

**Financial Statement**

**2020-21**

**Reliance Capital Pension Fund Limited**

## **Independent Auditors' Report**

To The Members of **Reliance Capital Pension Fund Limited**

### **Report on the Financial Statements**

#### **Opinion**

We have audited the financial statements of **Reliance Capital Pension Fund Limited** ("the Company"), which comprise the balance sheet as at March 31, 2021, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and its profits, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matter**

We draw your attention to Note No 29 of the financial statement wherein the books of accounts has not been prepared as a going concern. As at March 31, 2021 for the reasons stated in the said note, the assets and liabilities are recorded at their realizable value. Our opinion is not modified in respect of this matter.

#### **Other matter**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise

appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Responsibility of Management and Those Charged with governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

That Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity 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 relevant rules of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”;
  - g. With respect to the other matters to be included in the Auditors Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to any of its directors during the year. Hence, the requirement of the Company for compliance under this section is not applicable.

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

**For Pathak H. D. & Associates LLP**  
**Chartered Accountants**  
Firm's Registration No. 107783W/W100593

**Vishal D. Shah**  
Partner  
Membership No. 119303

**Place: Mumbai**  
**Date: April 26, 2021**  
**UDIN: 21119303AAAAII9863**

**Annexure A to Auditors' Report**

**Referred to in our Auditors' Report of even date to the members of Reliance Capital Pension Fund Limited on the financial statements for the year ended March 31, 2021**

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- (i) According to the information and explanations given to us, the Company does not have any fixed assets; hence clause (i) of Paragraph 3 of the Order is not applicable to the Company.
- (ii) According to the information and explanations given to us, the Company is a service Company, primarily engaged in activities of pension fund management. Accordingly, it does not hold any physical inventories. Thus, paragraph 3 (ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loan secured/unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act"). Accordingly, provisions of clauses (iii)(a), (iii)(b) and (iii)(c) of paragraph 3 of the Order are not applicable.
- (iv) According to the information and explanations given to us, during the year under audit, neither the Company has given any loan or provided any guarantee or security to its director or any other person, in whom director is interested nor the Company has given any loan or guarantee and provided any security and acquired any security of body corporate. Accordingly, provisions of clauses 3 (iv) of the Order are not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public and hence directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and any other relevant provisions of the Act and the rules framed there under are not applicable. During the year under audit, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for whether the same has been complied with or not.
- (vi) According to the information and explanations given to us, the Central Government has not specified for maintenance of cost records under sub section (1) of Section 148 of the Act in respect of activities carried on by the Company. Hence the provisions of clause 3 (vi) of the Order is not applicable to the Company.
- (vii)
  - (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, goods and service tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues as applicable, with the appropriate authorities. There are no undisputed amounts payable in respect to such applicable statutory dues outstanding as at March 31, 2021 for a period of six months from the date they became payable.
  - (c) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, customs duty, excise duty and value added tax as at March 31, 2021 which have not been deposited on account of a dispute.

- (viii) During the year the Company has not availed loan from any financial institution or bank or debenture holders hence the reporting requirements under paragraph 3(viii) of the order is not applicable.
- (ix) During the year the Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans hence the reporting requirements under paragraph 3(ix) of the Order is not applicable.
- (x) 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 course of our audit.
- (xi) The Company has not paid managerial remuneration during the year and hence, the reporting requirement under paragraph 3(xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) 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 LLP**

**Chartered Accountants**

Firm's Registration No. 107783W/W100593

**Vishal D. Shah**

Partner

Membership No. 119303

**Place: Mumbai**

**Date: April 26, 2021**

**UDIN: 21119303AAAAII9863**



## **Annexure – B to Auditors' report**

**[Annexure to the Independent Auditor's Report referred to in paragraph "2(f)" under the heading "Report on other legal and regulatory requirements" of our report of even date on the financial statements of Reliance Capital Pension Fund Limited for year ended March 31, 2021.]**

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

We have audited the internal financial controls with reference to financial statements of **Reliance Capital Pension Fund Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

### **Meaning of Internal Financial Controls with reference to financial statements**

A Company's internal financial control with reference to financial statements 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 with reference to financial statements 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Pathak H. D. & Associates LLP**

**Chartered Accountants**

Firm's Registration No. 107783W/W100593

**Vishal D. Shah**

Partner

Membership No. 119303

**UDIN: 21119303AAAII9863**

**Place: Mumbai**

**Date: April 26, 2021**

**Reliance Capital Pension Fund Limited**  
**Balance sheet as at March 31, 2021**

Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	2	395,668	409,395
Bank balance other than cash and cash equivalents	3	1,499,259	1,499,259
Investments	4	293,124,829	271,706,839
Other financial assets	5	278,825	185,054
<b>Non-financial assets</b>			
Other non-financial assets	6	-	79,906
Income Tax Asset	7	-	37,443
<b>Total assets</b>		<b>295,298,581</b>	<b>273,917,896</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Other financial liabilities	8	795,891	2,213,895
<b>Non-financial Liabilities</b>			
Income tax liabilities (Net)	9	266	-
Provisions	10	488,110	954,919
Deferred tax liabilities (Net)	11	7,033,383	2,791,793
Other non-financial liabilities	12	51,668	382,505
<b>EQUITY</b>			
Equity share capital	13	250,000,000	250,000,000
Other equity	14	36,929,263	17,574,785
<b>Total equity</b>		<b>286,929,263</b>	<b>267,574,785</b>
<b>Total liabilities and equity</b>		<b>295,298,581</b>	<b>273,917,896</b>

