

Reliance Capital Limited
Reliance Centre, 6th Floor, North Wing,
Off Western Express Highway,
Santacruz (East), Mumbai - 400 055.

T +91 22 3303 1000
F +91 22 3303 6664

September 20, 2018

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001
BSE Scrip Code: 500111

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor,
Plot No. C/1, G Block, Bandra Kurla Complex,
Bandra (East), Mumbai 400 051
NSE Scrip Symbol: RELCAPITAL

Dear Sir(s),

Sub.: Annual Report 2017-18

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing Annual Report for the financial year 2017-18 as required.

We hereby confirm that the Annual Report 2017-18 was approved and adopted by the members of the Company at their 32nd Annual General Meeting held on September 18, 2018, as per provisions of the Companies Act, 2013.

Kindly acknowledge receipt.

Thanking you.

Yours faithfully,

For **Reliance Capital Limited**



Atul Tandon

Company Secretary & Compliance Officer

Encl.: As Above.

ReLIANCE

CAPITAL

**Annual Report
2017- 18**



Padma Vibhushan
Shri Dhirubhai H. Ambani
(28th December, 1932 – 6th July, 2002)
Reliance Group – Founder and Visionary

Profile

Reliance Capital Limited is a constituent of the Reliance Group, one of the leading business houses in India.

Reliance Capital, incorporated in 1986, is one of India's leading private sector financial services companies, and ranks amongst the top private sector financial services and banking groups, in terms of net worth.

Reliance Capital has interests in asset management and mutual funds, pension funds, life, health and general insurance, commercial and home finance, stock broking, wealth management services, distribution of financial products, asset reconstruction, proprietary investments and other activities in financial services.

Mission: Excellence in Financial Services

- To attain global best practices and become a world-class financial services enterprise – guided by its purpose to move towards greater degree of sophistication and maturity.
- To work with vigour, dedication and innovation to achieve excellence in service, quality, reliability, safety and customer care as the ultimate goal.
- To earn the trust and confidence of all stakeholders, exceeding their expectations and make the Company a respected household name.
- To consistently achieve high growth with the highest levels of productivity.
- To be a technology driven, efficient and financially sound organisation.
- To deliver ease, speed and convenience to our customers through integrated digital platforms.
- To be a provider of end to end financial solutions that can bring financial stability, security and opportunities to create wealth for all our stakeholders.
- To contribute towards community development and nation building.
- To be a responsible corporate citizen nurturing human values and concern for society, the environment and above all the people.
- To promote a work culture that fosters individual growth, team spirit and creativity to overcome challenges and attain goals.
- To encourage ideas, talent and value systems.
- To uphold the guiding principles of trust, integrity and transparency in all aspects of interactions and dealings.

This Report is printed on environment friendly paper.

Business mix

Reliance Capital

ASSET MANAGEMENT

Mutual
Fund

Offshore
Fund

Pension
Fund

Exchange
Traded
Funds

Alternative
Investment
Funds

INSURANCE

Life
Insurance

General
Insurance

Health
Insurance

BROKING& DISTRIBUTION

Stock
Broking

Wealth
Management

Third Party
Distribution

COMMERCIAL FINANCE

SME
Loans

Retail
Loans

Microfinance
Loans

Renewable
Loans

HOME FINANCE

Affordable
Housing
Loans

Home
Loans

Loan Against
Property

Construction
Finance

OTHER BUSINESSES

Proprietary
Investments

Institutional
Broking

Asset
Reconstruction

Reliance Capital Limited

Board of Directors

Mr. Anil Dhirubhai Ambani	- Chairman
Mr. Amitabh Jhunjhunwala	- Vice Chairman
Mr. Rajendra P. Chitale	
Dr. Bidhubhusan Samal	
Mr. V. N. Kaul	
Ms. Chhaya Virani	
Mr. Jai Anmol Ambani	- Executive Director

Key Managerial Personnel

Mr. Amit Bapna	- Chief Financial Officer
Mr. Atul Tandon	- Company Secretary & Compliance Officer

Auditors

M/s. Pathak H.D. & Associates
M/s. Price Waterhouse & Co Chartered Accountants LLP

Registered Office

H Block, 1st Floor
Dhirubhai Ambani Knowledge City
Navi Mumbai 400 710
CIN : L65910MH1986PLC165645
Tel. : +91 22 3303 1000
Fax : +91 22 3303 6664
E-mail : rcl.investor@relianceada.com
Website: www.reliancecapital.co.in

Registrar and Transfer Agent

Karvy Computershare Private Limited
Karvy Selenium Tower - B
Plot No. 31 & 32, Survey No. 116/22, 115/24, 115/25
Financial District, Nanakramguda
Hyderabad 500 032
Website: www.karvy.com

Investor Helpdesk

Toll free no. (India) : 1800 4250 999
Tel. : +91 40 6716 1500
Fax : +91 40 6716 1791
E-mail : rclinvestor@karvy.com

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32nd Annual General Meeting on Tuesday, September 18, 2018 at 1:15 P.M. or soon after the conclusion of the Annual General Meeting of Reliance Power Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020

This Annual Report can be accessed at www.reliancecapital.co.in

Reliance Capital Limited

Letter to Shareowners



My dear fellow Shareowners,

It gives me great pleasure to share with you the highlights of our Company's performance during 2017 - 18.

Reliance Capital made significant progress during the year towards improving operational performance across its core businesses, and is fully geared to capitalise on its growth aspirations.

We continue to move forward in fulfilling the vision of our legendary founder and my father, Padma Vibhushan Shri Dhirubhai Ambani, to attain financial empowerment for millions of ordinary Indians, and, in the process, enable Reliance Capital to become one of India's leading financial services' players.

Reliance Capital Limited, a part of the Reliance Group, is one of India's leading private sector financial services companies. It ranks amongst the top private sector financial services and banking groups, in terms of net worth. The Company is a constituent of MSCI Global Small Cap Index.

Reliance Capital has interests in asset management and mutual funds, pension funds, life, health and general insurance, commercial and home finance, stock broking, wealth management services, distribution of financial products, asset reconstruction, proprietary investments and other activities in financial services.

Reliance Capital Limited, is a constituent of the Reliance Group which is a prominent business house, widely recognized in India and abroad as one of the leading creators of projects of national importance - in infrastructure, power generation, transmission & distribution, financial services, defence manufacturing, entertainment and telecommunications, amongst others.

The Reliance Group has the largest investor base in India with over 15.5 million retail investors. Reliance Group has over 75,000 employees and serves over 200 million customers. The Reliance Group has assets under management of over ₹ 4.5 lakh crore and also manages Government of India's Employees' Provident Fund Organisation (EPFO), Pension Fund Regulatory and Development Authority (PFRDA) and Coal Mines Provident Fund Organisation (CMPFO) funds.

Currently, the Reliance Group has assets worth ₹ 3,50,000 crore, net worth of ₹ 70,000 crore and cash flows of over ₹ 21,000 crore.

Performance Review

The key financial highlights on a consolidated basis are:

- **Total income of ₹ 19,898 crore** (US\$ 3.1 billion), against ₹ 17,640 crore in the previous year, an increase of 13 per cent

- **Net profit of ₹ 1,309 crore** (US\$ 201 million), against ₹ 1,086 crore in the previous year, an increase of 21 per cent
- **Earnings Per Share (EPS) of ₹ 51.8** (US\$ 0.8), against ₹ 43.0 in the previous year
- **Total assets of ₹ 93,851 crore** (US\$ 14.4 billion), against ₹ 82,209 crore in the previous year, an increase of 14 per cent
- **Total net worth of ₹ 16,605 crore** (US\$ 2.6 billion)

These robust financial numbers have enabled us to recommend a dividend of ₹ 11 per share against ₹ 10.50 per share in the previous year.

Highest credit ratings

Our Company's short-term debt programme enjoys a rating of "A1+" by ICRA, the highest credit quality rating assigned to short-term debt instruments. Instruments rated in this category carry lower credit risk in the short-term. CARE assigned the long-term debt programme a rating of "CARE AA+". Instruments with this rating are considered to be one of the best credit qualities, offering high safety for timely servicing of debt obligations. Such instruments carry lower credit risk.

Achievements during the year across key operating businesses

Reliance Nippon Life Asset Management managed over ₹ 3,96,370 crore (US\$ 61 billion) across its mutual funds, pension funds, managed accounts and hedge funds, an increase of 13 per cent. The income from operations rose by 26 per cent to ₹ 1,815 crore (US\$ 279 million), while, profit before tax was at ₹ 726 crore (US\$ 112 million) as against ₹ 581 crore in the previous year, an increase of 25 per cent.

Reliance Commercial Finance is amongst the leading SME lenders in the Indian non-banking finance space, with a focus on transforming itself into a diversified and new-age finance solutions provider, both in the commercial and consumer finance space. Reliance Commercial Finance offers a wide range of products which include SME Loans, Microfinance, Loans Against Property, Infrastructure Finance, Agriculture Loans, Supply Chain Finance, Two-wheeler Financing and Used Car Loans. Disbursements rose to ₹ 10,061 crore (US\$ 1.6 billion), while the Assets Under Management stood at ₹ 16,475 crore (US\$ 2.5 billion) as on March 31, 2018. This loan book is spread across 51,400 customers from top 39 Indian cities.

Reliance Home Finance (RHF) provides a wide range of solutions like Home Loans including Affordable Housing

Letter to Shareowners

Loans, Loans against Property (LAP) and Construction finance. RHF also provides property services that help customers find their dream homes / properties. The Assets Under Management increased by 47 per cent to ₹ 16,379 crore (US\$ 2.5 billion) as on March 31, 2018. The total income increased by 46 per cent to ₹ 1,671 crore (US\$ 257 million). The business achieved a profit before tax of ₹ 272 crore (US\$ 42 million) as against ₹ 138 crore, for the year ended March 31, 2018, an increase of 97 per cent.

Reliance General Insurance (RGI) is amongst the leading private sector general insurance companies in India with a market share of 7.7 per cent. RGI's gross written premium for the year, increased by 28 per cent to ₹ 5,122 crore (US\$ 788 million). The profit before tax was at ₹ 165 crore (US\$ 25 million) as against a profit of ₹ 130 crore in the previous year, an increase of 27 per cent.

Reliance Nippon Life Insurance (RNLI) is amongst the leading private sector life insurers with a market share of 1.5 per cent in the private sector. RNLI's total premium was ₹ 4,042 crore (US\$ 622 million) in the year. Renewal premium for the year rose by 6 per cent to ₹ 3,154 crore (US\$ 485 million). RNLI's New Business Achieved Profit (NBAP) margin was at 37.7 per cent for the year. The total funds under management stood at ₹ 19,096 crore (US\$ 2.9 billion), an increase of 11 per cent. The Embedded Value rose by 6 per cent to ₹ 3,220 crore (US\$ 495 million).

