	10,40,538	6,71,164
Professional charges	64,66,633	49,07,662
Foreign exchange Loss	1,05,671	9,904
Director Sitting Fee	5,22,600	4,20,700
Bad debts written-off	47,152	-
Auditors' remuneration		
- Audit fees	3,00,000	1,50,750
- Other services fees	59,287	-
Repairs and maintenance	12,43,270	50,269
Software and networking expenses	52,71,168	55,82,190
Other administration expenses	109,77,324	84,50,712
TOTAL	633,09,414	429,57,170

RELIANCE WEALTH MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(Currency: Indian Rupees)

19 Contingent liabilities

	March 31, 2017	March 31, 2016
Capital Commitment	21,83,272	25,500

20 Segment Information for the year ended March 31, 2017

Disclosure in respect of segment reporting pursuant to AS-17 on "Segment Reporting"

The reportable segments are as under:

- (i) Portfolio management activity : This includes managing the portfolio of clients
- (ii) Distribution & Related activity : This includes distribution of various financial and non financial products to clients
- (iii) Other Services: It includes other financial and allied services

Particulars		Portfolio Management Fee	Distribution & Related Income	Other Services	Total
Segment Revenue					
Income from operations	Current Year	1047,85,163	2432,55,877	8,03,622	3488,44,662
	Previous year	1037,87,562	1404,11,589	19,47,831	2461,46,982
Segment Result					
Profit before tax	Current Year	84,83,055	196,93,179	8,03,622	289,79,857
	Previous year	(130,67,668)	(176,78,920)	19,47,831	(287,98,756)
Income Tax					
	Current Year	-	-	-	-
	Previous year	-	-	27,523	27,523
Net Segment Result					
Profit after tax	Current Year	84,83,055	196,93,179	8,03,622	289,79,857
	Previous year	(130,67,668)	(176,78,920)	19,20,308	(288,26,279)
Other Information					
Segment Assets	Current Year	350,68,541	1467,86,154	-	1818,54,694
	Previous year	246,47,323	738,02,483	-	984,49,807
Segment Liability	Current Year	365,31,010	848,05,736	-	1213,36,746
	Previous year	284,38,280	384,73,436	-	669,11,716
Depreciation / Amortisation	Current Year	19,12,762	44,40,424	-	63,53,186
	Previous year	24,17,426	32,70,475	-	56,87,901
Non Cash charges	Current Year	-	-	-	-
	Previous year	-	-	-	-

Note

The business segments have been identified considering the nature of services, the differing risks and returns, the organization structure and the internal financial reporting system. There are no geographical segments as there the company operates in domestic market.

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted by the Company. Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable in that segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated expenses / Income".

Assets and liabilities in relation to segments are categorized based on items that are individually identifiable in that segment. Certain assets and liabilities, Assets and liabilities, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated assets / Liabilities".

- 21 The Company did not have any outstanding dues to any micro, small or medium enterprises as defined under Micro, Small and Medium Enterprise Development Act, 2006 at any point during the period that were outstanding for a period of more than 45 days from the date of acceptance.

RELIANCE WEALTH MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(Currency: Indian Rupees)

22 DEFERRED TAX (ASSET)/LIABILITIES

	March 31, 2017	March 31, 2016
A. Deferred Tax Assets		
Brought forward losses	403,13,276	411,52,307
Provision for Leave Encashment & Gratuity	9,25,578	70,121
	412,38,854	412,22,428
B. Deferred Tax Liabilities		
Depreciation	4,93,801	8,87,876
	4,93,801	8,87,876
NET DEFERRED TAX (ASSET) / LIABILITIES* (A-B)	(407,45,053)	(403,34,552)

*Note: The company has deferred tax assets in the form of brought forward losses and disallowance under income tax. The company has recognised deferred tax assets only to the extent of deferred tax liability. On conservative basis, such excess deferred tax asset has not been recognised.

23 Foreign currency transaction:

Particulars	March 31, 2017	March 31, 2016
A. Income in foreign currency: (On receipt basis)		
Advisory services	36,05,513	61,07,501
Total	36,05,513	61,07,501
B. Expenditure in foreign currency: (On payment basis)		
Foreign Travelling Expense	13,36,302	10,02,186
Other Administrative Expense	58,90,277	66,05,801
Total	72,26,579	76,07,987

Note: Foreign currency exposures that are not hedged by derivative instruments as on 31st March 2017 amount to ₹ 7,78,063 (previous year ₹ 596,996)

24 On account of inadequate profits in last 3 years, the Company is not required to pay any amount towards corporate social responsibility as defined under section 135 of Companies Act 2013.

25 Operating lease

Office premises assets are obtained on operating lease and are renewable/cancellable at mutual consent after 24 months. There are no restriction imposed by the lease agreements.