The accompanying notes are integral part of these financial statements (1 to 33)  
As per our attached Report of even date

**For Pathak H.D. & Associates LLP**  
Chartered Accountants  
Firm Registration No.: 107783W/W100593

For and on behalf of the Board of Directors of  
**Reliance Capital Pension Fund Limited**

**Sundeep Sikka**  
Director  
DIN: 0002553654

**Chhaya Virani**  
Director  
DIN: 0006953556

**Vishal D. Shah**  
Partner  
Membership Number : 119303

**Dinesh Kotian**  
Chief Financial Officer

**Hemali Mehta**  
Company Secretary

**Place: Mumbai**  
**Date : April 26, 2021**

**Place: Mumbai**  
**Date : April 26, 2021**

**Reliance Capital Pension Fund Limited**  
**Profit and loss for the year ended March 31, 2021**

Particulars	Note	Year ended March 31, 2021	Period ended March 31, 2020
<b>Revenue from operations</b>			
Fees Income	15	-	1 05 244
<b>Total revenue from operations</b>		-	<b>1 05 244</b>
Other income	16	2 92 80 155	8 59 158
<b>Total income</b>		<b>2 92 80 155</b>	<b>9 64 402</b>
<b>Expenses</b>			
Employee benefits expenses	17	37 27 460	92 61 037
Others expenses	18	17 85 295	48 87 050
<b>Total expenses</b>		<b>55 12 755</b>	<b>1 41 48 087</b>
<b>Profit/(loss) before tax</b>		<b>2 37 67 400</b>	<b>(1 31 83 685)</b>
- Current tax		7 563	-
- Tax Provision for earlier years	22	5 661	-
- Deferred tax		42 81 383	( 26 33 454)
<b>Total tax expense</b>		<b>42 94 607</b>	<b>( 26 33 454)</b>
<b>Profit/(loss) for the year</b>		<b>1 94 72 793</b>	<b>(1 05 50 231)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		( 1 58 108)	2 43 980
- Deferred tax relating to these items		39 793	( 63 435)
<b>Other comprehensive income for the year</b>		<b>( 1 18 315)</b>	<b>1 80 545</b>
<b>Total comprehensive income for the year</b>		<b>1 93 54 478</b>	<b>(1 03 69 686)</b>
<b>Earnings per equity share</b>	26		
- Basic (Rs.)		0.78	(0.42)
- Diluted (Rs.)		0.78	(0.42)

The accompanying notes are integral part of these financial statements (1 to 33)  
As per our attached Report of even date

**For Pathak H.D. & Associates LLP**  
Chartered Accountants  
Firm Registration No.: 107783W/W100593

For and on behalf of the Board of Directors of  
**Reliance Capital Pension Fund Limited**

**Sundeep Sikka**  
Director  
DIN: 0002553654

**Chhaya Virani**  
Director  
DIN: 0006953556

**Vishal D. Shah**  
Partner  
Membership Number : 119303

**Dinesh Kotian**  
Chief Financial Officer

**Hemali Mehta**  
Company Secretary

**Place: Mumbai**  
**Date : April 26, 2021**

**Place: Mumbai**  
**Date : April 26, 2021**

**Reliance Capital Pension Fund Limited**  
**Statement of changes in Equity for the Year ended March 31, 2021**

**A) Equity Share Capital**

Particulars	Amount
As at 31 March 2020	250,000,000
Changes in equity share capital	-
<b>Balance as at March 31, 2021</b>	<b>250,000,000</b>

**B) Other equity**

Particulars	Reserves & Surplus	Other Comprehensive Income	Total
	Retained Earnings	FVOCI - Remeasurement of net defined benefit plan	
<b>Balance as at March 31, 2019</b>	28,105,223	(160,752)	27,944,471
Surplus / (Deficit) of Statement of Profit and Loss	(10,550,231)	180,545	(10,369,686)
Other comprehensive income			
<b>Total comprehensive income for the year</b>	<b>(10,550,231)</b>	<b>180,545</b>	<b>(10,369,686)</b>
<b>Balance as at 31 March 2020</b>	<b>17,554,992</b>	<b>19,793</b>	<b>17,574,785</b>
Surplus / (Deficit) of Statement of Profit and Loss	19,472,793	(118,315)	19,354,478
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>19,472,793</b>	<b>(118,315)</b>	<b>19,354,478</b>
<b>Balance as at March 31, 2021</b>	<b>37,027,783</b>	<b>(98,522)</b>	<b>36,929,263</b>

The above statement of change in equity should be read in conjunction with accompanying notes(1 to 33).