The broking business consists of Reliance Securities, one of the leading retail broking houses in India, provides a varied customer base with access to equities, equity options and wealth management solutions. We had nearly 9,57,550 broking accounts as on March 31, 2018. The average daily equity broking turnover was approx. ₹ 5,335 crore (US\$ 821 million). In wealth management, the AUM rose by 47 per cent to over ₹ 6,060 crore (US\$ 932 million) as on March 31, 2018. The distribution business is a comprehensive financial services and solutions provider, assisting customers with access to mutual funds, insurance products and other financial products having a distribution network of approx. 100 branches and 1,300 customer touch points across India. The business achieved revenues of ₹ 350 crore (US\$ 54 million) for the year ended March 31, 2018. The profit before tax rose to ₹ 49 crore (US\$ 8 million) for the year ended March 31, 2018.

Future Strategy

- Transformational initiatives being undertaken by the Government – JAM (Jan Dhan, Aadhaar, Mobile) Yojana, the constitution of India Stack, Start-Up India and GST – and an unrelenting focus on financial inclusion – are redefining financial services in the country.

- We at Reliance Capital have been investing in technology, analytics and distribution to take advantage of an increasingly digital and formalising economy and provide simple and easily accessible solutions to the millions of, hitherto underserved, Indians.
- Over the coming years, we will accelerate our investments in emerging technologies, big-data analytics and AI/ML, and deeper digitisation to offer a comprehensive and competitive suite of solutions across the life-style needs of the common person.
- We will also leverage the digitising economy to enhance our distribution network, with a mix of physical and digital architecture, such that our products are available across the country, including semi-urban and rural India.
- We believe that these initiatives will further strengthen our position as a leader in providing innovative and comprehensive financial solutions in the country.

Corporate Governance


Reliance Capital has always maintained the highest governance standards and practices by adopting, as is the norm for all constituent companies of the Group, the "Reliance Group – Corporate Governance Policies and Code of Conduct". These Policies and Code prescribe a set of systems, processes and principles, which conform to the highest international standards and are reviewed periodically to ensure their continuing relevance, effectiveness and responsiveness to the needs of investors, both local and global, and all other stakeholders.

Social Commitments

The Company continued to contribute actively to community welfare activities and took up several initiatives and measures related to education and healthcare.

Our Commitment

Our founder, the legendary Padma Vibhushan Shri Dhirubhai Ambani, gave us a simple mantra: to aspire to the highest global standards of quality, efficiency, operational performance and customer care. We remain committed to upholding that vision. Dhirubhai exhorted us to think big. With your continued support, we will think bigger. Indeed not just bigger but better, creating ever greater value for all our stakeholders.



Anil Dhirubhai Ambani
Chairman

Reliance Capital Limited

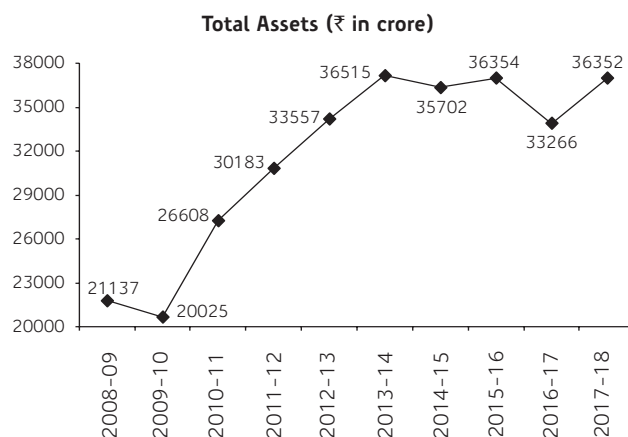
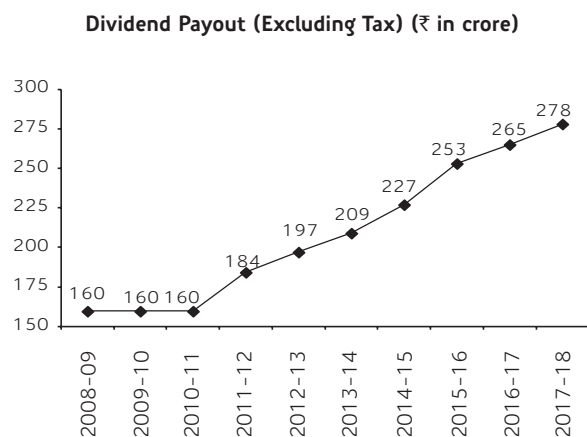
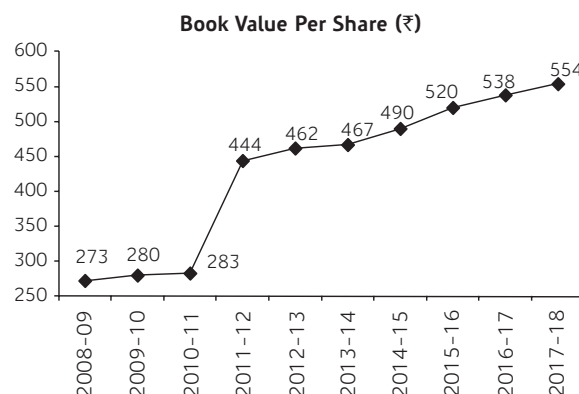
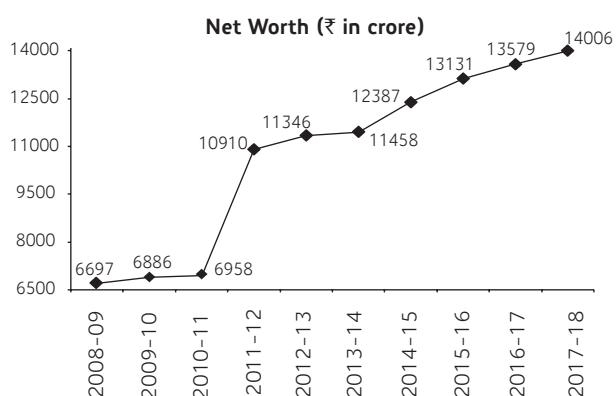
Highlights - at a glance (Standalone)

(₹ in crore)

Year ended March 31	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Turnover	3 315	2 071	4 145	3 988	3 254	3 868	3 317	1 971	2 390	3 014
Earnings Before Depreciation, Interest & Tax (EBDIT)	2 910	1 904	3 510	3 232	2 777	2 912	2 712	1 472	1 724	2 335
Depreciation	21	27	37	31	34	29	26	14	18	21
Profit after Tax	828	517	977	757	409	662	519	229	339	968
Equity Dividend %	110	105	100	90	85	80	75	65	65	65
Dividend Payout	330	290	279	257	225	212	191	161	187	187
Equity Share Capital	253	253	253	253	244	246	246	246	246	246
Reserves and Surplus	13 915	13 448	13 028	12 330	11 390	11 266	10 798	6 782	6 713	6 560
Net Worth	14 006	13 579	13 131	12 387	11 458	11 346	10 910	6 958	6 886	6 697
Total Assets	36 352	33 266	36 354	35 702	36 515	33 557	30 183	26 608	20 025	21 137
Market Capitalisation	10 697	15 539	9 306	10 726	8 496	7 681	9 625	14 280	18 537	8 684
Number of Employees (Core)	125	139	132	124	124	119	115	139	54	48

Key Indicators

Year ended March 31	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
EBDIT/Gross Turnover %	88	92	85	81	85	75	32	76	72	77
Net Profit Margin %	25	25	24	19	13	17	16	12	14	32
Earnings Per Share (₹)	33	17	39	31	17	27	21	9	14	39
Book Value Per Share (₹)	554	538	520	490	467	462	444	283	280	273
Debt : Equity Ratio	1.48:1	1.38:1	1.64:1	1.76:1	2:1	1.84:1	1.67:1	2.66:1	1.71:1	2:1



Notice

Notice is hereby given that the 32nd Annual General Meeting of the Members of **Reliance Capital Limited** will be held on Tuesday, September 18, 2018 at 1:15 P.M. or soon after the conclusion of the Annual General Meeting of Reliance Power Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020, to transact the following business:

Ordinary Business:

1. To consider and adopt:
 - a. the audited financial statement of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon; and
 - b. the audited consolidated financial statement of the Company for the financial year ended March 31, 2018 and the report of the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Jai Anmol Ambani (DIN:07591624), who retires by rotation under the provisions of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
4. To confirm holding of office by Auditor for remaining term and in this regard, to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the appointment of M/s. Pathak H.D. & Associates, Chartered Accountants (Firm Registration No. 107783W) as the Statutory Auditors of the Company which was approved by the Members at the 30th Annual General Meeting, to hold office from the conclusion of the 30th Annual General Meeting for a term of 5 (five) consecutive years till the conclusion of the 35th Annual General Meeting, be and is hereby confirmed to hold office for the said period."
5. To confirm holding of office by Auditor for remaining term and in this regard, to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the appointment of M/s. Price Waterhouse & Co Chartered Accountants LLP, Chartered Accountants (Firm Registration No. 304026E/E300009) as the Statutory Auditors of the Company which was approved by the Members at the 31st Annual General Meeting, to hold office from the conclusion of the 31st Annual General Meeting for a term of 5 (five) consecutive years till the conclusion of the 36th Annual General Meeting, be and is hereby confirmed to hold office for the said period."

Special Business:

6. **Continuation of Dr. Bidhubhusan Samal as an Independent Director**
 To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:
"RESOLVED THAT pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Members of the Company be and is hereby accorded for the continuation of Dr. Bidhubhusan Samal (DIN:00007256), who has attained the age of seventy five years, as an

Independent Director up to expiry of his present term i.e. September 30, 2019 on the existing terms and conditions."

7. **Continuation of Mr. V. N. Kaul as an Independent Director**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Members of the Company be and is hereby accorded for the continuation of Mr. V. N. Kaul (DIN:03070263), who has attained the age of seventy five years, as an Independent Director up to expiry of his present term i.e. September 30, 2019 on the existing terms and conditions."

8. **Private Placement of Non-Convertible Debentures and / or other Debt Securities**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the provisions of the Memorandum of Association and the Articles of Association of the Company, the Securities and Exchange Board of India (SEBI) (Issue and Listing of Debt Securities) Regulations, 2008, as amended, and other applicable SEBI regulations and guidelines, and subject to such other applicable laws, rules and, regulations and guidelines, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall include any duly constituted committee of the Board) for making offer(s) or invitation(s) to subscribe to Secured / Unsecured / Redeemable / Non-Redeemable Non-Convertible Debentures (NCDs) including but not limited to subordinated Debentures, bonds, and / or other debt securities, etc., on a private placement basis, in one or more series / tranches, within the overall borrowing limits of the Company, as may be approved by the Members from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to determine the terms of issue including the class of investors to whom NCDs are to be issued, time of issue, securities to be offered, the number of NCDs, tranches, issue price, tenor, interest rate, premium / discount, listing, redemption period, utilisation of the issue proceeds and to do all such acts and things and deal with all such matters and take all such steps as may be necessary and to sign and execute any deeds / documents / undertakings / agreements / papers / writings, as may be required in this regard."