	March 31, 2017	March 31, 2016
Rental payments of assets	189,82,586	105,30,000

26 Earnings per share

Particulars	March 31, 2017	March 31, 2016
Net profit/(loss) after tax as per statement of profit and loss	289,79,857	(288,26,279)
Weighted average number of equity shares outstanding during the year	175,00,000	168,33,333
Nominal value per equity share	10	10
Basic and diluted earnings per share	1.66	(1.71)

27 The details of Specified Bank Notes (SBN) transacted during the period 8th November 2016 to 30th December 2016

	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08th November 2016	87,000	-	87,000
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	(87,000)	-	(87,000)
Closing cash in hand as on 30th December 2016	-	-	-

*SBN mean specified bank notes

RELIANCE WEALTH MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(Currency: Indian Rupees)

28 Related party transactions

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

A List of Related Parties and their relationship

(i) Holding Company

Reliance Capital Ltd

(ii) Subsidiaries

Nil

(iii) Fellow subsidiaries

1. Reliance Securities Ltd
2. Reliance Financial Ltd
3. Reliance General Insurance Company Ltd
4. Reliance AIF Management Company Ltd
5. Reliance Nippon Life Insurance Company Ltd (w.e.f 30th Mar 2016)

6. Reliance Commodities Ltd*
7. Reliance Money Precious Metals Pvt. Ltd*
8. Reliance Money Solutions Pvt Ltd*
9. Reliance Securities Ltd (erstwhile Reliance Money Express Ltd)**
10. Reliance Nippon Life Asset Management Ltd (formerly Reliance Capital Asset Management Ltd)

(iv) Key management personnel

- Mr. B. Gop Kumar (w.e.f. 03 July 2015)*
 Mr. Paresh Maheshwari*
 Ms. Meenaa Sharma* (w.e.f. 31st July 2015)
 Mr. Niren Vora*
 Mr. Viral Sarvalya* (w.e.f. 1st August, 2015)

- Director
 Chief Financial Officer
 Manager
 Manager
 Company Secretary

* No transactions during the year

B Transactions with related parties during the year:

Nature of Transaction	Holding company		Fellow Subsidiaries	
	31st March 2017	31st March 2016	31st March 2017	31st March 2016
Unsecured loan				
<u>Reliance Capital Ltd</u>				
Opening balance	-	-	-	-
Taken during the year	-	300,00,000	-	-
Repaid during the year	-	300,00,000	-	-
Closing balance	-	-	-	-
<u>Reliance Financial Ltd</u>				
Opening balance	-	-	(230,00,000)	(142,00,000)
Taken during the year	-	-	(1868,00,000)	(580,00,000)
Repaid during the year	-	-	1760,00,000	492,00,000
Closing balance	-	-	(338,00,000)	(230,00,000)
Receipts/Income				
<u>Reliance Nippon Life Asset Management Ltd (formerly Reliance Capital Asset Management Ltd)</u>				
Distribution Income	-	-	124,00,203	94,26,526
<u>Reliance AIF Management Company Ltd</u>				
Distribution Income	-	-	277,35,000	122,72,500
<u>Reliance Financial Ltd</u>				
Distribution Income	-	-	57,74,559	-
<u>Reliance Securities Ltd</u>				
Distribution Income	-	-	-	31,77,226

RELIANCE WEALTH MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(Currency: Indian Rupees)

Nature of Transaction	Holding company		Fellow Subsidiaries	
	31st March 2017	31st March 2016	31st March 2017	31st March 2016
Payments/expenditures				
<u>Reliance Capital Ltd</u>				
Interest on ICD	-	8,77,808	-	-
<u>Reliance Securities Ltd</u>				
Referral fees for PMS	-	-	4,10,478	6,86,722
<u>Reliance General Insurance Company Ltd</u>				
Staff Mediclaim Insurance	-	-	9,47,858	7,61,300
<u>Reliance Nippon Life Insurance Company Ltd</u>				
Staff life insurance	-	-	6,72,426	-
<u>Reliance Securities Ltd (Erstwhile Reliance Money Express Ltd)**</u>				
Purchase of foreign currency	-	-	-	1,16,244
<u>Reliance Financial Ltd</u>				
Interest on ICD	-	-	57,87,458	3,23,327
Receivable / (Payable)				
Reliance General Insurance Company Ltd	-	-	10,23,566	4,65,756
Reliance Nippon Life Insurance Company Ltd	-	-	1,05,587	1,35,623
Reliance AIF Management Company Ltd	-	-	73,14,000	23,70,150
Reliance Securities Ltd	-	-	(9,53,368)	-

** These transactions pertain to Reliance Money Express Ltd, which has been merged with Reliance Securities Ltd as per the amalgamation scheme approved by Hon'ble Bombay High court vide its order dated December 09, 2016 and effective from Feb 7, 2017.