As per our attached report of even date

**For Pathak H.D. & Associates LLP**  
Chartered Accountants  
Firm Registration No.: 107783W/W100593

For and on behalf of the Board of Directors of  
**Reliance Capital Pension Fund Limited**

**Vishal D. Shah**  
Partner  
Membership Number : 119303

**Sundeep Sikka**  
Director  
DIN: 0002553654

**Chhaya Virani**  
Director  
DIN: 0006953556

**Dinesh Kotian**  
Chief Financial Officer

**Hemali Mehta**  
Company Secretary

**Place: Mumbai**  
**Date : April 26, 2021**

**Place: Mumbai**  
**Date : April 26, 2021**

**Reliance Capital Pension Fund Limited**  
**Statement of cash flow for the year ended March 31, 2021**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Profit/(Loss) before tax:</b>	2 37 67 400	(1 31 83 685)
Adjustments :		
Net (gain) / loss on sale of mutual funds / bonds	( 57 33 319)	( 5 70 601)
Net (gain) / loss on financial asset measured at FVTPL	(2 32 10 424)	( 1 91 384)
Excess Provision for Leave Encashment written back	( 3 08 701)	( 10 41 648)
Remeasurement of employee benefits	-	6 94 578
Interest income	( 98 590)	( 95 655)
<b>Operating profit before working capital changes</b>	<b>( 55 83 634)</b>	<b>(1 43 88 394)</b>
<b>Adjustments for (increase)/ decrease in operating assets:</b>		
Trade receivables	-	78 912
Other financial & Non Financial Assets	83 430	54 35 972
<b>Adjustments for increase/ (decrease) in operating liabilities</b>		
Other financial & Non Financial liabilities	( 20 64 793)	( 56 52 675)
Cash generated from operations	( 75 64 997)	(1 45 26 185)
Less : Income taxes paid (net of refunds)	25 515	( 2 52 305)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>( 75 39 482)</b>	<b>(1 47 78 490)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Investment in Fixed Deposit	-	( 4 99 259)
Purchase of investment measured at FVTPL	(5 20 00 000)	( 37 00 000)
Redemption / Investment in Fixed Deposit	5 95 25 755	1 88 50 000
<b>Net cash inflow / (outflow) from investing activities</b>	<b>7,525,755</b>	<b>14,650,742</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
<b>Net cash inflow / (outflow) from financing activities</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES</b>	<b>( 13 727)</b>	<b>( 1 27 750)</b>
Add : Cash and cash equivalents at beginning of the year	409,395	537,145
<b>Cash and cash equivalents at end of the year</b>	<b>395,668</b>	<b>409,395</b>

The above statement of cash flow should be read in conjunction with accompanying notes(1 to 33).

As per our attached Report of even date

**For Pathak H.D. & Associates LLP**  
Chartered Accountants  
Firm Registration No.: 107783W/W100593

For and on behalf of the Board of Directors of  
**Reliance Capital Pension Fund Limited**

**Sundeep Sikka**  
Director

**Chhaya Virani**  
Director

**Vishal D. Shah**  
Partner  
Membership Number : 119303

**Dinesh Kotian**  
Chief Financial Officer

**Hemali Mehta**  
Company Secretary

**Place: Mumbai**  
**Date : April 26, 2021**

**Place: Mumbai**  
**Date : April 26, 2021**

**Reliance Capital Pension Fund Limited**  
**Notes to financial statement as at and for the year ended March 31, 2021**

**Corporate Information**

Reliance Capital Pension Fund Limited ("the Company") was incorporated on March 31, 2009 with the Registrar of Companies (RoC), Maharashtra, Mumbai. Subsequently on April 30, 2009 the Company was registered as a "Pension Fund Manager" with the Pension Fund Regulatory and Development Authority (PFRDA) to act as a pension fund manager to manage the pension assets under the New Pension System (NPS).

During FY 2019-20 the Company has undertaken voluntary withdrawal of the certificate of registration granted by the Pension Fund Regulatory and Development Authority (PFRDA) vide dated June 04, 2019. The PFRDA vide letter dated July 31, 2019 and November 15, 2019 approved the deregistration.

**Note 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES**

**Note 1.01 Basis of preparation**

- (i) The financial statements have been prepared on a historical cost basis, except for the assets and liabilities that require measurement at fair value in accordance with Ind AS.
- (ii) These financial statements are presented in Indian Rupees which is functional currency of the Company. All amounts are rounded off to the nearest rupee, unless stated otherwise.

**Note 1.02 Use of Estimates**

The preparation and presentation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the Financial Statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates is recognised in the period in which the results are known/ materialised. Estimates and underlying assets are reviewed on periodical basis. Revisions to accounting estimates are recognised prospectively.

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. The management also needs to exercise judgement in applying the accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

**Critical Estimates and Judgements**

- (i) Estimation of current tax expense and payable  
Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.
- (ii) The Company's deferred tax asset mainly comprises on account of brought forward losses and unabsorbed depreciation, hence, the net deferred tax asset has not been recognised in the financial statements in the absence of the reasonable certainty that taxable income will be generated in near future to offset the losses.

**Note 1.03 Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, bank overdraft, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Reliance Capital Pension Fund Limited**  
**Notes to financial statement as at and for the year ended March 31, 2021**

**Note 1.04 Financial Instruments**

**A. Financial Assets**

**i) Classification**

The company classifies its financial assets in the following measurement categories:

- 1) those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- 2) those measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of the

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

**ii) Measurement**

At initial recognition, the company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Statement of Profit or Loss are expensed in the Statement of Profit and Loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

**Debt instruments:**

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

**a) Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are

**b) Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses) Interest income from these financial assets is included in other income using the effective interest rate method.

**c) Fair value through statement of profit or loss:** Assets that do not meet the criteria for amortised cost are measured at fair value through Statement of Profit or Loss. Interest income from these financial assets is included in other income.

**iii) Impairment of financial assets**

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**iv) Derecognition of Financial Assets**

A financial asset is derecognized only when:

- 1) The company has transferred the rights to receive cash flows from the financial asset; or
- 2) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**B. Financial Liabilities**

All financial liabilities are recognised initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

**Derecognition of Financial Liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

**Note 1.05 Borrowings**

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets upto the commencement of commercial operations. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognised as an expense in the year in which they are incurred.