9. **Issue of securities through qualified institutions placement on a private placement basis to the qualified institutional buyers ("QIBs")**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"(a) RESOLVED THAT pursuant to the provisions of Sections 23, 42, 62(1)(c), 71 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with the Rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Chapter VIII and other applicable provisions of the Securities and Exchange Board of India (Issue of Capital

Reliance Capital Limited

Notice

and Disclosure Requirements) Regulations, 2009 ('SEBI ICDR Regulations'), provisions of the Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, from time to time and applicable provisions of other laws, rules, regulations and guidelines and applicable provisions of the Memorandum of Association and the Articles of Association of the Company and subject to any approval, consent, permission or sanction of the Central Government, Securities and Exchange Board of India, Reserve Bank of India and any other appropriate authorities, institutions or bodies, including stock exchanges where the securities of the Company are currently listed (hereinafter collectively referred to as the 'Appropriate Authorities') and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission and / or sanction (hereinafter referred to as the 'Requisite Approvals'), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall include any duly constituted committee of the Board), the Board be and is hereby authorised to create, issue, offer and allot equity shares and / or non-convertible debt instruments along with warrants and / or convertible securities other than warrants, which are convertible or exchangeable into equity shares, on such date or dates as may be determined by the Board but not later than 60 months from the date of allotment or such other time period as may be prescribed under law (collectively referred to as 'QIP Securities'), through qualified institutions placement, on a private placement basis in accordance with Section 42 of the Act to qualified institutional buyers ('QIBs') as defined in the SEBI ICDR Regulations, whether or not such QIBs are members of the Company, on the basis of placement document(s), at such time or times in one or more tranches, at par or at such price or prices including at a permissible discount or premium to market price(s) in terms of applicable regulations and on such terms and conditions and in such manner as the Board may, at its absolute discretion determine, in consultation with the lead managers, advisors and / or other intermediaries appointed in this regard, for an aggregate amount raised by issue of QIP Securities as above shall not result in increase of the issued and subscribed equity share capital of the Company by more than 15 per cent of the then issued and subscribed equity share capital of the Company.

- (b) **RESOLVED FURTHER THAT** in accordance with Regulation 81 of the SEBI ICDR Regulations, the 'Relevant Date' for determination of applicable price for the issue of the QIP Securities shall be: (i) in case of allotment of equity shares, the date on which the Board of the Company decides to open the proposed issue, or (ii) in case of allotment of eligible convertible securities, either the date on which the Board decides to open the proposed issue or the date on which the holders of the securities which are convertible into equity shares at a later date, becomes entitled to apply for equity shares.
- (c) **RESOLVED FURTHER THAT** in accordance with Regulation 86 of the SEBI ICDR Regulations, a minimum of 10 per cent of the QIP Securities shall be allotted to mutual funds and if mutual funds do not subscribe to the aforesaid minimum percentage or part thereof, such minimum portion or part thereof, may be allotted to other QIBs and that no allotment shall be made directly or indirectly to any QIB who is a promoter or any person related to promoters of the Company.

- (d) **RESOLVED FURTHER THAT** the Board be and is hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any QIP Securities referred to in paragraph (a) above or as may be necessary in accordance with the terms of the offering, all such shares shall rank *pari-passu* with the then existing equity shares of the Company in all respects, as may be provided under the terms of the issue and in the offering document.
- (e) **RESOLVED FURTHER THAT** such of these QIP Securities to be issued as are not subscribed may be disposed of by the Board to such person or persons and in such manner and on such terms as the Board may in its absolute discretion think fit in accordance with the provisions of law.
- (f) **RESOLVED FURTHER THAT** the issue to the holders of the QIP Securities with equity shares underlying such securities shall be, *inter-alia*, subject to suitable adjustment in the number of shares, the price and the time period, etc., in the event of any change in the equity capital structure of the Company consequent upon capitalisation of profits (other than by way of dividend on shares), rights issue of equity shares, consolidation of its outstanding equity shares into smaller number of shares, etc.
- (g) **RESOLVED FURTHER THAT** the Board may at its absolute discretion offer discount of not more than five per cent or such other discount as may be permitted under the applicable regulations to the price of the QIP Securities as determined in accordance with the SEBI ICDR Regulations.
- (h) **RESOLVED FURTHER THAT** the QIP Securities shall be issued and allotted within twelve months from the date of this resolution or such other time as may be allowed under the SEBI ICDR Regulations and that no subsequent qualified institutions placement shall be made until the expiry of six months from the date of the qualified institutions placement approved by way of this resolution.
- (i) **RESOLVED FURTHER THAT** subject to the applicable laws, for the purpose of giving effect to the issuance of QIP Securities, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds and things thereof in its absolute discretion as it deems necessary or desirable in connection with the issue of the QIP Securities, including, without limitation to: (i) decide the date for the opening and closing of the issue of QIP Securities, including determining the form and manner of the issue, issue structure, including the class of investors to whom the QIP Securities are to be issued and allotted, number of QIP Securities to be allotted, issue price (including the premium or discount to the floor price, as the case may be), face value, delivery and execution of all contracts, agreements and all other documents, deeds and instruments as may be required or desirable in connection with the issue of QIP Securities by the Company; (ii) finalisation of the allotment of the QIP Securities on the basis of the subscriptions received; (iii) finalisation of and arrangement for the submission of the preliminary and final placement document(s), and any amendments and supplements thereto, with any applicable government and regulatory authorities, institutions or bodies, as may be required; (iv) approval of the preliminary and final offering circulars or placement document (including amending, varying or modifying the same, as may be considered desirable or expedient) as finalised in consultation with the lead manager(s) / underwriter(s) / advisor(s), in accordance with all applicable rules, regulations and guidelines;

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(v) appoint, in its absolute discretion, managers (including lead managers), merchant bankers, underwriters, guarantors, financial and / or legal advisors and all other agencies, whether in India or abroad, entering into or execution of all such agreements / arrangements / memorandum of understanding / documents with any such agencies, in connection with the proposed offering of the QIP Securities; (vi) authorisation to any director or directors of the Company or other officer or officers of the Company, including by the grant of powers of attorney, to do such acts, deeds and things as the authorised person in its absolute discretion may deem necessary or desirable in connection with the issue, allotment and listing of the QIP Securities; (vii) seeking, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India and any other consent that may be required in connection with the issue and allotment of the QIP Securities; and (viii) all such acts, deeds, matters and things as the Board may, in its absolute discretion, consider necessary, proper, expedient, desirable or appropriate for making the said issue as aforesaid and to settle any question, query, doubt or difficulty that may arise in this regard including the power to allot under subscribed portion, if any, in such manner and to such person(s) as the Board, may deem fit and proper in its absolute discretion to be most beneficial to the Company.

- (j) **RESOLVED FURTHER THAT** for the purpose aforesaid, the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in regard to the issue, offer and allotment of QIP Securities and utilisation of the issue proceeds including but without limitation to the creation of such mortgage / hypothecation / charge on the Company's assets under Section 180(1)(a) of the Act in respect of the aforesaid QIP Securities either on *pari-passu* basis or otherwise or in the borrowing of loans as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.
- (k) **RESOLVED FURTHER THAT** the Board shall have the authority and power to accept any modifications in the proposal as may be required or imposed by the Appropriate Authorities at the time of according / granting their approvals, consents, permissions and sanctions to issue, allotment and listing thereof and as may be agreed to by the Board.
- (l) **RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any other Officer(s) / Authorised Representative(s) of the Company to give effect to this resolution."

By Order of the Board of Directors

Atul Tandon
Company Secretary & Compliance Officer

Registered Office:
H Block, 1st Floor
Dhirubhai Ambani Knowledge City
Navi Mumbai 400 710
CIN : L65910MH1986PLC165645
Website: www.reliancecapital.co.in

August 10, 2018

Notes:

- Statement pursuant to Section 102(1) of the Companies Act, 2013 (the "Act"), relating to the special business to be transacted at the Annual General Meeting (the 'Meeting') is annexed hereto.
- A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll, instead of herself / himself and the proxy need not be a member of the Company. The instrument appointing the proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before commencement of the Meeting.**
- A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. However, a member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.
- Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send to the Company a certified true copy of their board resolution authorising their representatives together with their specimen signature(s) to attend and vote on their behalf at the Meeting.
- Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto.
- Members / Proxies are requested to bring their duly filled attendance slip sent herewith along with their copy of the annual report to the Meeting.
- In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
- Members who hold shares in electronic form are requested to write their DP ID and Client ID numbers and those who hold shares in physical form are requested to write their Folio number in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.
- Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays between 11:00 A.M. and 1:00 P.M. up to the date of the Meeting. The certificate from the Statutory Auditors of the Company confirming the compliance of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 with respect to the Company's Employee Stock Option Scheme(s) will be available for inspection at the Meeting.
- The Company's Register of Members and Transfer Books will remain closed from Saturday, September 15, 2018 to Tuesday, September 18, 2018 (both days inclusive) for the purpose of Annual General Meeting and for determining the names of members eligible for dividend, if declared, on equity shares for the financial year ended March 31, 2018.
 - The dividend on equity shares, as recommended by the Board of Directors, if declared, at the Meeting, will be paid after the Meeting to:
 - all those equity shareholders, whose names appear in the Register of Members as on September 14, 2018; and
 - those whose names appear as beneficial owners as on September 14, 2018 as furnished by the National Securities Depository Limited and

Reliance Capital Limited

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Central Depository Services (India) Limited for the purpose.

- c. Members may please note that the dividend warrants shall be payable at par at the designated branches of the Bank for an initial period of three months only. Thereafter, the dividend warrants on revalidation shall be payable only at limited centres / branches of the said Bank. Members are therefore, requested to encash dividend warrants within the initial validity period.
11. Members may please note that for shares in electronic form, bank particulars registered against their depository accounts will be used by the Company for payment of dividend. Members are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. The Company or its Registrar and Transfer Agent cannot change bank particulars or bank mandates for shares held in electronic form.
12. Non-Resident Indian Members are requested to inform Karvy Computershare Private Limited (Karvy), the Company's Registrar and Transfer Agent immediately on:
 - a. the change in the residential status on return to India for permanent settlement; and
 - b. the particulars of the bank account(s) maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
13. Re-appointment of Director:

At the ensuing Annual General Meeting, Mr. Jai Anmol Ambani, Director of the Company retires by rotation under the provisions of the Companies Act, 2013 and being eligible, offers himself for re-appointment. The Nomination and Remuneration Committee and the Board of Directors of the Company have recommended the re-appointment.

Mr. Jai Anmol Ambani, 26 years, studied in Cathedral and John Connon School, Mumbai, till Xth (2007) and thereafter completed his schooling from Seven Oaks School, United Kingdom, in 2009. He completed his undergraduate studies – BSc in Management from Warwick Business School, UK. He did his summer internship with Reliance Mutual Fund (RMF) for two months, in 2009 before joining college, wherein he worked with the RMF Equity Research team and learnt the practical aspects of financial statements, company & sector analysis and portfolio creation and has four years of experience in financial services.

He has been appointed as a Director of the Company with effect from August 23, 2016. He has attended all seven Board Meetings held during the financial year 2017-18. He serves on the board of Reliance Home Finance Limited, Reliance Nippon Life Asset Management Limited, Reliance Innoventures Private Limited, Unlimit IOT Private Limited and Reliance Entertainment Holdings Private Limited. He is the member of audit committee, nomination and remuneration committee and CSR committee of Reliance Nippon Life Asset Management Limited.

In terms of Section 152(6) of the Act, he was appointed as an Executive Director at the Annual General Meeting held on September 27, 2016, liable to retire by rotation and paid a remuneration as per the existing approved terms and conditions.

