

Financial Statement

2014-15

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, 2015, the Statement of Profit and Loss, 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 provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

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

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

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

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

used and the reasonableness of the accounting estimates made by 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:

- a) of the state of affairs of the Company as at March 31, 2015;
- b) of the profit for the year ended on that date; and
- c) of the cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, 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 it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has no pending litigations on its financial position in its financial statements as on March 31, 2015;
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

- (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, 2015.

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

**Mukesh Mehta**  
**Partner**

Membership No.43495

Place: Mumbai  
Date: May 4, 2015

## **ANNEXURE TO AUDITOR'S REPORT**

**Referred to in Paragraph 1 under the heading "Report on legal and regulatory requirements" of our report of even date,**

**1. In respect of its fixed assets:**

(a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

**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 or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of Clauses (iii,a) and (iii,b) 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, there is an adequate internal control commensurate with the size of the Company and the nature of its business in respect of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.**

**5. The Company has not accepted any deposits during the year within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules made there under. Accordingly, the provisions of Clause (v) of paragraph 3 of the Order are not applicable.**

**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 Companies Act, 2013.**

**7. In respect of statutory dues:**

(a) According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues, with the appropriate authorities. According to the information and explanations given

to us, no undisputed dues are outstanding as at March 31, 2015 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 disputed dues in respect of income tax, wealth tax, sales tax, service tax, duty of customs, duty of excise, value added tax and cess, which have not been deposited on account of any dispute.

(c) According to the information and explanations given to us, there are no amounts required to be transferred by the Company to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder for the year ended March 31, 2015.

8. The accumulated losses of the Company are more than fifty per cent of Company's net worth. The Company has not incurred cash losses in the current financial year, but has incurred cash losses in the immediately preceding financial year.
9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions. The Company does not have any borrowings from bank and the Company did not have any outstanding debentures during the year.
10. According to the information and explanations given to us and records made available to us, the Company has not given any guarantees for loans taken by others, from banks or Financial Institutions.
11. According to the information and explanations given to us, the Company has not availed any term loan during the year.
12. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

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

**Mukesh Mehta**  
**Partner**

Membership No.43495

Place: Mumbai  
Date: May 4, 2015

**Reliance Wealth Management Limited**  
**Financial Statement**  
**as at March 31, 2015**



# RELIANCE WEALTH MANAGEMENT LIMITED

## BALANCE SHEET AS AT MARCH 31, 2015

Particulars	Note	March 31, 2015 Amount in ₹	March 31, 2014 Amount in ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	15,50,00,000	15,50,00,000
(b) Reserves and surplus	3	(11,46,35,630)	(11,67,96,696)
<b>2 Non current liabilities</b>			
(a) Long term provisions	4	1,65,323	31,888
<b>3 Current liabilities</b>			
(a) Short term borrowings	5	1,42,00,000	-
(b) Other current liabilities	6	78,22,931	77,96,630
(c) Short term provisions	7	4,864	4,130
<b>TOTAL</b>		<b>6,25,57,488</b>	<b>4,60,35,952</b>
<b>II. ASSETS</b>			
<b>Non current assets</b>			
<b>1 (a) Fixed assets</b>	8		
(i) Tangible assets		60,06,563	13,30,901
(ii) Intangible assets		73,14,209	12,09,636
(b) Long term loans and advances	9	1,31,68,171	83,14,909
<b>2 Current assets</b>			
(a) Trade receivables	10	2,05,72,103	1,29,97,912
(b) Cash and bank balances	11	56,81,325	1,53,49,632
(c) Short term loans and advances	12	98,15,117	68,32,962
<b>TOTAL</b>		<b>6,25,57,488</b>	<b>4,60,35,952</b>
Significant accounting policies Note on financial statements	1 to 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.D.Mehta  
Partner  
Membership No.: 43495