**Reliance Capital Pension Fund Limited**  
**Notes to financial statement as at and for the year ended March 31, 2021**

**Note 1.06 Provisions and Contingent Liabilities**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

A contingent asset is disclosed, where an inflow of economic benefits is probable. An entity shall not recognize a contingent asset unless the recovery is virtually certain.

**Note 1.07 Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivables.

**i) Investment Management Fees**

Investment Management fees (net of GST) are recognised on an accrual basis in accordance with the Investment Management Agreement, on average Assets Under Management (AUM), confirmed by Schemes.

**ii) Interest income**

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

**iii) Profit or Loss on Sale of Investments**

Profit or loss earned from sale of investments is recognized on a trade date basis. Profit & Loss on sale of investment is determined on Mark to Market basis.

**Note 1.08 Income Taxes**

(i) The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

(ii) Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

(iii) Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(iv) Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

**Note 1.09 Earnings Per Share**

In determining Earnings per Share, the Company considers net profit after tax and includes post tax effect of any exceptional item. Number of shares used in computing basic earnings per share is the weighted average number of the shares, outstanding during the period. Dilutive earning per share is computed and disclosed after adjusting effect of all dilutive potential equity shares, if any except when result will be anti - dilutive. Dilutive potential equity Shares are deemed converted as at the beginning of the period, unless issued at a later date.

**Note 1.10 Leases**

The Company has adopted the new accounting standard Ind AS 116 "Leases" on April 1, 2019 as per Companies (Indian Accounting Standards) amendment Rules, 2019, notified by MCA on March 30, 2019. Ind AS 116 is a single lessee accounting model and sets out the principles for the recognition, measurement, presentation and disclosure of leases.

The Company's lease assets primarily consists of office premises which are of short term lease with the term of twelve months or less and low value leases. For these short term and low value leases, the Company has recognized the lease payments as an expense in the Statement of Profit and Loss on a straight line basis over the term of lease.

**Reliance Capital Pension Fund Limited****Notes to financial statement as at and for the year ended March 31, 2021****2 Cash and cash equivalents**

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Balances with banks:</b>		
In current accounts	395,668	409,395
<b>Total</b>	<b>395,668</b>	<b>409,395</b>

**3 Bank balance other than cash and cash equivalents above**

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Balances with banks:		
In Fixed deposits	1,499,259	1,499,259
<b>Total</b>	<b>1,499,259</b>	<b>1,499,259</b>

Reliance Capital Pension Fund Limited

Notes to financial statement as at and for the year ended March 31, 2021

4 Investments

Particulars	At amortised cost	At fair value through			Others	Total
		Profit and loss	Other comprehensive income	Subtotal		
<b>As at March 31, 2021</b>						
Mutual funds		293,124,829		293,124,829		293,124,829
<b>Total (A) - Gross</b>	-	<b>293,124,829</b>	-	<b>293,124,829</b>	-	293,124,829
(Less): Impairment loss allowance						-
<b>Total (A) - Net</b>	-	<b>293,124,829</b>	-	<b>293,124,829</b>	-	<b>293,124,829</b>
Investments outside India	-	-	-	-	-	-
Investments in India	-	293,124,829		293,124,829		293,124,829
<b>Total (B) - Gross</b>	-	<b>293,124,829</b>	-	<b>293,124,829</b>	-	<b>293,124,829</b>
(Less): Impairment loss allowance						-
<b>Total (B) - Net</b>	-	<b>293,124,829</b>	-	<b>293,124,829</b>	-	<b>293,124,829</b>
<b>As at March 31, 2020</b>						-
Mutual funds		271,706,839		271,706,839		271,706,839
<b>Total (A) - Gross</b>	-	<b>271,706,839</b>	-	<b>271,706,839</b>	-	<b>271,706,839</b>
(Less): Impairment loss allowance						-
<b>Total (A) - Net</b>	-	<b>271,706,839</b>	-	<b>271,706,839</b>	-	<b>271,706,839</b>
Investments outside India	-	-				-
Investments in India	-	271,706,839		271,706,839		271,706,839
<b>Total (B) - Gross</b>	-	<b>271,706,839</b>	-	<b>271,706,839</b>	-	<b>271,706,839</b>
(Less): Impairment loss allowance	-					-
<b>Total (B) - Net</b>	-	<b>271,706,839</b>	-	<b>271,706,839</b>	-	<b>271,706,839</b>

**Reliance Capital Pension Fund Limited**

Notes to financial statement as at and for the year ended March 31, 2021

**5 Other financial assets**

Particulars	As at March 31, 2021	As at March 31, 2020
Advances	126,136	128,597
Interest accrued on Fixed Deposit	105,481	15,484
Balance with revenue authority	47,208	40,973
<b>Total</b>	<b>278,825</b>	<b>185,054</b>

**6 Other non-financial asset**

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid Expenses	-	79,906
<b>Total</b>	<b>-</b>	<b>79,906</b>

**7 Income tax assets**

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax paid in advance	-	37,443
<b>Total</b>	<b>-</b>	<b>37,443</b>

Reliance Capital Pension Fund Limited

Notes to financial statement as at and for the year ended March 31, 2021

**8 Other financial liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for expenses	785,736	2,200,160
Other payables	10,155	13,735
<b>Total</b>	<b>795,891</b>	<b>2,213,895</b>