He fulfils the Fit and Proper Criteria of Directors as per the requirements of Master Circular – "Non-Banking Financial Companies-Corporate Governance (Reserve Bank) Directions, 2015" and has given his declaration in this regard.

He holds 1,78,692 equity shares in the Company. He is the son of Mr. Anil D. Ambani, Chairman of the Company and does not hold any other relationship with other Directors and Key Managerial Personnel of the Company.

The details pertaining to Mr. Jai Anmol Ambani pursuant to the requirements of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") are furnished in the Corporate Governance Report forming part of this Annual Report.

14. In terms of Notification No. S.O. 1883 (E) dated May 7, 2018, issued by the Ministry of Corporate Affairs, Government of India, the requirement to place the matter relating to appointment of Auditors for ratification by members at every AGM has since been done away. Members at the AGM held on September 27, 2016 and September 26, 2017 had approved the appointment of M/s. Pathak H.D. & Associates and M/s. Price Waterhouse & Co Chartered Accountants LLP, respectively, as Statutory Auditors of the Company for a term of five consecutive years. Keeping in view that appointment of above Statutory Auditors was subject to ratification at every AGM, resolutions set out at Item Nos. 4 and 5 are proposed as an abundant caution, seeking confirmation of the Members for the above Statutory Auditors to continue to hold office for their respective remaining terms. Both the above Statutory Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company.
15. Members are advised to refer to the section titled 'Investor Information' provided in this Annual Report.
16. **SEBI has decided that securities of listed companies can be transferred only in dematerialised form with effect from December 5, 2018. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise shares held by them in physical form.**
17. Members are requested to fill in and submit online the Feedback Form provided in the 'Investor Relations' section on the Company's website www.reliancecapital.co.in to aid the Company in its constant endeavour to enhance the standards of service to investors.
18. The Statement containing the salient features of the balance sheet, the statement of profit and loss and auditors' report on the Abridged Financial Statement, is sent to the Members, along with the Abridged Consolidated Financial Statement. Any Member interested in obtaining a copy of the full Annual Report, may write to the Company or Registrar and Transfer Agent.
19. Members holding shares in physical mode:
 - a. are required to submit their Permanent Account Number (PAN) and bank account details to the Company / Karvy, if not registered with the Company as mandated by SEBI.
 - b. are advised to register the nomination in respect of their shareholding in the Company. Nomination Form (SH-13) is put on the Company's website and can be accessed at link <http://www.reliancecapital.co.in/Download-Forms.aspx>.
 - c. are requested to register / update their e-mail address with the Company / Karvy for receiving all communications from the Company electronically.
20. Members holding shares in electronic mode:
 - a. are requested to submit their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts.
 - b. are advised to contact their respective DPs for registering the nomination.
 - c. are requested to register / update their e-mail address with their respective DPs for receiving all communications from the Company electronically.
21. The Securities and Exchange Board of India vide its circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73

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dated April 20, 2018, with a view to protect the interest of the shareholders, has mandated to all the members who holds securities of the company in physical form, to furnish to the company / its registrar and transfer agent, the details of their valid Permanent Account Number (PAN) and bank account. To support the SEBI's initiative, the Members are requested to furnish the details of PAN and bank account to the Company or Karvy Computershare Private Limited (Karvy), the Company's Registrar and Transfer Agent. **Form for updating PAN / Bank details is provided as a part of this Annual Report. Members are requested to send duly filled form along with (a) self-attested copy of PAN card of all the holders; and (b) original cancelled cheque leaf with names of shareholders or bank passbook showing names of members, duly attested by an authorised bank official.**

22. Members who hold shares in physical form, in multiple folios, in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Transfer Agent for consolidation into a single folio.
23. In compliance with the provisions of Section 108 of the Act read with Rules made thereunder and Regulation 44 of the SEBI Listing Regulations, the Company is offering e-voting facility to all Members of the Company through Notice dated August 10, 2018 (remote e-voting). A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners (in case of electronic shareholding) maintained by the depositories as on the

cut-off date i.e. September 11, 2018 only shall be entitled to avail the facility of remote e-voting / voting. Karvy Computershare Private Limited will be facilitating remote e-voting to enable the Members to cast their votes electronically. The Members can cast their vote online from 10:00 A.M. on September 14, 2018 to 5:00 P.M. on September 17, 2018. The Members shall refer to the detailed procedure on remote e-voting given in the e-voting instruction slip. The facility for voting shall also be available at the Meeting. The Members who have cast their votes by remote e-voting prior to the Meeting may also attend the Meeting, but shall not be entitled to cast their votes again at the Meeting. The Board of Directors have appointed Mr. Anil Lohia or in his absence Mr. Rinkit Kiran Uchat, Partners, M/s. Dayal and Lohia, Chartered Accountants as the Scrutiniser to scrutinise the voting process in a fair and transparent manner.

The Scrutiniser will submit his report to the Chairman or any person authorised by him after completion of the scrutiny and the results of voting will be announced after the Meeting of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting. The result of the voting will be submitted to the Stock Exchanges, where the shares of the Company are listed and posted on the website of the Company at www.reliancecapital.co.in and on the website of Karvy Computershare Private Limited.

Statement pursuant to Section 102 (1) of the Companies Act, 2013 to the accompanying Notice dated August 10, 2018

Item Nos. 6 & 7 Continuation of Dr. Bidhubhusan Samal and Mr. V. N. Kaul as Independent Director(s).

The Securities and Exchange Board of India vide its Notification No. SEBI/LAD-NRO/GN/2018/10 dated May 9, 2018 has amended Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and prescribed that no company shall continue the directorship of a person as a non-executive director who has attained the age of seventy five years unless it is approved by the members by passing a special resolution. The effective date of Notification is April 1, 2019.

Dr. Bidhubhusan Samal and Mr. V. N. Kaul, who were appointed as Independent Director(s) by the Members to hold office for a term of 5 (five) years up to September 30, 2019, have attained the age of seventy five years and in terms of the requirements of abovementioned SEBI Notification, continuation of office as Independent Director(s) beyond the age of seventy five years would require the approval of Members by a special resolution.

Dr. Bidhubhusan Samal has been associated with the Company from October 30, 2009 and presently he is an Independent Director on the Board of the Company. He has over 30 years of experience in the field of Banking, Securities Markets and Industrial Finance. He has served as Chairman and Managing Director of Allahabad Bank and Industrial Investment Bank of India. Keeping in view that Dr. Bidhubhusan Samal has rich and varied experience in industry, it would be beneficial to the Company to continue the directorship of Dr. Bidhubhusan Samal as an Independent Director.

Mr. V. N. Kaul has been associated with the Company from April 30, 2010 and presently he is an Independent Director on the Board of the Company. Mr. V. N. Kaul is a former Comptroller and Auditor General of India (C&AG) who was awarded Padma Bhushan in 2014. He has been Vice Chairman of the United Nations Independent Audit Advisory Committee, New York, from 2008 to 2011. Prior to his appointment as C&AG, Mr. Kaul held senior position in Government and in the United Nations. Keeping in view that Mr. V. N. Kaul has rich and varied experience in industry, it would be beneficial to the Company to continue the directorship of Mr. V. N. Kaul as an Independent Director.

In view of above, it is proposed to seek approval of the Members for continuation of directorship of Dr. Bidhubhusan Samal and Mr. V. N. Kaul as Independent Director(s) on the Board of the Company till their term upto September 30, 2019.

Details of Dr. Bidhubhusan Samal and Mr. V. N. Kaul have been furnished in Corporate Governance Report forming part of this Annual Report.

Dr. Bidhubhusan Samal and Mr. V. N. Kaul are interested in the resolutions set out respectively at Item Nos. 6 and 7 of the Notice.

The relatives of Dr. Bidhubhusan Samal and Mr. V. N. Kaul may be deemed to be interested in the resolutions set out respectively at Item Nos. 6 and 7 of the Notice, to the extent of their equity shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors, Manager, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board accordingly recommends the Special Resolutions set out at Item Nos. 6 and 7 of the accompanying Notice for the approval of the Members.

Item No. 8 Private Placement of Non-Convertible Debentures and/or other Debt Securities.

As per the provisions of Section 42 of the Companies Act, 2013 (the "Act") and the Rules made thereunder, a company offering or making an invitation to subscribe to Secured / Unsecured / Redeemable / Non-Redeemable Non-Convertible Debentures (NCD's) on a private placement basis is required to obtain the prior approval of the Members by way of a Special Resolution. Such approval by a Special Resolution can be obtained once a year for all the offers and invitations for such NCD's to be made during the year.

NCD's including subordinated debentures, bonds and / or other debt securities, etc., issued on a private placement basis constitute a significant source of borrowings for the Company and meet the ongoing funding requirements for the Company's business activities, for general corporate purposes and refinancing of the existing debt obligations of the Company.

Reliance Capital Limited

Statement pursuant to Section 102 (1) of the Companies Act, 2013 to the accompanying Notice dated August 10, 2018

The Board of Directors at its meeting held on April 26, 2018 has considered the proposal to make an offer or invitation, to subscribe to securities through private placement subject to the shareholders' approval at the ensuing AGM for all the offers or invitations for NCDs to be made during the year.

It is proposed to obtain an enabling approval of shareholders to offer or invite subscriptions for NCD's including subordinated debentures, bonds, and / or other debt securities, etc., on private placement basis, at appropriate time, in one or more series / tranches, within the overall borrowing limits of the Company, as may be approved by the Members from time to time, with authority to the Board to determine the terms and conditions, including the issue price of the NCD's, interest, repayment, security, or otherwise, as it may deem expedient and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit, the Board would act on the basis of the enabling resolution without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of the resolution. Accordingly, the approval of the Members is being sought by way of a Special Resolution under Sections 42, 71 and other applicable provisions, if any, of the Act and Rules made thereunder as set out in Item No. 8 appended to this Notice.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this resolution.

The Board accordingly recommends the Special Resolution set out at Item No. 8 of the accompanying Notice for the approval of the Members.

Item No. 9 Issue of securities through qualified institutions placement on a private placement basis to the Qualified Institutional Buyers ("QIBs").

The Company, in order to enhance its global competitiveness and its ability to compete with the peer groups in the domestic and international markets, needs to strengthen its financial position and net worth by augmenting its long-term resources.

In order to meet the requirements for the above purposes and for general corporate purposes, as may be decided by the Board from time to time, it is proposed to seek authorisation of the Members of the Company in favour of the Board of Directors ('Board' or 'Board of Directors' which expression for the purposes of this resolution shall include any duly constituted committee of Directors), without the need for any further approval from the Members, to undertake the proposed issue of securities through qualified institutions placement on private placement basis to qualified institutional buyers ('QIBs'), in accordance with the provisions of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ('SEBI ICDR Regulations') and other applicable laws, regulations, rules and guidelines, as set out in the Special Resolution at Item No. 9 of the accompanying Notice.