Amit Bapna  
Director  
DIN : 00008443

Lav Chaturvedi  
Director  
DIN : 02859336

Place : Mumbai  
Date : May 4, 2015

Pareesh Maheshwari  
Chief Financial Officer

Meenaa Sharma  
Manager



# RELIANCE WEALTH MANAGEMENT LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

	Note	April 1, 2014 to March 31, 2015 Amount in ₹	April 1, 2013 to March 31, 2014 Amount in ₹
I. Revenue from operations	13	15,90,93,262	11,37,35,240
II. Other income	14	4,64,374	12,08,839
III. Total Revenue (A)		<b>15,95,57,636</b>	<b>11,49,44,079</b>
IV. Expenses:			
Operating expenses	15	1,34,90,320	5,28,05,356
Employee benefits expense	16	11,32,50,499	8,23,29,559
Depreciation and amortization expense	8	18,09,798	9,21,543
Finance Cost	17	16,27,488	1,87,512
Administrative and other expenses	18	2,75,11,203	2,62,79,822
Total Expenses (B)		<b>15,76,89,308</b>	<b>16,25,23,792</b>
V. Profit/(loss) before exceptional items and tax (A-B)		<b>18,68,328</b>	<b>(4,75,79,713)</b>
VI. Exceptional items		-	-
VII. Profit/(loss) before tax (V-VI)		<b>18,68,328</b>	<b>(4,75,79,713)</b>
VIII. Tax expense:			
Current tax		4,00,000	-
MAT Credit entitlement		(4,00,000)	-
Income tax for earlier year		19,013	-
IX. Profit/(loss) for the year (VII-VIII)		<b>18,49,315</b>	<b>(4,75,79,713)</b>
Earning per share on Equity Shares of ₹ 10 each (Refer note 25)			
- Basic		0.12	(3.91)
- Diluted		0.12	(3.91)
Significant Accounting Policies			
Note on financial statements	1 to 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.D.Mehta  
Partner  
Membership No.: 43495

Amit Bapna  
Director  
DIN : 00008443

Lav Chaturvedi  
Director  
DIN : 02859336

Place : Mumbai  
Date : May 4, 2015

Pareesh Maheshwari  
Chief Financial Officer

Meenaa Sharma  
Manager

# RELIANCE WEALTH MANAGEMENT LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	April 1, 2014 to March 31, 2015 Amount in ₹	April 1, 2013 to March 31, 2014 Amount in ₹
<b>A. Cash Flows From Operating Activities :</b>		
Net profit/(loss) before tax as per statement of profit and loss	18,68,328	(4,75,79,713)
Adjustments for :		
Depreciation	18,09,798	9,21,543
Profit on sale on investments	-1,77,687	(3,31,312)
Interest Income on Intercompany Deposit	-	6,71,904
Interest Expenses	16,27,488	1,87,512
<b>Operating Profit Before Working Capital Changes</b>	<b>51,27,927</b>	<b>-4,61,30,066</b>
Adjustments for :		
Increase in trade receivable	-75,74,190	(84,33,431)
(Increase)/ Decrease in long term loans and advances	-29,61,215	-
(Increase)/ Decrease in short term loans and advances	-29,82,155	2,96,97,369
Increase/(Decrease) in Current Liabilities	26,299	43,11,939
Increase/(Decrease) in long term provision	1,33,435	(7,401)
Increase/(Decrease) in short term provision	734	(1,798)
<b>Cash (Used In) Operations</b>	<b>-82,29,165</b>	<b>(2,05,63,388)</b>
Payment of taxes (net of refunds)	-19,11,060	(74,63,629)
<b>Net Cash Flows From Operating Activities (A)</b>	<b>-1,01,40,225</b>	<b>(2,80,27,017)</b>
<b>B. Cash Flow From Investing Activities :</b>		
Purchase of fixed assets	(1,22,78,281)	(3,83,814)
Sale of investments	1,77,687	3,31,312
<b>Net Cash Flow From Investment Activities (B)</b>	<b>-1,21,00,594</b>	<b>(52,502)</b>
<b>C. Cash Flow From Financing Activities :</b>		
ICD taken	1,42,00,000	4,00,00,000
Interest on Loan	(16,27,488)	(8,59,416)
<b>Net cash generated from financing activities (C)</b>	<b>1,25,72,512</b>	<b>3,91,40,584</b>
<b>Net increase/(decrease) in cash or cash equivalents (A+B+C)</b>	<b>-96,68,307</b>	<b>1,10,61,065</b>
Cash and cash equivalents at the beginning of the year	1,53,49,632	42,88,567
<b>Cash And cash equivalents as at the end of the year</b>	<b>56,81,325</b>	<b>1,53,49,632</b>