**9 Income tax liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for income tax	266	-
<b>Total</b>	<b>266</b>	<b>-</b>

**10 Provisions**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Provision for Employee benefits</b>		
Gratuity	439,628	848,177
Compensated Absence Cost	48,482	106,742
<b>Total</b>	<b>488,110</b>	<b>954,919</b>

**11 Deferred tax liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Deferred Tax Liability</b>		
Fair Valuation of Investments	7,156,231	2,791,793
<b>Deferred Tax Asset</b>		
Defined Benefit Obligation	122,848	-
<b>Total</b>	<b>7,033,383</b>	<b>2,791,793</b>

**12 Other non-financial liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory dues	51,668	382,505
<b>Total</b>	<b>51,668</b>	<b>382,505</b>

**Reliance Capital Pension Fund Limited**
**Notes to financial statement as at and for the year ended March 31, 2021**
**13 Equity share capital**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Rs.	Number	Rs.
<b>Authorised shares</b>				
Equity shares of Rs. 10 each	27,000,000	270,000,000	27,000,000	270,000,000
<b>Issued, subscribed &amp; fully paid-up shares</b>				
Equity shares of Rs. 10 each	25,000,000	250,000,000	25,000,000	250,000,000
<b>Total</b>	<b>25,000,000</b>	<b>250,000,000</b>	<b>25,000,000</b>	<b>250,000,000</b>

**a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year.**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Rs.	Number	Rs.
Outstanding at the beginning of the year	25,000,000	250,000,000	25,000,000	250,000,000
Shares issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>25,000,000</b>	<b>250,000,000</b>	<b>25,000,000</b>	<b>250,000,000</b>

**b) Terms and rights attached to equity shares**

Each holder of Equity shares 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.

**c) Shares of the Company held by the holding/ultimate holding company**

Equity shareholders	As at March 31, 2021		As at March 31, 2020	
	Number	% holding	Number	% holding
Nippon Life India Asset Management Limited (Formerly Reliance Nippon Life Asset Management Ltd)	12,249,994	49%	12,249,994	49%
Reliance Capital Limited	4,250,000	17%	4,250,000	17%
Reliance Corporate Advisory Services Limited	4,250,000	17%	4,250,000	17%
Nippon Life India Asset Management Limited - Jointly with its nominees (Formerly Reliance Nippon Life Asset Management Ltd)	6	0%	6	0%
<b>Total</b>	<b>25,000,000</b>	<b>100%</b>	<b>25,000,000</b>	<b>100%</b>

**d) Details of shareholders holding more than 5% of the shares in the Company**

Equity shareholders	As at March 31, 2021		As at March 31, 2020	
	Number	% holding	Number	% holding
Nippon Life India Asset Management Limited (Formerly Reliance Nippon Life Asset Management Ltd)	12,249,994	49%	12,249,994	49%
Reliance Capital Limited	4,250,000	17%	4,250,000	17%
Reliance Corporate Advisory Services Limited	4,250,000	17%	4,250,000	17%
Reliance Exchangenext Limited	4,250,000	17%	4,250,000	17%
<b>Total</b>	<b>24,999,994</b>		<b>24,999,994</b>	

**Reliance Capital Pension Fund Limited**

**Notes to financial statement as at and for the year ended March 31, 2021**

**14 Other Equity**

**- Reserves and Surplus**

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Surplus/(deficit) in the statement of profit and loss	37,047,578	17,394,240
Other comprehensive income	( 1 18 315)	1 80 545
<b>Total</b>	<b>36,929,263</b>	<b>17,574,785</b>

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Reserves and Surplus</b>		
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Opening balance	17,574,785	27,944,471
<b>Net profit for the period</b>	1 94 72 793	(1 05 50 231)
	37,047,578	17,394,240
<b>Other comprehensive income</b>		
Items of other comprehensive income recognised directly in retained earnings which will not be reclassified to statement of profit & Loss Account		
- Remeasurements of post-employment benefit obligation	( 1 58 108)	2 43 980
- Deferred Tax	39,793	( 63 435)
	<b>( 1 18 315)</b>	<b>1 80 545</b>
<b>Closing balance</b>	<b>36,929,263</b>	<b>17,574,785</b>

**Reliance Capital Pension Fund Limited**

**Notes to financial statement as at and for the year ended March 31, 2021**

**15 Fees Income**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Management Fees	-	105,244
<b>Total</b>	<b>-</b>	<b>105,244</b>

**16 Other income**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest on deposits with banks	97,294	92,935
Excess Provision Written back	236,000	-
<b>Net gain /(loss) on financial instruments at FVTPL</b>		
- Mutual Funds	23,210,424	1 91 384
Profit & Loss on sale of Investments	5,733,319	570,601
Miscellaneous Income	1,822	1,518
Interest on income tax refund	1,296	2,720
<b>Total</b>	<b>29,280,155</b>	<b>859,158</b>

**17 Employee benefits expenses**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages	3,446,301	7,777,477
Contribution to provident and other funds	236,159	1,333,530
Staff welfare expenses	45,000	150,030
<b>Total</b>	<b>3,727,460</b>	<b>9,261,037</b>