In view of above, the Board may, in one or more tranches, issue and allot equity shares and / or non-convertible debt instruments along with warrants and / or convertible securities other than warrants, which are convertible or exchangeable into equity shares on such date(s) as may be determined by the Board but not later than 60 months from the date of allotment or such other time period as may be prescribed under law (collectively referred to as 'QIP Securities') to QIBs on a private placement basis. The proposed issue of QIP Securities ('QIP') shall be subject to the provisions of applicable laws, including the SEBI ICDR Regulations, including in relation to the pricing of the QIP Securities. The 'Relevant Date' for the determination of applicable price for the issue of the QIP Securities shall be (a) in case of allotment of equity shares the date of the meeting in which the Board of the Company decides to open the proposed

QIP, or (b) in case of allotment of eligible convertible securities which are convertible into equity shares at a later date, the date on which the Board decides to open the proposed issue or the date on which the holders of such securities becomes entitled to apply for equity shares, as the case may be.

The pricing of the QIP Securities that may be issued shall be determined subject to such price not being less than the floor price calculated in accordance with Chapter VIII of the SEBI ICDR Regulations ('QIP Floor Price'). Further, the Board may offer a discount of not more than five per cent or such other percentage as permitted on the QIP Floor Price calculated in accordance with the pricing formula provided under SEBI ICDR Regulations.

For the reasons aforesaid, an enabling Special Resolution is therefore proposed to be passed to give adequate flexibility and discretion to the Board to finalise the terms of the QIP. The QIP Securities issued pursuant to the offering would be listed on the Indian stock exchanges.

The proposed issue of QIP Securities as above may be made in one or more tranches such that the aggregate amount raised by the issue of QIP Securities shall not result in increase of the issued and subscribed equity shares capital of the Company by more than 15 per cent of the then issued and subscribed equity share capital of the Company as on the Relevant Date. The proposed Special Resolution is only enabling in nature and the Board may from time to time, consider the extent, if any, to which the QIP Securities may be issued.

The QIP Securities issued pursuant to the QIP, if necessary, may be secured by way of mortgage / hypothecation of the Company's assets as may be finalised by the Board in consultation with the Security Holders / Trustees in favour of Security Holders/ Trustees for the holders of the said securities. The security that may have to be created for the purposes of this issue, as above may come within the purview of Section 180(1)(a) of the Act. Necessary approval under Section 180(1)(a) of the Act has already been obtained.

Section 62(1)(c) of the Act provides, *inter-alia*, that where it is proposed to increase the subscribed share capital of the Company by allotment of further shares, such further shares shall be offered to the persons, who on the date of the offer are holders of the equity shares of the Company, in proportion to the capital paid-up on those shares as of that date unless the Members decide otherwise. The proposed Special Resolution seeks the consent and authorisation of the Members to the Board of Directors to offer, issue, allot and listing the QIP Securities as also securities to be issued on exercise of warrants, in consultation with the lead managers, legal advisors and other intermediaries, to any persons, whether or not they are Members of the Company.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this resolution, except to the extent of their shareholding in the Company, if any.

The Board accordingly recommends the Special Resolution set out at Item No. 9 of the accompanying Notice for the approval of the Members.

By Order of the Board of Directors

Atul Tandon
Company Secretary & Compliance Officer

Registered Office:
H Block, 1st Floor
Dhirubhai Ambani Knowledge City
Navi Mumbai 400 710
CIN : L65910MH1986PLC165645
Website: www.reliancecapital.co.in
August 10, 2018

Directors' Report

Dear Shareowners,

Your Directors have pleasure in presenting the 32nd Annual Report and the audited financial statement for the financial year ended March 31, 2018.

Financial Performance and State of Company's Affairs

The standalone performance of the Company for the financial year ended March 31, 2018 is summarised below:

Particulars	Financial Year ended March 31, 2018		*Financial Year ended March 31, 2017	
	(₹ in crore)	(US\$ in million**)	(₹ in crore)	(US\$ in million**)
Total revenue	3 315	510	2 071	319
Profit before tax	1 054	162	517	80
Tax expense	226	35	98	15
Profit after tax	828	127	419	65
Add: Opening surplus in Statement of Profit and Loss	2 437	374	2 101	324
Profit available for appropriation	3 265	502	2 520	389
Transfer to statutory reserve fund	166	25	84	13

*Previous year figures has been regrouped / reclassified wherever required.

**Exchange Rate ₹ 65.0441 = US\$ 1 as on March 31, 2018 (₹ 64.910 = US\$1 as on March 31, 2017).

Financial Performance

The Company's gross income for the financial year ended March 31, 2018 increased to ₹ 3,315 crore, from ₹ 2,071 crore in the previous year, increase of 60 per cent. The operating profit (PBDIT) of the Company increased by 53 per cent to ₹ 2,910 crore during the year, from ₹ 1,904 crore, in the previous year. Depreciation was at ₹ 21 crore as against ₹ 27 crore in the previous year. The net profit for the year increased by 98 per cent to ₹ 828 crore from ₹ 419 crore, in the previous year. An amount of ₹ 166 crore was transferred to the Statutory Reserve Fund pursuant to Section 45-IC of the Reserve Bank of India Act, 1934.

Dividend

Your Directors have recommended a dividend of ₹ 11 (110 per cent) per equity share each of ₹ 10 aggregating to ₹ 330 crore (inclusive of dividend tax) for the financial year ended March 31, 2018, which, if approved at the ensuing 32nd Annual General Meeting (AGM), will be paid to (i) all those equity shareholders whose names appear in the Register of Members as on September 14, 2018, and (ii) to those whose names appear as beneficial owners, as on September 14, 2018 as furnished by the National Securities Depository Limited and Central Depository Services (India) Limited for the purpose.

The dividend payout is in accordance with the Company's Dividend Distribution Policy which forms part of this Annual Report.

Core Investment Company

The Company, in terms of Para 5 of Chapter III of Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016, made an application to the Reserve Bank of India for registering itself as Systemically Important Core Investment Company (CIC-ND-SI). The Company is awaiting Certificate of Registration ('CoR') CIC-ND-SI and continues to position itself as CIC-ND-SI and complies with the prudential norms applicable to CIC-ND-SI.

Management Discussion and Analysis

Management Discussion and Analysis Report for the year under review as stipulated under the Listing Regulations and Master

Circular - Non-Banking Financial Companies - Corporate Governance (Reserve Bank) Directions, 2015 is presented in a separate section forming part of this Annual Report.

Resources and Liquidity

The Company's Net Worth as on March 31, 2018, stood at ₹ 14,006 crore. The Company has raised ₹ 8,351 crore during the financial year 2017-18 by issuance of Commercial Papers, Non-Convertible Debentures (NCDs) and other money market instruments.

During the year under review, the Company has allotted 71,882 equity shares arising out of the exercise of Employees Stock Options granted to the employees of the Company and its subsidiaries.

RCL's debt equity ratio as on March 31, 2018 stood at 1.48:1.

Deposits

The Company has neither accepted nor renewed any fixed deposits during the year. There are no unclaimed deposits, unclaimed / unpaid interest, refunds due to the deposit holders or to be deposited to the Investor Education and Protection Fund as on March 31, 2018.

Particulars of Loans, Guarantees or Investments

Pursuant to Section 186(11) of the Companies Act, 2013 (the 'Act') loans made, and acquisition of securities by a Non-Banking Financial Company in the ordinary course of its business are exempted from disclosure in the Annual Report.

Subsidiary and Associate companies

During the year under review, Reliance Health Insurance Limited became a subsidiary and Reliance Asset Management (Mauritius) Limited, Reliance Asset Management (Singapore) Pte Limited and Reliance AIF Management Company Limited ceased to be subsidiaries of the Company. Reliance Nippon Life Asset Management Limited ceased to be a subsidiary and became an associate and Quant Commodity Broking Private Limited ceased to be an associate of the Company.

The performance and financial position of the major subsidiary companies are presented in Management Discussion and Analysis Report forming part of this Annual Report. Also, a report on the performance and financial position of each

Reliance Capital Limited

Directors' Report

of the subsidiary and associate companies as per the Act is provided in the consolidated financial statement. The Policy for determining material subsidiary companies may be accessed on the Company's website at <http://www.reliancecapital.co.in/pdf/Policy-for-Determination-of-Material-Subsidiary.pdf>.

Reliance Home Finance

The Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 (the 'Scheme') for demerger of Real Estate Lending Business of the Company to Reliance Home Finance Limited (RHFL) has been sanctioned by the National Company Law Tribunal, Mumbai Bench on August 10, 2017. The Scheme became effective on September 5, 2017 on filing with the Registrar of Companies, Maharashtra at Mumbai with effect from April 1, 2017 i.e. Appointed Date. RHFL had issued and allotted to all equity shareholders of the Company, 1 (One) fully paid Equity Share of RHFL for every 1 (One) equity share of ₹ 10 each fully paid up held in the Company as on Record Date i.e. September 6, 2017. After receiving requisite approvals, equity shares of RHFL were listed on the Stock Exchanges on September 22, 2017.

Reliance Nippon Life Asset Management (RNLAM)

Reliance Nippon Life Asset Management Limited on June 7, 2017 made the initial public offer comprising a fresh issue and an offer for sale of its 6,12,00,000 equity shares of ₹ 10 each in the price band of ₹ 247 to ₹ 252. The IPO was oversubscribed 81 times excluding the Anchor Investor Offer and the equity shares of RNLAM were listed on the Stock Exchanges on November 6, 2017.

Consolidated Financial Statement

The Audited Consolidated Financial Statement for the financial year ended March 31, 2018, based on the financial statement received from subsidiary and associate companies, as approved by their respective Board of Directors have been prepared in accordance with Accounting Standard (AS) - 21 on 'Consolidated Financial Statements' read with AS-23 on 'Accounting for Investments in Associates', notified under the Act, read with the Accounting Standards Rules as applicable.

Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under the Act and the Listing Regulations.

The details of programme for familiarisation of Independent Directors with the Company, nature of the industry in which the Company operates and related matters are put up on the website of the Company at the link <http://www.reliancecapital.co.in/Policies.aspx>.

In terms of the provisions of the Companies Act, 2013, Mr. Jai Anmol Ambani, Director of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing AGM.

A brief resume of Mr. Jai Anmol Ambani, along with requisite details, as stipulated under Regulation 36(3) of the Listing Regulations, is given in the section on Corporate Governance Report forming part of this Annual Report.

Dr. Bidhubhusan Samal and Mr. V. N. Kaul, who were appointed as Independent Director(s) of the Company by the Members for a term of 5 (five) years up to September 30, 2019 and have attained the age of seventy five years. In terms of the amended

Regulation 17 of the Listing Regulations vide SEBI Notification No. SEBI/LAD-NRO/GN/2018/10 dated May 9, 2018, it is proposed to obtain Members' approval for continuation of directorship after April 1, 2019 of Dr. Samal and Mr. Kaul as Independent Director(s) at the ensuing AGM.

Key Managerial Personnel

During the year, there was no change in the Key Managerial Personnel.

Evaluation of Directors, Board and Committees

The Company has devised a policy for performance evaluation of the individual Directors, Board and its Committees, which includes criteria for performance evaluation.

Pursuant to the provisions of the Act and Regulation 17(10) of the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of the Committees of the Board. The Board performance was evaluated based on inputs received from all the Directors after considering criteria such as Board composition and structure, effectiveness of Board / Committee processes, and information provided to the Board, etc. A separate meeting of the Independent Directors was also held during the financial year for the evaluation of the performance of non-independent Directors, performance of the Board as a whole and that of the Chairman.