### Component of cash and cash equivalents (Refer note 28)

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.D.Mehta  
Partner  
Membership No.: 43495

Amit Bapna  
Director  
DIN : 00008443

Lav Chaturvedi  
Director  
DIN : 02859336

Place : Mumbai  
Date : May 4, 2015

Paresh Maheshwari  
Chief Financial Officer

Meenaa Sharma  
Manager

# RELIANCE WEALTH MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### 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 :

- a. Processing fees is recognised on upfront basis in the year of receipt.
- b. Management fees is recognised as a percentage of the unaudited net asset value at the end of each month.
- c. 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. In respect of other heads of income, income from advisory fees etc, the company accounts the same on accrual basis.

##### 2.4 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.

##### 2.5 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.

##### 2.6 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.

## RELIANCE WEALTH MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015 (Continued)

(Currency: Indian Rupee)

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.

#### 2.7 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:

Asset	Financial year 2014- 2015	Financial year 2013- 2014
Leasehold Improvements	Over the primary period of lease	NA
Office Equipments	Over a period of 5 years	13.91% - WDV
Furniture and Fixtures	Over a period of 10 years	18.10% - WDV
Data Processing Equipments	Over a period of 3 years	40.00% - WDV

##### 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.

#### 2.8 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.

#### 2.9 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.

#### 2.10 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 Preliminary expenses

Preliminary expenses are charged to Statement of Profit and Loss in the year in which it is incurred.



**RELIANCE WEALTH MANAGEMENT LIMITED**  
**NOTES FORMING PART OF THE BALANCE SHEET**

NOTE 2 SHARE CAPITAL	As at 31st March 2015		As at 31st March 2014	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
<b>AUTHORISED</b>				
Equity shares of ₹ 10 each	1,60,00,000	16,00,00,000	1,60,00,000	16,00,00,000
<b>Total</b>	<b>1,60,00,000</b>	<b>16,00,00,000</b>	<b>1,60,00,000</b>	<b>16,00,00,000</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>				
Equity shares of ₹ 10 each fully paid up	1,55,00,000	15,50,00,000	1,55,00,000	15,50,00,000
<b>Total</b>	<b>1,55,00,000</b>	<b>15,50,00,000</b>	<b>1,55,00,000</b>	<b>15,50,00,000</b>

Notes:

1. The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2015 and March 31, 2014 is set out below:

	As at 31st March 2015		As at 31st March 2014	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
<b>Equity Shares</b>				
Number of shares at the beginning	1,55,00,000	15,50,00,000	1,15,00,000	11,50,00,000
Add: Shares issued during the year	-	-	40,00,000	4,00,00,000
Number of shares at the end	1,55,00,000	15,50,00,000	1,55,00,000	15,50,00,000

**2. Terms and Rights attached to shares**

**EQUITY SHARE**

The company has only one class of equity share having a par value of ₹ 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.

3. The details of shareholders, holding more than 5% shares in the company as at March 31, 2015 and March 31, 2014 is set out below

	As at 31st March 2015		As at 31st March 2014	
	No. of shares	% held	No. of shares	% held
<b>Equity shares</b>				
Reliance Capital Limited and its nominees	1,55,00,000	100.00%	1,55,00,000	100.00%

**RELIANCE WEALTH MANAGEMENT LIMITED****NOTES FORMING PART OF THE BALANCE SHEET**

	March 31, 2015 Amount in ₹	March 31, 2014 Amount in ₹
<b>NOTE 3</b>		
<b>RESERVES AND SURPLUS</b>		
Surplus (Balance as per Statement of Profit and Loss)		
As per last balance sheet	(11,67,96,696)	(6,92,16,983)
Add: Net profit/(loss) for the year	18,49,315	(4,75,79,713)
Add/Less: Effects of changes in depreciation policy as per Companies Act 2013	3,11,751	-
<b>TOTAL</b>	<b>(11,46,35,630)</b>	<b>(11,67,96,696)</b>
<b>NOTE 4</b>		
<b>LONG TERM PROVISIONS</b>		
Provision for leave encashment	1,65,323	31,888
<b>TOTAL</b>	<b>1,65,323</b>	<b>31,888</b>
<b>NOTE 5</b>		
<b>SHORT TERM BORROWINGS</b>		
(Unsecured repayable on demand)		
Inter corporate deposit		
- From related parties	1,42,00,000	-
<b>TOTAL</b>	<b>1,42,00,000</b>	<b>-</b>
<b>NOTE 6</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Statutory liabilities	31,06,147	20,31,451
Payable to or on behalf of employees	9,29,433	56,548
Provision for expenses	15,74,581	49,92,357
Other liabilities	22,12,770	7,16,274
<b>TOTAL</b>	<b>78,22,931</b>	<b>77,96,630</b>
<b>NOTE 7</b>		
<b>SHORT TERM PROVISIONS</b>		
Provision for leave encashment	4,864	4,130
<b>TOTAL</b>	<b>4,864</b>	<b>4,130</b>