RELIANCE WEALTH MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(Currency: Indian Rupees)

29 Components of cash and cash equivalents	March 31, 2017	March 31, 2016
In current accounts	93,15,654	4,28,972
Total	93,15,654	4,28,972

30 Employee Benefits

As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below:

A. Defined Contribution Plans:

	March 31, 2017	March 31, 2016
Employer's Contribution to Provident Fund (includes administration charges)	72,95,300	57,16,470

B. Defined Benefit Plans:

Gratuity and Leave Encashment

The employees' gratuity fund scheme managed by a Trust (Reliance Wealth Management Limited Employees Gratuity Assurance Scheme) is a defined benefit plan. The present value of obligation 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 for leave encashment is recognised in the same manner as gratuity.

C. Employee Benefit Obligation (Gratuity and Leave Encashment)

I. Reconciliation of opening and closing balances of Defined Benefit Obligation :	Gratuity Benefits (Funded)		Leave Encashment Benefits (Un-Funded)	
	FY 16-17	FY 15-16	FY 16-17	FY 15-16
Liability at the beginning of the year	40,30,934	23,78,935	1,87,152	1,70,187
Add: Interest Cost	3,16,831	1,87,936	14,710	13,445
Add: Current Service Cost	11,39,818	8,15,344	70,015	63,323
Add: Liability transferred in	28,849	-	-	-
Less: Benefit Paid	-	-	-	-
Actuarial (gain)/loss on obligations	14,67,649	6,48,719	(56,370)	(59,803)
Liability at the end of the year	69,84,081	40,30,934	2,15,507	1,87,152

II. Reconciliation of opening and closing balances of fair value of Plan Assets :	FY 16-17	FY 15-16	FY 16-17	FY 15-16
Fair Value of Plan Assets at the beginning of the year	39,91,156	28,09,901	-	-
Add: Expected Return on Plan Assets	3,13,705	2,21,982	-	-
Add: Contributions	-	9,82,089	-	-
Less: Benefit Paid	-	-	-	-
Actuarial gain/(loss) on Plan Assets	1,07,680	(22,816)	-	-
Fair Value of Plan Assets at the end of the year	44,12,541	39,91,156	-	-

III. Reconciliation of fair value of assets and obligations :	FY 16-17	FY 15-16	FY 16-17	FY 15-16
Liability at the end of the year	69,84,081	40,30,934	2,15,507	1,87,152
Fair value of plan assets at the end of the year	44,12,541	39,91,156	-	-
Asset / (Liability) Recognised in the Balance Sheet*	(25,71,540)	(39,778)	(2,15,507)	(1,87,152)

*Included under ' Long term / short term provisions ' (Refer Notes 4 & 7)

IV. Expenses recognised during the year :	FY 16-17	FY 15-16	FY 16-17	FY 15-16
Current Service Cost	11,39,818	8,15,344	70,015	13,463
Interest Cost	3,126	1,87,936	14,710	3,382
Expected Return on Plan Assets	-	(2,21,982)	-	-
Net Actuarial (Gain)/Loss To Be Recognised	13,59,969	6,71,535	(56,370)	1,17,324
Expense Recognised in Profit and Loss Account	25,02,913	14,52,833	28,355	1,34,169

RELIANCE WEALTH MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(Currency: Indian Rupees)

V. Investment details :

Total value of investments for employees gratuity fund scheme is managed by insurance company

VI. Assumptions :	FY 16-17	FY 15-16	FY 16-17	FY 15-16
Discount Rate (per annum)	7.39%	7.86%	7.39%	7.86%
Rate of Return on Plan Assets	7.39%	7.86%	-	-
Salary Escalation	6.00%	6.00%	6.00%	6.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

VII. Particular of the amount for the current year and previous years	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13
Defined Benefit Obligation At The End of the Year	69,84,081	40,30,934	23,78,935	9,24,784	10,31,060
Fair Value Plan Asset At The End of the Year	44,12,541	39,91,156	28,09,901	24,20,570	24,08,063
Excess of Obligation Over Plan Asset	25,71,540	39,778	(4,30,966)	(14,95,786)	(13,77,003)
Experience Adjustment on Plan Liability (Gain)/Loss	14,67,649	6,48,719	9,32,307	(6,55,767)	(13,46,952)
Actuarial Gain /(Loss) due to Plan Asset	1,07,680	(22,816)	1,62,039	(1,05,609)	46,608

31 Previous year figures

Figures of previous year are regrouped and reclassified wherever necessary to correspond to figures of the current year.

The accompanying notes forms an integral part of the financial statements

As per our report of even date

For Pathak H D and Associates
Chartered Accountants
Firm registration No. 107783W

For and on behalf of the Board of Directors

Hukesh Mehta
Partner
Membership No.: 43495

Amit Bapna
Director
DIN : 00008443

B. Gopal Kumar
Director
DIN : 07223999

Place : Mumbai
Date : April 19, 2017

Pareek Maheshwari
Chief Financial Officer

Viral Sarvalya
Company Secretary
Membersip No. A33764