The Nomination and Remuneration Committee has also reviewed the performance of the individual Directors based on their knowledge, level of preparation and effective participation in meetings, understanding of their roles as directors, etc.

Policy on appointment and remuneration for Directors, Key Managerial Personnel and Senior Management Employees

The Nomination and Remuneration Committee of the Board has devised a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Employees and their Remuneration. The Committee has formulated the criteria for determining qualifications, positive attributes and independence of a Director, which has been put up on the Company's website www.reliancecapital.co.in. The policy on the above is attached as Annexure - A.

Directors' Responsibility Statement

Pursuant to the requirements under Section 134(5) of the Act with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- In the preparation of the annual financial statement for the financial year ended March 31, 2018, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the year ended on that date;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the annual financial statement for the financial year ended March 31, 2018 on a 'going concern' basis;

Directors' Report

- v. The Directors had laid down proper internal financial controls to be followed by the Company and such financial controls are adequate and are operating effectively; and
- vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Contracts and Arrangements with Related Parties

All contracts / arrangements / transactions entered into / by the Company during the financial year under review with related parties were on an arm's length basis and in the ordinary course of business.

There were no materially significant related party transactions which could have potential conflict with interest of the Company at large.

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

All Related Party Transactions were placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which were of a repetitive nature. The transactions entered into pursuant to the omnibus approval so granted were reviewed and statements giving details of all related party transactions were placed before the Audit Committee and the Board of Directors on quarterly basis. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at the link http://www.reliancecapital.co.in/pdf/Policy_for_Related_Party_Transaction.pdf. Your Directors draw attention of the members to Note No. 34 to the Financial Statement which sets out related party disclosures.

Material Changes and Commitments if any, affecting the financial position of the Company

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report.

Meetings of the Board

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, seven Board Meetings were held, details of meetings held and attended by each Director are given in the Corporate Governance Report.

Audit Committee

The Audit Committee of the Board consists of Independent Directors namely Mr. Rajendra P. Chitale, Chairman, Dr. Bidhubhusan Samal, Mr. V. N. Kaul, Ms. Chhaya Virani, Non-Independent Director, Mr. Amitabh Jhunjhunwala and Executive Director, Mr. Jai Anmol Ambani as members. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

Auditors and Auditors' Report

M/s. Pathak H.D. & Associates, Chartered Accountants and M/s. Price Waterhouse & Co Chartered Accountants LLP, Chartered Accountants were appointed as Auditors of the Company for a term of 5 (five) consecutive years, at the Annual General Meeting of the Company held on September 27, 2016 and September 26, 2017, respectively. The Company has received letters from M/s. Pathak H.D. & Associates, Chartered Accountants, and M/s. Price Waterhouse & Co Chartered Accountants LLP that they are not disqualified from continuing as Auditors of the Company.

The Notes on Financial Statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The observations and comments given by the Auditors in their Report read together with notes on Financial Statements are self-explanatory and hence do not call for any further comments under Section 134 of the Act.

Maintenance of Cost Records

The Central Government has not specified maintenance of cost records, for any of the products of the Company, under Section 148(1) of the Act.

Secretarial Standards

During the year under review, the Company has complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. Aashish K. Bhatt & Associates, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company. There is no qualification, reservation or adverse remark made in their Secretarial Audit Report. The Audit Report of the Secretarial Auditor is attached as Annexure – B.

Extract of Annual Return

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

Particulars of Employees and related disclosures

(a) Employees Stock Option Scheme(s)

Employees Stock Option Scheme(s) (ESOS 2015 and ESOS 2017) were approved and implemented by the Company and Options were granted to the employees in accordance with guidelines applicable to ESOS. The Nomination and Remuneration Committee of the Board monitors the Scheme. The existing ESOS Scheme and Plans are in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (SEBI Regulations).

The Company has received a certificate from the Auditors of the Company that the ESOS 2015 and ESOS 2017 have been implemented in accordance with the SEBI Regulations and as per the resolution passed by the members of the Company authorising issuance of the said Options. The details as required to be disclosed under SEBI Regulations are put on the Company's website at <http://www.reliancecapital.co.in/ESOS-Disclosure.aspx>.

(b) Other Particulars

In terms of the provisions of Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules are provided in the Annual Report, which forms part of this Report.

Disclosures relating to the remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are also provided in the Annual Report, which forms part of this Report.

Reliance Capital Limited

Directors' Report

However, having regard to the provisions of first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. The said information is available for inspection at the registered office of the Company on all working days, except Saturdays between 11:00 A.M. and 1:00 P.M. up to the date of the Meeting. Any member interested in obtaining the same may write to the Company Secretary and the same will be furnished on request.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The Company is a Non-Banking Financial Company and does not involve in any manufacturing activity, most of the information as required under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 are not applicable. However, the information as applicable has been given in Annexure – D forming part of this Report.

Corporate Governance

The Company has adopted 'Reliance Group-Corporate Governance Policies and Code of Conduct' which sets out the systems, processes and policies conforming to the international standards. The report on Corporate Governance as stipulated under Regulation 34(3) read with Para C of Schedule V of the Listing Regulations is presented in separate section forming part of this Annual Report.

A Certificate from the Auditors of the Company M/s. Pathak H.D. & Associates, Chartered Accountants and M/s. Price Waterhouse & Co Chartered Accountants LLP confirming compliance to the conditions of Corporate Governance as stipulated under Para E of Schedule V of the Listing Regulations, is enclosed to this Report.

Ombudspersons & Whistle Blower (Vigil Mechanism)

The Company has formulated an Ombudspersons & Whistle Blower (Vigil Mechanism) policy to address the genuine concerns, if any, of the Directors and employees. The details of the same have been stated in the Report on Corporate Governance and the policy can be accessed on the Company's website.

Risk Management

The Company has laid down a robust Risk Management Policy, defining Risk profiles involving Strategic, Technological, Operational, Financial, Organisational, Legal and Regulatory risks within a well defined framework. The Risk Management Policy acts as an enabler of growth for the Company by helping its businesses to identify the inherent risks, assess, evaluate and monitor these risks continuously and undertake effective steps to manage these risks.

A Risk Management Committee consisting of Mr. V. N. Kaul, Chairman and Ms. Chhaya Virani as member, periodically reviews the robustness of the Risk Management Policy. The periodical update on the risk management practices and mitigation plan of the Company and subsidiaries are presented to the Audit Committee and Board of Directors. The Audit Committee and Board periodically review such updates and findings and suggest areas where internal controls and risk management practices can be improved. More details on Risk Management indicating development and implementation of Risk Management Policy including identification of elements of risk and their mitigation are covered in Management Discussion and Analysis section, which forms part of this Report.

Compliance with provisions of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to uphold and maintain the dignity of woman employees and it has in place a policy which provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints. During the year, no such complaints were received. The Company has also constituted an Internal Compliance Committee under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

Corporate Social Responsibility

The Company has constituted Corporate Social Responsibility (CSR) Committee in compliance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Corporate Social Responsibility Committee has formulated a Corporate Social Responsibility Policy (CSR policy) indicating the activities to be undertaken by the Company. The CSR policy may be accessed on the Company's website at the link; http://www.reliancecapital.co.in/pdf/Group_CSR_Policy_Document.pdf.

The CSR Committee consists of Dr. Bidhubhusan Samal as Chairman, Mr. Amitabh Jhunjhunwala, Mr. V. N. Kaul and Mr. Jai Anmol Ambani, as members. The disclosures with respect to CSR activities is given in Annexure – E.

Order, if any, passed by Regulators or Courts or Tribunals

No orders have been passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.

Internal Financial Controls and their adequacy

The Company has in place adequate internal financial controls across the organization. The same is subject to review periodically by the internal audit cell for its effectiveness. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

Business Responsibility Report

Business Responsibility Report for the year under review as stipulated under the Listing Regulations is presented in the separate section forming part of this Annual Report.

Acknowledgement

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from shareholders, debenture holders, debenture trustee, bankers, financial institutions, regulatory bodies and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance of the Company during the year.

For and on behalf of the Board of Directors

Anil Dhirubhai Ambani
Chairman

Mumbai
August 10, 2018

Policy on appointment and remuneration for Directors, Key Managerial Personnel and Senior Management Employees

1. Introduction

- 1.1 Reliance Capital Limited considers human resources as its invaluable assets. This policy aims to harmonise the aspirations of the directors / employees with the goals of the Company.
- 1.2 Human capital is a strategic source of value creation. As part of our progressive HR philosophy, it is necessary to have in place a comprehensive Compensation Policy, which is in line with the industry trend and is employee friendly.

2. Objectives

- 2.1 Ensuring that the quantum and composition of remuneration is reasonable and sufficient to attract, retain and motivate, employees to run the Company successfully.
- 2.2 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- 2.3 Ensure that annual compensation review considers industry/ business outlook and strategies adopted by industry peers, differentiates employees based on their performance/skill sets and also protects employees, particularly those in junior cadre, against inflationary pressures.
- 2.4 Retention of high performers at all levels and those playing critical roles.

3. Scope

The Board has constituted the "Nomination and Remuneration Committee" in line with the requirements under the provisions of the Companies Act, 2013. This Policy sets out the broad guiding principles for the Committee for recommending to the Board the appointment and remuneration of the directors, key managerial personnel and senior managerial personnel of the Company.

4. Definitions

- 4.1 "Director" means a director appointed to the Board of the Company.
- 4.2 "Key Managerial Personnel" means
 - (i) the Chief Executive Officer or the Managing Director or the Manager;
 - (ii) the Company Secretary;
 - (iii) the Whole-time Director;
 - (iv) the Chief Financial Officer; and
 - (v) such other officer as may be prescribed under the Companies Act, 2013.
- 4.3 "Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors, comprising of all members of management one level below the executive directors, if any.

5. Policy

5.1 Appointment of Directors/ Key Managerial / Senior Management personnel

The Nomination and Remuneration Committee, *inter-alia*, considers qualifications, positive attributes, areas of expertise and number of Directorships and Memberships held in various committees of other companies by such persons for selection. The Board considers the recommendation of the Committee's and takes appropriate decisions. The Company also considers the requirement of skills and effectiveness of persons contributing to the Company's business and policy decisions.

5.2 Remuneration to Directors/ Key Managerial Personnel

- 5.2.1 The remuneration of the Directors/ Managing Directors/ Whole-time Directors and Managers, etc. will be governed as per provisions contained in the Companies Act, 2013 and Rules made therein from time to time.
- 5.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof as approved by the Board of Directors from time to time. The Non-Executive Directors shall also be entitled to profit related Commission, if approved by the Board, in addition to the sitting fees.
- 5.2.3 The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Directors/ Key Managerial Personnel/ Senior Management Personnel of the Company within the overall limits, if any, approved by the shareholders.
- 5.2.4 The remuneration structure shall include the following components:
 - (i) Basic Pay
 - (ii) Perquisites and Allowances
 - (iii) Stock Options, if any.
 - (iv) Commission (Applicable in case of Executive Directors/ Directors)
 - (v) Retiral Benefits
 - (vi) Performance Linked Incentives
- 5.2.5 The Annual Plan, Objectives, financial results of the Company shall be reviewed by the Nomination and Remuneration Committee and performance incentives, increment, revision in remuneration, etc. will be proposed based on the achievements.