**RELIANCE WEALTH MANAGEMENT LIMITED**  
NOTES FORMING PART OF THE BALANCE SHEET

**NOTE 8**

**Fixed Assets (at cost)**

Description of Assets	GROSS BLOCK				DEPRECIATION/AMORTISATION					Amount in ₹ NET BLOCK	
	As at April 1, 2014	Additions during the year	Deletions during the year	As at March 31, 2015	Up to April 1, 2014	Adjustments for the year	For the year	Deletions during the year	Up to March 31, 2015	As at March 31, 2015	As at March 31, 2014
<b>Tangible Assets</b>											
Office Equipments	12,44,898	4,99,129	-	17,44,027	3,60,852	-	2,86,262	-	6,47,114	10,96,913	8,84,046
Furniture and Fixture	3,21,512	7,36,313	-	10,57,825	1,47,552	-	(29,673)	-	1,17,879	9,39,946	1,73,960
Data processing equipments	9,42,711	61,750	-	10,04,461	6,69,816	(3,11,751)	(1,13,067)	-	2,44,997	7,59,464	2,72,895
Lease Hold Improvement	-	33,97,050	-	33,97,050	-	-	1,86,810	-	1,86,810	32,10,240	-
<b>Total Tangible assets</b>	<b>25,09,121</b>	<b>46,94,242</b>	<b>-</b>	<b>72,03,363</b>	<b>11,78,220</b>	<b>(3,11,751)</b>	<b>3,30,332</b>	<b>-</b>	<b>11,96,800</b>	<b>60,06,563</b>	<b>13,30,901</b>
<b>Intangible Assets</b> (Other than internally generated)											
Software	29,79,146	75,84,039	-	1,05,63,185	17,69,510	-	14,79,466	-	32,48,976	73,14,209	12,09,636
<b>Total Intangible assets</b>	<b>29,79,146</b>	<b>75,84,039</b>	<b>-</b>	<b>1,05,63,185</b>	<b>17,69,510</b>	<b>-</b>	<b>14,79,466</b>	<b>-</b>	<b>32,48,976</b>	<b>73,14,209</b>	<b>12,09,636</b>
<b>Total</b>	<b>54,88,267</b>	<b>1,22,78,281</b>	<b>-</b>	<b>1,77,66,548</b>	<b>29,47,730</b>	<b>(3,11,751)</b>	<b>18,09,798</b>	<b>-</b>	<b>44,45,776</b>	<b>1,33,20,773</b>	<b>25,40,537</b>
<i>Previous Year</i>	<i>51,04,453</i>	<i>3,83,814</i>	<i>-</i>	<i>54,88,267</i>	<i>20,26,187</i>		<i>9,21,543</i>	<i>-</i>	<i>29,47,730</i>	<i>25,40,537</i>	

Notes: Effective April 1, 2014, pursuant to and in line with the requirements of Schedule II to the Companies Act, 2013, the company has revised the useful lives of tangible fixed assets including their major component and effected the following changes with respect to provision for depreciation :

(i) In respect of assets where the remaining useful life as on April 1, 2014 is 'Nil', their carrying amounts after retaining the residual value if any, aggregating ₹ 311,751, has been adjusted against the opening balance of retained earnings as on that date.

(ii) In respect of all other assets, depreciation is provided under the Straight Line Method (SLM) as per Schedule II to the Companies Act, 2013. Their carrying amounts as at April 1, 2014 are depreciated over their remaining useful lives. Pursuant to this, the depreciation for the year is lesser by ₹ 539,010 .