**18 Other expenses**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rental charges	1,156,379	1,350,435
Filing Fees	14,970	1,019,080
Director's fees allowances and expenses	330,400	271,400
Repairs and maintenance	-	101,037
Auditor's fees and expenses	118,000	118,000
Travel and conveyance	3,032	295,032
Software Repairs and maintenance	-	708,000
Seminars & Conferences	2,360	-
Legal & Professional Fees	135,722	924,310
Advances Written off	11,562	-
Miscellaneous expenses	12,870	99,756
<b>Total</b>	<b>1,785,295</b>	<b>4,887,050</b>

**a) Breakup of Auditors' remuneration**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Audit fees	118,000	118,000
<b>Total</b>	<b>118,000</b>	<b>118,000</b>



**Reliance Capital Pension Fund Limited****Notes forming part of financial statements as at and for the year ended March 31, 2021****Note 19: Financial Instruments**

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**The following methods and assumptions were used to estimate the fair values:**

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and others approximate their carrying amounts largely due to the short term maturities of these instruments

Financial Instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rate and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

**Fair value hierarchy: -**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices in active markets. Quotes would include rates/values/valuation reference published periodically by BSE, NSE etc., basis which trades take place in a linked or unlinked active market. This includes traded bonds and mutual funds, as the case may be that have quoted price/rate/value.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation which maximise the use of observable market data (either directly as prices or indirectly derived from prices) and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The carrying value of financial instruments by categories were as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Financial assets at amortised cost:</b>		
Cash and Cash Equivalents & Bank Balances	395,668	409,395
Bank Balance other than Cash and Cash Equivalent	1,499,259	1,499,259
Other Financial Asset	278,825	185,054
	<b>2,173,751</b>	<b>2,093,708</b>
<b>Financial assets at Fair Value Through P&amp;L:</b>		
Investment in Mutual Funds ( Level 1)	293,124,829	271,706,839
	<b>293,124,829</b>	<b>271,706,839</b>
<b>Total Financial Asset</b>	<b>295,298,580</b>	<b>273,800,547</b>
<b>Financial Liability at amortised cost:</b>		
Other Financial Liability	795,891	2,213,895

**Reliance Capital Pension Fund Limited**  
**Notes forming part of financial statements as at and for the year ended March 31, 2021**

**Note 20: Financial Risk Management**

The Company's business activities expose it to financial risks, namely liquidity risk, credit risks and Market risk. The Company's management identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The activities are designed to protect the Company's financial investments, while maximising returns.

**Credit risk management:**

The Company is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from cash and cash equivalents, carried at amortised cost or fair value through profit & loss, as well as credit exposures to trade/non-trade customers including outstanding receivables.

The Company manages credit risk from cash and cash equivalents by ensuring only high rated banks/financial institutions are accepted for banking relationship.

**Liquidity risk management:**

Liquidity risk is the risk that the Company will face difficulty in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due. For doing this, the Company maintained a cautious funding strategy, with a positive cash balance throughout the year.

**(i) Maturities of Financial Assets and Liabilities**

The Table below summarises the maturity profile of the Company's financial assets and liabilities based on contractual undiscounted payments.

Particulars	Amount in INR		
	Less than 1 year	more than 1 year	Total
<b>As at March 31, 2021</b>			
<b>Financial Assets</b>			
Cash and Cash Equivalents	395,668	-	395,668
Bank Balance other than Cash and Cash Equivalent	-	1,499,259	1,499,259
Investments	-	293,124,829	293,124,829
Other Financial Assets	278,825	-	278,825
<b>Total Financial Assets</b>	<b>674,493</b>	<b>294,624,087</b>	<b>295,298,580</b>
<b>Financial Liabilities</b>			
Other Financial Liabilities	795,891	-	795,891
<b>Total Financial Liabilities</b>	<b>795,891</b>	<b>-</b>	<b>795,891</b>
<b>As at March 31, 2020</b>			
<b>Financial Assets</b>			
Cash and Cash Equivalents	409,395	-	409,395
Bank Balance other than Cash and Cash Equivalent	-	1,499,259	1,499,259
Investments	-	271,706,839	271,706,839
Other Financial Assets	185,054	-	185,054
<b>Total Financial Assets</b>	<b>594,450</b>	<b>273,206,098</b>	<b>273,800,547</b>
<b>Financial Liabilities</b>			
Other Financial Liabilities	2,213,895	-	2,213,895
<b>Total Financial Liabilities</b>	<b>2,213,895</b>	<b>-</b>	<b>2,213,895</b>

**Market Risk Management :**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise of price risk and interest rate risk. Financial instruments affected by market risk include FVTPL investments. The price risk arises due to uncertainties about the future market values of these investments. To manage its price risk arising from investments in equity securities, the Company invests only in accordance with the limits set by the Company.

**Sensitivity analysis**

As an estimation of the approximate impact of price risk and interest rate risk exposure, with respect to equity & Debt mutual funds, the company has calculated the impact as follows :

Particulars	Impact on Profit & Loss Account	
	As at March 31, 2021	As at March 31, 2020
<b>For investment in Mutual Fund</b>		
Price increase by 5%	14,656,241	13,585,342
Price decrease by 5%	(14,656,241)	(13,585,342)

**Note 21: Capital management**

Capital of the Company, for the purpose of capital management, include issued capital, securities premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to maximise shareholders value and ensure that the minimum capital requirement as per the statutory requirement are adequately met.