5.3 Remuneration to other employees

Employees shall be assigned grades/bands according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade/bands and shall be based on various factors such as job profile, skill sets, seniority, experience, performance and prevailing remuneration levels for equivalent jobs.

6. Retention Features as part of Compensation Package

Based on the organizational need for retaining performing employees and those in critical roles, certain retention features may be rolled out as part of the overall compensation package. These may take form of Retention Bonuses (RBs), Special Monetary Programs (SMPs), Long-term Incentives (LTIs), Employee Stock Options, etc.

7. Modification and Amendment

The policy is subject to modification, amendment and alterations by the management at any time without assigning any reasons.

Reliance Capital Limited

Directors' Report

Annexure – B

Form No. MR-3 Secretarial Audit Report

For the financial year ended March 31, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,

Reliance Capital Limited

H Block, 1st Floor,

Dhirubhai Ambani Knowledge City,

Navi Mumbai – 400 710

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Reliance Capital Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has followed proper Board – processes and have required compliance – mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018, according to the provisions of:

- (i) The Companies Act, 2013 (the 'Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder for compliance in respect of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client (Not applicable);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable); and
 - (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (Not applicable).

I have also examined compliance with applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of the Company Secretaries of India for General Meetings, Board and Committees Meetings (i.e. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility (CSR) Committee and Risk Management Committee); and
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

Directors' Report

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standard, etc. mentioned above.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- (a) Reserve Bank of India Act, 1934 and its circulars, master circulars, notifications and its Directions as prescribed for NBFCs; and
- (b) Prevention of Money Laundering Act, 2002.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non – Executive Directors and Independent Directors. During the year under review, there were no changes in the composition of the Board of Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or on shorter notice and a system exist for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The decisions at Board Meetings and Committee Meetings are carried out and recorded in the minutes of the Board of Directors and Committee of the Board accordingly.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has undertaken event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

- a. The Company has declared and paid Dividend of ₹ 10.50 per equity share;
- b. The Company has made application for registration as a Core Investment Company ('CIC') on June 7, 2017 with Reserve Bank of India;
- c. The Company has transferred 12,44,145 equity shares to IEPF account as per the MCA notification dated October 13, 2017;
- d. The Company has made allotment of equity shares under ESOS and granted new options;
- e. The Company as a part of Initial Public Offer of Reliance Nippon Life Asset Management Limited (RNLAML) has offered and sold 1,12,30,200 equity shares of RNLAML; and
- f. The Scheme of Arrangement for demerger of its Real Estate Lending Business to Reliance Home Finance Limited, a wholly-owned subsidiary has been sanctioned by the National Company Law Tribunal, Mumbai Bench. The Scheme has become effective on August 10, 2017 on filing with the Registrar of Companies, Maharashtra at Mumbai with effect from April 1, 2017.

For **Aashish K. Bhatt & Associates**
Company Secretaries
(ICSI Unique Code S2008MH100200)

Aashish Bhatt
Proprietor

ACS No.: 19639
COP No.: 7023

Date : April 26, 2018
Place : Mumbai

Reliance Capital Limited

Directors' Report

Annexure – C

FORM NO. MGT – 9 EXTRACT OF ANNUAL RETURN

as on the financial year ended March 31, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	L65910MH1986PLC165645
ii)	Registration Date	March 5, 1986
iii)	Name of the Company	Reliance Capital Limited
iv)	Category / Sub-Category of the Company	Public Company / NBFC
v)	Address of the Registered Office and contact details	H Block, 1 st Floor Dhirubhai Ambani Knowledge City Navi Mumbai 400 710 Tel. : +91 22 3303 1000 Fax : +91 22 3303 6664 E-mail : rcl.investor@relianceada.com Website: www.reliancecapital.co.in
vi)	Whether listed company	Yes
vii)	Name, address and contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower – B, Plot No. 31 & 32 Survey No. 116/22, 115/24, 115/25 Financial District, Nanakramguda Hyderabad 500 032 Toll free no.: 1800 4250 999 Tel. : +91 40 6716 1500 Fax : +91 40 6716 1791 E-mail : rclinvestor@karvy.com Website : www.karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the Business Activities contributing 10 per cent or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1.	Non-Banking Financial Services	649	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
(1)	Reliance General Insurance Company Limited H Block, 1 st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710, Maharashtra	U66603MH2000PLC128300	Subsidiary	100.00	2(87)
(2)	Reliance Nippon Life Insurance Company Limited H Block, 1 st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710, Maharashtra	U66010MH2001PLC167089	Subsidiary	51.00	2(87)
(3)	Reliance Home Finance Limited Reliance Centre, 6 th Floor, South Wing, Off Western Express Highway, Santacruz (East), Mumbai 400 055, Maharashtra	L67190MH2008PLC183216	Subsidiary	47.91	2(87)
(4)	Reliance Commercial Finance Limited Reliance Centre, 6 th Floor, South Wing, Off. Western Express Highway, Santacruz (East), Mumbai 400 055, Maharashtra	U66010MH2000PLC128301	Subsidiary	100.00	2(87)
(5)	Reliance Capital Pension Fund Limited Reliance Centre, 7 th Floor, South Wing, Off. Western Express Highway, Santacruz (East), Mumbai 400 055, Maharashtra	U66020MH2009PLC191340	Subsidiary	51.00	2(87)
(6)	Reliance Capital Trustee Co. Limited Reliance Centre, 7 th Floor, South Wing, Off. Western Express Highway, Santacruz (East), Mumbai 400 055, Maharashtra	U65910MH1995PLC220528	Subsidiary	100.00	2(87)

Reliance Capital Limited

Directors' Report

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
(7)	Reliance Health Insurance Limited Reliance Centre, 2 nd Floor, North Wing, Off Western Express Highway, Santacruz (East), Mumbai 400 055, Maharashtra	U66000MH2017PLC294682	Subsidiary	100.00	2(87)
(8)	Reliance Money Precious Metals Private Limited 7 th Floor, B-Wing, Trade World, Kamala Mills Compound, S. B. Marg, Lower Parel, Mumbai 400 013, Maharashtra	U74999MH2006PTC165070	Subsidiary	100.00	2(87)
(9)	Reliance Securities Limited 11 th Floor, R-Tech IT Park, Western Express Highway, Goregaon (East), Mumbai 400 063, Maharashtra	U65990MH2005PLC154052	Subsidiary	100.00	2(87)
(10)	Reliance Commodities Limited 11 th Floor, R-Tech IT Park, Western Express Highway, Goregaon (East), Mumbai 400 063, Maharashtra	U51100MH2005PLC154611	Subsidiary	100.00	2(87)
(11)	Reliance Financial Limited 7 th Floor, B-Wing, Trade World, Kamala Mills Compound, S. B. Marg, Lower Parel, Mumbai 400 013, Maharashtra	U65990MH2005PLC155675	Subsidiary	100.00	2(87)
(12)	Reliance Wealth Management Limited 7 th Floor, B-Wing, Trade World, Kamala Mills Compound, S. B. Marg, Lower Parel, Mumbai 400 013, Maharashtra	U65999MH2009PLC189285	Subsidiary	100.00	2(87)
(13)	Reliance Money Solutions Private Limited 7 th Floor, B-Wing, Trade World, Kamala Mills Compound, S. B. Marg, Lower Parel, Mumbai 400 013, Maharashtra	U72900MH2000PTC128384	Subsidiary	100.00	2(87)
(14)	Reliance Exchangenext Limited (RExL) 7 th Floor, B-Wing, Trade World, Kamala Mills Compound, S. B. Marg, Lower Parel, Mumbai 400 013, Maharashtra	U72900MH2000PLC127630	Subsidiary	100.00	2(87)
(15)	Reliance Corporate Advisory Services Limited Kamala Mills Compound, Trade World, B-Wing, 7 th Floor, S. B. Marg, Lower Parel, Mumbai 400 013, Maharashtra	U74990MH2009PLC189525	Subsidiary	100.00	2(87)
(16)	Reliance Capital AIF Trustee Company Private Limited Reliance Centre, 7 th Floor South Wing, Off. Western Express Highway, Santacruz (East), Mumbai 400 055, Maharashtra	U74999MH2006PTC164793	Subsidiary	100.00	2(87)
(17)	Quant Capital Private Limited 612-617, 6 th Floor, Maker Chamber IV, Nariman Point, Mumbai 400 021, Maharashtra	U67120MH2007PTC176440	Subsidiary	74.00	2(87)
(18)	Quant Broking Private Limited 612, 6 th Floor, Maker Chamber IV, Nariman Point, Mumbai 400 021, Maharashtra	U67110MH2007PTC291657	Subsidiary	74.00	2(87)
(19)	Quant Securities Private Limited 612, 6 th Floor, Maker Chamber IV, Nariman Point, Mumbai 400 021, Maharashtra	U65993MH2007PTC290204	Subsidiary	74.00	2(87)
(20)	Quant Investment Services Private Limited Quant Capital 612, 6 th floor, Maker Chamber IV, Nariman Point, Mumbai 400 021, Maharashtra	U74999MH2011PTC289416	Subsidiary	74.00	2(87)
(21)	Reliance Nippon Life Asset Management Limited Reliance Centre, 7 th Floor, South Wing, Off Western Express Highway, Santacruz (East) Mumbai 400 055, Maharashtra	L65910MH1995PLC220793	Associate	42.88	2(6)
(22)	Ammolite Holdings Limited Templar House, Don Road, St. Helier, Jersey, JE1 2TR, Channel Islands	N.A.	Associate	50.00	2(6)
(23)	Reliance Asset Reconstruction Company Limited Reliance Centre, North Wing, 6 th Floor, Off Western Express Highway, Santacruz, Mumbai 400 055, Maharashtra	U45200MH2006PLC161190	Associate	49.00	2(6)
(24)	Indian Commodity Exchange Limited (ICEX) 1 st Floor, Office - 109, Nodh No. - 1158 to 63/65/9, Hat Faliyu, Mahidharpura, Surat 395 003, Gujarat	U67120GJ2008PLC099142	Associate	26.00 (RExL holds 26% in ICEX)	2(6)