**RELIANCE WEALTH MANAGEMENT LIMITED**  
**NOTES FORMING PART OF THE BALANCE SHEET**

	March 31, 2015 Amount in ₹	March 31, 2014 Amount in ₹
<b>NOTE 9</b>		
<b>LONG TERM LOANS AND ADVANCES</b>		
Capital advances	29,61,215	-
Advance payment of tax and tax deducted at source	1,02,06,956	83,14,909
<b>TOTAL</b>	<b>1,31,68,171</b>	<b>83,14,909</b>
<b>NOTE 10</b>		
<b>TRADE RECEIVABLES</b>		
(Unsecured and Considered good)		
Outstanding for less than six months	2,05,72,103	1,20,20,512
Outstanding for more than six months	-	9,77,400
<b>TOTAL</b>	<b>2,05,72,103</b>	<b>1,29,97,912</b>
<b>NOTE 11</b>		
<b>CASH AND BANK BALANCE</b>		
Cash and cash equivalents		
Balance with banks		
- In current accounts	56,81,325	1,53,49,632
<b>TOTAL</b>	<b>56,81,325</b>	<b>1,53,49,632</b>
<b>NOTE 12</b>		
<b>SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured and considered good unless otherwise stated)		
Advance to vendors	10,38,608	34,63,363
Receivables from employees	4,10,711	1,82,203
Contribution to Employee Gratuity Fund	4,30,966	14,95,786
Prepaid expenditure	-	25,554
Securtiy deposit - vendors	67,65,000	14,00,000
MAT Credit entitlement	4,00,000	-
Service tax input credit	7,69,832	2,66,056
<b>TOTAL</b>	<b>98,15,117</b>	<b>68,32,962</b>

**RELIANCE WEALTH MANAGEMENT LIMITED**  
**NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS**

	April 1, 2014 to March 31, 2015 Amount in ₹	April 1, 2013 to March 31, 2014 Amount in ₹
<b>NOTE 13</b>		
<b>REVENUE FROM OPERATIONS</b>		
Income from Portfolio Services - Gross	8,52,12,780	9,55,57,269
Less: service tax recovered	(84,48,720)	(1,05,11,640)
Distribution and related income	9,01,86,866	2,78,83,489
Less: service tax recovered	(89,37,698)	(13,55,604)
<b>OTHER OPERATING INCOME</b>		
Advisory Fees	10,80,034	21,61,726
<b>TOTAL</b>	<b>15,90,93,262</b>	<b>11,37,35,240</b>
<b>NOTE 14</b>		
<b>OTHER INCOME</b>		
Foreign exchange gain	2,588	-
Profit on sale of investments	1,77,687	3,31,312
Interest on Intercompany Deposit	-	6,71,904
Miscellaneous Income	2,32,377	1,92,763
Interest on Income tax refund	51,722	12,860
<b>TOTAL</b>	<b>4,64,374</b>	<b>12,08,839</b>
<b>NOTE 15</b>		
<b>OPERATING EXPENSES</b>		
Referral Fees	1,34,90,320	5,28,05,356
<b>TOTAL</b>	<b>1,34,90,320</b>	<b>5,28,05,356</b>
<b>NOTE 16</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salary, bonus and allowances	10,84,44,009	7,83,06,126
Contribution to provident fund and other funds	46,07,912	39,59,086
Staff welfare Expenses	1,98,578	64,347
<b>TOTAL</b>	<b>11,32,50,499</b>	<b>8,23,29,559</b>
<b>NOTE 17</b>		
<b>FINANCE COST</b>		
Interest on Inter corporate deposits	16,27,488	1,87,512
	<b>16,27,488</b>	<b>1,87,512</b>
<b>NOTE 18</b>		
<b>ADMINISTRATIVE AND OTHER EXPENSES</b>		
Stamp duty and share issue expense	1,56,200	2,45,000
ROC filing fees	61,647	46,367
Membership Fees	42,000	4,03,000
Advertising & Marketing	8,40,872	13,87,576
Business Promotion	1,14,693	6,30,603
License Fee	-	6,00,000
Recruitment charges	14,18,750	5,33,427
Postage and courier	2,01,152	2,02,740
Bank charges	1,04,264	68,102
Communication expenses	4,33,434	6,28,268
Rent	97,78,790	9,00,000
Travelling, conveyance and motor car expenses	10,45,513	30,28,032
Printing and stationery	4,49,800	4,31,513
Professional charges	26,33,493	39,99,151
Auditors' remuneration		
- Audit fees	1,50,000	1,50,000
- Other fees	50,000	90,000
Repairs and maintenance	6,000	6,38,613
Software and networking expenses	30,52,043	28,86,958
Other administration expenses	69,72,552	94,10,472
<b>TOTAL</b>	<b>2,75,11,203</b>	<b>2,62,79,822</b>