Reliance Capital Pension Fund Limited

Notes forming part of financial statements as at and for the year ended March 31, 2021

**Note 22: Income Tax**

a) The components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax	7,563	-
Adjustment in respect of current income tax of prior years	5,661	-
Deferred tax	42 81 383	( 26 33 454)
<b>Total</b>	<b>42 94 607</b>	<b>( 26 33 454)</b>

b) **Reconciliation of the total tax charge**

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2020 and March 31, 2019 is, as follows:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting profit before tax	2 37 67 400	(1 31 83 685)
<b>Tax at India's statutory income tax rate of 25.168% (previous year 26%)</b>	<b>5,981,779</b>	<b>-</b>
Tax effect of the amount which are not taxable in calculating taxable income :		
-Adjustment in respect of current income tax of previous years	5,661	-
- MTM on Mutual fund investment	(1,477,161)	-
- Profit on sale of Investment	(16,497)	-
-Income tax relating to items that will not be reclassified to profit or loss- OCI	39,793	-
-Others	(238,967)	-
<b>Income tax expense at effective tax rate</b>	<b>4,294,608</b>	<b>-</b>
<b>Effective tax rate</b>	<b>18.07%</b>	<b>0.00%</b>

c) **Deferred tax assets/liabilities**

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities / assets:

Particulars	As at March 31, 2020	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at March 31, 2021
<b>Deferred tax liability :</b>				
Fair Value on Investment valued at FVTPL	2,791,793	43 64 438		7,156,231
	<b>2,791,793</b>	<b>43 64 438</b>		<b>7,156,231</b>
<b>Deferred tax asset :</b>				
Defined benefit obligations	-	83,055	39,793	122,848
	-	<b>83 055</b>	<b>39 793</b>	<b>122,848</b>
<b>Net deferred tax asset/liability</b>	<b>2,791,793</b>	<b>42 81 383</b>	<b>39 793</b>	<b>7,033,383</b>

**Reliance Capital Pension Fund Limited**  
**Notes to financial statement as at and for the year ended March 31, 2021**

**Note 23: Related party transactions**

As per Ind AS 24 "Related Party Disclosure", the Companies related parties and transactions with them in the ordinary course of business are discussed below.

**a) Holding Company**

Name	Place of incorporation	% Ownership interest	
		As at March 31, 2021	As at March 31, 2020
Reliance Capital Limited (along with its subsidiaries)	India	51%	51%

**b) Major Investing party**

Name	Place of incorporation	% Ownership interest	
		As at March 31, 2021	As at March 31, 2020
Nippon Life India Asset Management Limited	India	49%	49%

**c) Subsidiaries of Holding Company**

Name
Reliance General Insurance Company Limited

**d) Associates of Holding Company**

Name
Nippon Life India Asset Management Limited (ceased w.e.f. September 27, 2019)

**e) Key management personnel**

Name	Designation
Mr. Dinesh Kotian	Chief Financial Officer
Ms. Hemali Rajeev Mehta	Company Secretary
Mr. Manish Shah ( Upto September 30, 2020)	Manager
Mr. Gurbir Singh Chopra (upto August 31, 2019)	Chief Executive Officer

**f) Transactions and closing balances with related parties**

The following transactions occurred with related parties:

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Expenditures</b>		
Rent paid - Nippon Life India Asset Management Limited	1,156,379	1,350,435
Payment of retirement benefit liability on transfer of employees from RCPFL to NAM India	-	2,231,743
<b>Fellow Subsidiary - Reliance General Insurance Co. Ltd.</b>		
Advance Paid during the year	-	178,158
Advance outstanding as at March 31, 2021	109,620	109,620
<b>Key Managerial Personnel</b>		
<b>Managerial Remuneration Paid (Including Reimbursements of Expenses)</b>		
Mr. Gurbir Singh Chopra (upto August 31, 2019)	-	5,083,334
Mr. Manish Shah (upto September 30, 2020)	24,50,000	4,181,497
Mr. Dinesh Kotian	12,77,000	1,241,318
Ms. Hemali Rajeev Mehta	17,31,000	1,700,004

**Note:**

The above information regarding related parties have been determined to the extent such parties have been identified on the basis of information available with the Company.

Transactions in the nature of reimbursement of expenses incurred by one company on behalf of other have not been considered above.

**Note 24: Segment information**

The Company is in the business of Pension fund management, hence there are no separate reportable segments as specified in Ind AS 108 on 'Operating Segment' as prescribed under Section 133 of the Act. The Company's activities are restricted within India and hence, no separate geographical segment disclosure is considered necessary.

**Reliance Capital Pension Fund Limited**
**Notes to financial statement as at and for the year ended March 31, 2021**
**Note 25 :Employee benefit obligations**
**Defined contribution plans**

The Company has recognised the following amounts in the statement of profit and loss towards contribution to defined contribution plans which are

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Provident fund	183,371	406,784
Pension fund	41,742	213,037

**i) Balance Sheet**
**Amt in INR**

	Present value of obligation	Fair value of plan assets	Net amount
<b>As at March 31, 2019</b>	<b>2,787,056</b>	-	<b>2,787,056</b>
Current service cost	217,213	-	217,213
Interest expense/(income)	210,144	-	210,144
(Liability Transfer Out/ Disinvestment)	(2,122,256)	-	(2,122,256)
Actuarial loss / (gain) arising from change in financial assumptions	52,416	-	52,416
Actuarial loss / (gain) arising on account of experience changes	(296,396)	-	(296,396)
<b>As at March 31, 2020</b>	<b>848,177</b>	-	<b>848,177</b>
Current service cost	73,405	-	73,405
Interest expense/(income)	58,015	-	58,015
(Liability Transfer Out/ Disinvestment)	(698,077)	-	(698,077)
Actuarial loss / (gain) arising from change in financial assumptions	(449)	-	(449)
Actuarial loss / (gain) arising on account of experience changes	158,557	-	158,557
<b>As at March 31, 2021</b>	<b>439,628</b>	-	<b>439,628</b>