# RELIANCE WEALTH MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(Currency: Indian Rupees)

### 19 *Contingent liabilities*

	March 31, 2015	March 31, 2014
Capital Commitment	9,80,360	33,74,240

### 20 *Foreign currency transaction:* Income in foreign currency: (On receipt basis)

Particulars	March 31, 2015	March 31, 2014
Advisory services	10,80,033	-
<b>Total</b>	<b>10,80,033</b>	<b>-</b>

### Expenditure in foreign currency: (On payment basis)

Particulars	March 31, 2015	March 31, 2014
Foreign Travelling Expense	-	4,96,570
Other Administrative Expense	29,07,330	87,17,534
<b>Total</b>	<b>29,07,330</b>	<b>92,14,104</b>

Note: Foreign currency exposures that are not hedged by derivative instruments as on 31st March 2015 amount to Rs. 446,664/- (previous year Rs.875,000)

### 21 *Segment Information for the year ended March 31, 2015*

The Company is into providing financing services including portfolio management services and distribution. As the Company is engaged only in one business segment and there are no geographical segments, the Balance Sheet as at March 31, 2015 and the Statement of Profit and Loss Account for the year ended March 31, 2015 pertain to one business segment and related activities as per Accounting Standard (AS) 17 on "Segment Reporting".

### 22 *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, 2015	March 31, 2014
Employer's Contribution to Provident Fund (includes administration charges) - Note 16	46,07,912	30,29,851

#### 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.

# RELIANCE WEALTH MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(Currency: Indian Rupees)

### C. Employee Benefit Obligation (Gratuity and Leave Encashment)

	Gratuity Benefits (Funded)		Leave Encashment Benefits (Un-Funded)	
	FY 14-15	FY 13-14	FY 14-15	FY 13-14
<b>I. Reconciliation of opening and closing balances of Defined Benefit Obligation :</b>				
Liability at the beginning of the year	9,24,784	10,31,060	36,018	45,217
Interest Cost	86,837	82,485	3,382	3,617
Current Service Cost	4,35,007	5,58,391	13,463	56,675
Benefit Paid	-	(91,385)	-	(69,949)
Actuarial (gain)/loss on obligations	9,32,307	(6,55,767)	1,17,324	458
Liability at the end of the year	23,78,935	9,24,784	1,70,187	36,018
<b>II. Reconciliation of opening and closing balances of fair value of Plan Assets :</b>				
	FY 14-15	FY 13-14	FY 14-15	FY 13-14
Fair Value of Plan Assets at the beginning of the year	24,20,570	24,08,063	-	-
Expected Return on Plan Assets	2,27,292	2,09,501	-	-
Contributions	-	-	-	-
Benefit Paid	-	(91,385)	-	-
Actuarial gain/(loss) on Plan Assets	1,62,039	(1,05,609)	-	-
Fair Value of Plan Assets at the end of the year	28,09,901	24,20,570	-	-
<b>III. Reconciliation of fair value of assets and obligations :</b>				
	FY 14-15	FY 13-14	FY 14-15	FY 13-14
Liability at the end of the year	23,78,935	9,24,784	(1,70,187)	36,018
Fair value of plan assets at the end of the year	28,09,901	24,20,570	-	-
Asset / (Liability) Recognised in the Balance Sheet	430,966#	1,495,786#	(1,70,187)##	(36,018)##
# Included under ' Short term loans and advances' ( Refer Notes 12)				
## Included under ' Long term / short term provisions' ( Refer Notes 4 & 7)				
<b>IV. Expenses recognised during the year :</b>				
	FY 14-15	FY 13-14	FY 14-15	FY 13-14
Current Service Cost	4,35,007	5,58,391	13,463	-
Interest Cost	86,837	82,485	3,382	-
Expected Return on Plan Assets	(2,27,292)	(2,09,581)	-	-
Net Actuarial (Gain)/Loss To Be Recognised	7,70,268	(5,50,158)	1,17,324	-
Expense Recognised in Profit and Loss Account	10,64,820	(1,18,783)	1,34,169	-

# RELIANCE WEALTH MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(Currency: Indian Rupees)

### V. Investment details :

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

### VI. Assumptions :

	FY 14-15	FY 13-14	FY 14-15	FY 13-14
Discount Rate (per annum)	7.90%	9.39%	7.90%	9.39%
Rate of Return on Plan Assets	7.90%	9.39%	-	-
Salary Escalation	6.00%	5.50%	6.00%	5.50%

### VII. Particular of the amount for the current year and previous years

	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11
Defined Benefit Obligation At The End of the Year	23,78,935	9,24,784	10,31,060	19,05,137	-
Fair Value Plan Asset At The End of the Year	28,09,901	24,20,570	24,08,063	21,00,446	-
Excess of Obligation Over Plan Asset	(4,30,966)	(14,95,786)	(13,77,003)	(1,95,309)	-
Experience Adjustment on Plan Liability (Gain)/Loss	9,32,307	(6,55,767)	(13,46,952)	-	-
Actuarial Gain /(Loss) due to Plan Asset	1,62,039	(1,05,609)	46,608	55,709	-

## 23 Related party transactions

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

### 23.1 Relationships during the Year

#### (A) Parties by whom control exists during the Year

Reliance Innoventures Private Limited*	Ultimate Holding Company (Up to March 26, 2015)
Reliance Capital Limited	Holding Company

#### (B) Fellow subsidiaries

Reliance Securities Limited	Fellow Subsidiaries
Reliance Capital Asset Management Limited	Fellow Subsidiaries
Reliance Asset Management (Malaysia) Sdn.	Fellow Subsidiaries (Up to July 14, 2014)
Reliance Financial Limited	Fellow Subsidiaries
Reliance Money Express Limited	Fellow Subsidiaries
Reliance General Insurance Company Limited	Fellow Subsidiaries
Reliance AIF Management Company Limited	Fellow Subsidiaries
Reliance Capital Asset Management (UK) Plc	Fellow Subsidiaries

#### (C) Key management personnel

Directors of the Company	Mr. Amit Bapna* Mr. Lav Chaturvedi* Mr. Ashok Karnavat* (w.e.f. 27 March, 2015) Mr. Manu Chadha* (w.e.f. 27 March, 2015) Mr. Ashish Turakhia*(Upto March 27, 2015)
Chief financial officer	Mr. Paresh Maheshwari* (w.e.f. March 11, 2015)
Manager of the Company	Mr. Mihir Sundhani* (Upto 25 March, 2015) Ms. Meenaa Sharma* (w.e.f. 25 March, 2015)

\* No transactions during the year



# RELIANCE WEALTH MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(Currency: Indian Rupees)

### (D) Summary Transactions with related parties during the year :

Particulars	As at 31st March 2015		As at 31st March 2014	
	Holding company	Fellow Subsidiaries	Holding company	Fellow Subsidiaries
Share capital	-	-	4,00,00,000	-
Unsecured loan				
Opening balance	-	-	-	-
Taken during the year	-	9,77,00,000	-	4,88,00,000
Repaid during the year	-	8,35,00,000	-	4,88,00,000
Closing balance	-	1,42,00,000	-	-
Receipts				
- Distribution Income	3,49,627	4,47,82,787	52,25,627	1,93,77,015
- Advisory fees - Income	-	-	-	4,36,224
Payments				
Reimbursement of expenses	75,000	-	11,25,000	-
Referral Fees	-	43,11,096	-	52,48,414
Interest on ICD payments	-	16,27,488	-	1,87,512
Purchase of foreign currency	-	2,47,676	-	4,24,096
Staff Mediclaim insurance	-	2,82,180	-	2,77,100
Receivable / (Payable)	(48,76,005)	30,90,216	58,71,514	30,63,659