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of plan liabilities	439,628	848,177
Fair value of plan assets	-	-
<b>Plan liability net of plan assets</b>	<b>439,628</b>	<b>848,177</b>

**ii) Statement of Profit and Loss**
**Amt in INR**

Particulars	As at March 31, 2021	As at March 31, 2020
Employee Benefit Expenses:		
Current service cost	73,405	217,213
<b>Total</b>	<b>73,405</b>	<b>217,213</b>
Finance cost	58,015	210,144
<b>Net impact on the profit before tax</b>	<b>131,420</b>	<b>427,357</b>
<b>Remeasurement of the net defined benefit liability:</b>		
Return on plan assets excluding amounts included in interest expense/income		
Actuarial gains/(losses) on obligation for the period	( 1 58 108)	243,980
Actuarial gains/(losses) arising from changes in experience		
<b>Net impact on the other comprehensive income before tax</b>	<b>( 1 58 108)</b>	<b>243,980</b>

### iii) Actuarial assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	6.84%	6.84%
Salary escalation rate*	6.00%	6.00%

\* takes into account the inflation, seniority, promotions and other relevant factors

### iv) Sensitivity

Amt in INR

As at March 31, 2021	Change in assumption	Impact on defined benefit	
		Increase	Decrease
Discount rate	1%	( 41 413)	48,890
Salary escalation rate	1%	48,815	( 42 084)

As at March 31, 2020	Change in assumption	Impact on defined benefit	
		Increase	Decrease
Discount rate	1%	( 73 295)	85,001
Salary escalation rate	1%	84,864	( 74 487)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

### v) Maturity

The defined benefit obligations shall mature after year end as follows:

Amt in INR

Particulars	As at March 31, 2021	As at March 31, 2020
1st Following Year	29,487	56,836
2nd Following Year	29,380	56,671
3rd Following Year	29,277	56,521
4th Following Year	29,179	56,384
5th Following Year	29,085	56,263
Sum of years 6 to 10	144,255	279,881
Sum of years 11 and above	752,278	1,263,315

**Reliance Capital Pension Fund Limited**  
**Notes forming part of financial statements as at and for the year ended March 31, 2021**

**Note 26: Earnings per share**

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Profit attributable to the equity holders of the company used in calculating basic earnings per share</b>		
<b>Basic earnings per share</b>		
Profit for the year	19,472,793	(10,550,231)
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	25,000,000	25,000,000
<b>Earnings per equity share (basic and diluted) as restated</b>	<b>0.78</b>	<b>(0.42)</b>

*Note: Since there are no Potential Anti Dilutive Equity shares, the Basic EPS and Diluted EPS are same.*

**Note 27:** The management has identified enterprise which has provided goods and services to the company and which qualify under the definition of medium, micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. At any point of time during the year there is no liability due for payment to such micro, small and medium enterprises.

**Note 28:** In the absence of reasonable certainty that sufficient taxable profits will be available against which the unused tax losses can be utilized, the company has not recognized the deferred tax assets amounting to Rs. 1,19,20,438 (as at March 31, 2020 Rs. 1,30,73, 374) arising out of brought forward tax losses, unabsorbed depreciation and long term capital losses.

**Note 29:** During the FY 2019-20, the Company had gone for voluntary withdrawal of the certificate of registration granted by the Pension Fund Regulatory and Development Authority (PFRDA) vide dated June 04, 2019. The PFRDA vide letter dated July 31, 2019 and November 15, 2019 approved the deregistration. Hence on account of this, the books of account has not been prepared on basis of going concern basis. The assets and liabilities are accounted for at their realisable value.

**Note 30:** During the year, the Company has passed a Circular Resolution No. 01/2020-21 dated June 24, 2020 for shifting its register office from Reliance Centre, 7th Floor (South Wing), Off Western Express Highway, Santacruz (East), Mumbai - 400 055 to 4th Floor, Tower A, Peninsula Business Park, Ganapatrao Kadam Marg, Lower Parel (W), Mumbai – 400 013 w.e.f June 29, 2020.

**Note 31:** The Company has entered into cancellable leasing agreement for office premises renewable by mutual consent on mutually agreeable terms. The Company has accounted Rs. 11,56,379 as lease rental for the financial year 2020-21 (Rs.13,50,435 for the financial year 2019-20).

**Note 32:** Previous year figures have been regrouped / reclassified wherever necessary to correspond with those of current year.

**Note 33:** The financial statements were authorised for issue by the Company's Board of Directors on April 26, 2021.

As per our attached Report of even date

**For Pathak H.D. & Associates LLP**

Chartered Accountants

Firm Registration No.: 107783W/W100593

For and on behalf of the Board of Directors of  
**Reliance Capital Pension Fund Limited**

**Vishal D. Shah**

Partner

Membership Number : 119303

**Sundeep Sikka**

Director

DIN: 0002553654

**Chhaya Virani**

Director

DIN: 0006953556

**Dinesh Kotian**

Chief Financial Officer

**Hemali Mehta**

Company Secretary

**Place: Mumbai**

**Date : April 26, 2021**

**Place: Mumbai**

**Date : April 26, 2021**