### (E) Transactions with related parties during the Year :

Particulars	As at 31st March 2015		As at 31st March 2014	
	Holding Company		Holding Company	
Reliance Capital Limited				
- Share Capital	-		4,00,00,000	
Receipts and payments				
- Distribution Income - Receipt	3,49,627		52,25,627	
- Reimbursement of expenses- Rent	75,000		11,25,000	
Receivable / (Payable)	(48,76,005)		58,71,514	
Particulars	Fellow Subsidiaries		Fellow Subsidiaries	
Reliance Capital Asset Management Limited				
Receipts and payments				
- Distribution Income - Receipt	3,08,49,277		34,89,750	
Receivable / (Payable)	4,00,000		30,95,237	
Reliance AIF Management Company Limited				
Receipts and payments				
- Distribution Income - Receipt	55,66,667		-	
Receivable / (Payable)	14,79,407		-	
Reliance Asset Management (Malaysia) SDN.BHD.				
Receipts and payments				
- Advisory fees - Income	-		4,36,224	
Receivable / (Payable)	-		-	

# RELIANCE WEALTH MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(Currency: Indian Rupees)

<b>Reliance Securities Limited</b>		
<b>Receipts and payments</b>		
- Distribution Income - Receipt	83,66,843	1,58,87,265
- Referral fees for PMS - Payment	43,11,096	52,48,414
<b>Receivable / (Payable)</b>	<b>9,28,629</b>	<b>-31,578</b>
<b>Reliance General Insurance Company Limited</b>		
<b>Receipts and payments</b>		
- Staff Mediciam Insurance - Payment	2,82,180	2,77,100
<b>Receivable / (Payable)</b>	<b>2,82,180</b>	<b>-</b>
<b>Reliance Money Express Limited</b>		
<b>Receipts and payments</b>		
- Purchase of foreign currency - Payment	2,47,676	4,24,096
<b>Receivable / (Payable)</b>	<b>-</b>	<b>-</b>
<b>Reliance Financial Limited</b>		
<b>Unsecured Loan</b>		
Opening balance	-	-
Taken during the year	9,77,00,000	4,88,00,000
Repaid during the year	8,35,00,000	4,88,00,000
Closing balance	1,42,00,000	-
<b>Receipts and payments</b>		
- Interest on ICD - payment	16,27,488	1,87,512
- Reimbursement of professional charges	-	-
<b>Receivable / (Payable)</b>	<b>-</b>	<b>-</b>

### 24 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, 2015	March 31, 2014
Rental payments of assets	53,40,000	-

### 25 Earnings per share

Particulars	March 31, 2015	March 31, 2014
<b>Net profit/(loss) after tax as per statement of profit and loss</b>	<b>18,49,315</b>	<b>(4,75,79,713)</b>
Profit/(Loss) attributable to equity shareholders	18,49,315	(4,75,79,713)
Weighted average number of equity shares outstanding during the year	1,55,00,000	1,21,79,452
Nominal value per equity share	10	10
<b>Basic and diluted earnings per share</b>	<b>0.12</b>	<b>(3.91)</b>



# RELIANCE WEALTH MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(Currency: Indian Rupees)

### 26 DEFERRED TAX (ASSET)/LIABILITIES

	March 31, 2015	March 31, 2014
<b>Deferred Tax Assets</b>		
Brought forward losses	3,60,00,476	2,15,20,674
Provision for Leave Encashment	52,588	-
	<b>3,60,53,064</b>	<b>2,15,20,674</b>
<b>Deferred Tax Liabilities</b>		
Depreciation	8,60,402	3,74,152
Provision for Leave Encashment	-	11,130
	<b>8,60,402</b>	<b>3,74,152</b>
<b>NET DEFERRED TAX (ASSET)/LIABILITIES*</b>	<b>(3,51,92,662)</b>	<b>(2,11,46,522)</b>

\*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.

27 The Company is in the process of appointing a whole time Company Secretary as required under Section 203 of the Companies Act, 2013.

### 28 Components of cash and cash equivalents

	March 31, 2015	March 31, 2014
In current accounts	56,81,325	1,53,49,632
<b>Total</b>	<b>56,81,325</b>	<b>1,53,49,632</b>

### 29 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

Mukesh.D.Mehta  
Partner  
Membership No.: 43495

Amit Bapna  
Director  
DIN : 00008443

Lav Chaturvedi  
Director  
DIN : 02859336

Place : Mumbai  
Date : May 4, 2015

Paresh Maheshwari  
Chief Financial Officer

Meenaa Sharma  
Manager