Reliance Capital Limited

Directors' Report

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

i) Category wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2017)				No. of Shares held at the end of the year (March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	11 66 014	-	11 66 014	0.46	11 66 014	-	11 66 014	0.46	0.00
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	13 02 16 289	-	13 02 16 289	51.54	13 02 16 289	-	13 02 16 289	51.53	-0.01
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	13 13 82 303	-	13 13 82 303	52.01	13 13 82 303	-	13 13 82 303	51.99	-0.01
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	13 13 82 303	-	13 13 82 303	52.01	13 13 82 303	-	13 13 82 303	51.99	-0.01
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	1 24 73 629	27 661	1 25 01 290	4.95	2 02 11 480	13 402	2 02 24 882	8.00	3.05
b) Banks / FI	73 09 544	14 201	73 23 745	2.90	6 24 387	3 977	6 28 364	0.25	-2.65
c) Central Govt.	30 957	40 234	71 191	0.03	30 613	39 508	70 121	0.03	0.00
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	1 08 42 189	143	1 08 42 332	4.29	1 08 42 189	67	1 08 42 256	4.29	0.00
g) FIIs / FPIs	4 41 81 776	5 745	4 41 87 521	17.49	4 01 97 639	2 580	4 02 00 219	15.91	-1.58
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):	7 48 38 095	87 984	7 49 26 079	29.66	7 19 06 308	59 534	7 19 65 842	28.48	-1.18
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	57 90 704	78 730	58 69 434	2.32	75 28 235	44 087	75 72 322	3.00	0.67
ii) Overseas	4 774	1 503	6 277	0.00	4 542	876	5 418	0.00	0.00
b) Individuals									
i. Individual shareholders holding nominal share capital up to ₹1 lac	2 71 57 285	43 64 816	3 15 22 101	12.48	2 90 60 938	32 58 209	3 23 19 147	12.79	0.31
ii. Individual shareholders holding nominal share capital in excess of ₹1 lac	42 12 103	22 500	42 34 603	1.68	52 78 481	22 500	53 00 981	2.10	0.42
c) Others (specify)									
i) NRI	14 58 046	1 57 790	16 15 836	0.64	12 72 905	1 27 053	13 99 958	0.55	-0.09
Sub-Total(B)(2):	3 86 22 912	46 25 339	4 32 48 251	17.12	4 31 45 101	34 52 725	4 65 97 826	18.44	1.32
Total Public Shareholding (B) = (B)(1)+(B)(2)	11 34 61 007	47 13 323	11 81 74 330	46.78	11 50 51 409	35 12 259	11 85 63 668	46.92	0.14
TOTAL (A) + (B)	24 48 43 310	47 13 323	24 95 56 633	98.78	24 64 33 712	35 12 259	24 99 45 971	98.91	0.13
C. Shares held by Custodian for GDRs	14 76 167	-	14 76 167	0.58	11 58 711	-	11 58 711	0.46	-0.13
D. ESOS Trust	16 00 000	-	16 00 000	0.63	16 00 000	-	16 00 000	0.63	0.00
Grand Total (A+B+C+D)	24 79 19 477	47 13 323	25 26 32 800	100.00	24 91 92 423	35 12 259	25 27 04 682	100.00	0.00

Directors' Report

ii) Shareholding of Promoters (*)

Sl. No.	Shareholders Name	Shareholding at the beginning of the year (April 1, 2017)			Shareholding at the end of the year (March 31, 2018)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares (***)	
1.	Reliance Inceptum Private Limited	9 77 14 206	38.68	18.21	9 77 14 206	38.66	26.27	-0.02
2.	Reliance Infrastructure Consulting & Engineers Private Limited	2 79 75 633	11.07	0.40	2 79 75 633	11.07	8.98	0.00
3.	Crest Logistics and Engineers Private Limited	32 50 000	1.29	-	32 50 000	1.29	1.29	0.00
4.	Reliance Infrastructure Management Private Limited	7 00 000	0.28	-	7 00 000	0.28	-	0.00
5.	Reliance Innoventures Private Limited	5 76 450	0.23	-	5 76 450	0.23	-	0.00
6.	Smt. Kokila D. Ambani (**)	5 45 157	0.22	-	5 45 157	0.22	-	0.00
7.	Mr. Anil D. Ambani	2 73 891	0.11	-	-	-	-	-0.11
8.	Ms. Tina A. Ambani	2 63 474	0.10	-	2 63 474	0.10	-	0.00
9.	Mr. Jai Anmol A. Ambani	83 487	0.03	-	1 78 692	0.07	-	0.04
10.	Mr. Jai Anshul A. Ambani	5	0.00	-	1 78 691	0.07	-	0.07
Total		13 13 82 303	52.01	18.60	13 13 82 303	51.99	36.54	-0.02#

(*) Shareholders listed above are promoters as per disclosure received under Regulation 30(2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as on March 31, 2018.

(**) As per disclosure, pursuant to Regulation 30(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 received from the Promoters alongwith Persons Acting in Concert 17,00,000 (0.67 per cent) equity shares purchased by the discretionary Portfolio Manager of Smt. Kokila D. Ambani under the Portfolio Management Scheme (PMS) have been credited to a separate Demat Account specifically opened for PMS purpose as per the SEBI requirements. No voting or other rights/interest is held on those shares, except the economic interest in PMS. This is disclosed by way of an abundant caution.

(***) The term "encumbrance" has the same meaning as assigned to it in Regulation 28(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

(#) The decrease in per cent of Promoters shareholding from 52.01 per cent to 51.99 per cent is due to allotment of 71,882 shares by the Company under the Employee Stock Option Scheme during Financial Year 2017-18.

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	At the beginning of the year	13 13 82 303	52.01		
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	#	#	#	#
3.	At the end of the year	13 13 82 303	51.99		

Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year (April 1, 2017)		Increase / Decrease	Cumulative shareholding during the year	
		No. of Shares	% to total shares of the Company		No. of Shares	% to total shares of the Company
1.	Mr. Anil D. Ambani	2 73 891	0.11	(2 73 891)	-	-
2.	Mr. Jai Anmol Ambani	83 487	0.03	95 205	1 78 692	0.07
3.	Mr. Jai Anshul Ambani	5	0.00	1 78 686	1 78 691	0.07

Transfer by way of gift on October 3, 2017.

iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (April 1, 2017)		Increase / Decrease	Shareholding at the end of the year (March 31, 2018)	
		No. of Shares	% to total shares of the Company		No. of Shares	% to total shares of the Company
1.	Life Insurance Corporation of India	1 05 12 297	4.16	-	1 05 12 297	4.16
2.	National Westminster Bank Plc as Trustee of The Jupiter India Fund	-	-	67 38 130	67 38 130	2.67
3.	Reliance Capital Trustee Co. Ltd.	40 60 989	1.61	10 73 114	51 34 103	2.03
4.	Aditya Birla Sun Life Trustee Private Limited	48 98 009	1.94	77 546	49 75 555	1.97

Reliance Capital Limited

Directors' Report

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (April 1, 2017)		Increase / Decrease	Shareholding at the end of the year (March 31, 2018)	
		No. of Shares	% to total shares of the Company		No. of Shares	% to total shares of the Company
5.	Causeway Emerging Markets Fund	18 45 483	0.73	6 19 516	24 64 999	0.98
6.	Vanguard Emerging Markets Stock Index Fund, A series of Vanguard International Equity Index Fund	22 70 809	0.90	-1 25 125	21 45 684	0.85
7.	Polunin Developing Countries Fund, LLC	11 16 865	0.44	6 42 725	17 59 590	0.70
8.	HDFC Trustee Company Limited - HDFC Equity Saving Fund	2 46 000	0.10	14 82 000	17 28 000	0.68
9.	Mirae Asset Great Consumer Fund	-	-	17 14 000	17 14 000	0.68
10.	Vanguard Total International Stock Index Fund	14 81 419	0.59	1 56 463	16 37 882	0.65
11.	Dimensional Emerging Markets Value Fund	18 36 889	0.73	-8 91 177	9 45 712	0.37
12.	California Public Employees' Retirement System	20 44 515	0.81	-14 93 858	5 50 657	0.22
13.	Valiant Mauritius Partners Offshore Limited	34 14 129	1.35	-34 14 129	0	-
14.	Morgan Stanley Mauritius Company Limited	33 25 190	1.32	-33 25 190	0	-
15.	Valiant Mauritius Partners Limited	25 76 395	1.02	-25 76 395	0	-
16.	Sumitomo Mitsui Trust Bank	70 00 000	2.77	-70 00 000	0	-

Note: The date wise increase or decrease in shareholding of the top ten shareholders is available on the 'Investor Relations' section of the website of the Company at www.reliancecapital.co.in.

v) Shareholding of Directors and Key Managerial Personnel (KMPs)

- Mr. Anil D. Ambani, Chairman of the Company held 2,73,891 equity shares at the beginning of the year and holds nil shares at the end of the year. Mr. Jai Anmol Ambani, Executive Director of the Company held 83,487 equity shares at the beginning of the year and holds 1,78,692 equity shares at the end of the year.
- Mr. Amitabh Jhunjhunwala, Mr. Rajendra P. Chitale, Dr. Bidhubhusan Samal, Mr. V. N. Kaul and Ms. Chhaya Virani, Directors of the Company hold nil equity shares at the beginning and end of the year.
- The KMPs of the Company i.e. Mr. Amit Bapna, Chief Financial Officer held nil equity share at the beginning of the year and holds 8,180 equity shares at the end of the year. Mr. Atul Tandon, Company Secretary & Compliance Officer, held 2 equity shares at the beginning of the year and holds 1,442 equity shares at the end of the year.

V. INDEBTEDNESS

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

(₹ in crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	13 828	4 808		18 636
ii. Interest due but not paid	-	-		-
iii. Interest accrued but not due	644	99		743
Total (i+ii+iii)	14 472	4 907		19 379
Change in Indebtedness during the financial year				
Transferred under Demerger	-	590		590
Additions	6 804	1 547		8 351
Reduction	1 691	4 011		5 702
Net Change	5 113	(3 054)		2 059
Indebtedness at the end of the financial year				
i. Principal Amount	18 942	1 753		20 695
ii. Interest due but not paid	-	-		-
iii. Interest accrued but not due	835	72		907
Total (i+ii+iii)	19 777	1 825		21 602

Reliance Capital Limited

Directors' Report

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(A) Remuneration to Managing Director, Whole-time Directors and / or Manager: (₹ in lakh)

Sr. No.	Particulars of Remuneration	Mr. Jai Anmol Ambani Executive Director
1.	Gross Salary	
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	120.00
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-
c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2.	Stock Option (Number of Options)	-
3.	Sweat Equity	-
4.	Commission	-
5.	Others, please specify	-
	Total (A)	120.00
	Ceiling as per the Act	5 268.30

(B) Remuneration to other Directors: (₹ in lakh)

Sr. No.	Particulars of Remuneration	Name of Director				Total Amount
1.	Independent Directors	Mr. Rajendra P. Chitale	Dr. Bidhubhusan Samal	Mr. V. N. Kaul	Ms. Chhaya Virani	
	• Fee for attending board/ committee meetings	7.60	10.00	7.20	8.00	32.80
	• Commission	15.00	15.00	15.00	15.00	60.00
	• Others, please specify	-	-	-	-	-
	Total (1)	22.60	25.00	22.20	23.00	92.80
2.	Other Non-Executive Directors	Mr. Anil D. Ambani	Mr. Amitabh Jhunjunwala			
	• Fee for attending board/ committee meetings	2.80	10.00			12.80
	• Commission	-	-			-
	• Others, please specify	-	-			-
	Total (2)	2.80	10.00			12.80
	Total (B) = (1 + 2)					105.60
	Total Managerial Remuneration (A+B)					225.60
	Overall Ceiling as per the Act					5 268.30

(C) Remuneration to key managerial personnel other than MD / Manager / WTD: (₹ in lakh)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Mr. Amit Bapna Chief Financial Officer	Mr. Atul Tandon Company Secretary & Compliance Officer
1.	Gross Salary		
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	308.24	76.25
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	36.83	6.60
c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2.	Stock Option (Number of Options)	3 04 900 Options	48 200 Options
3.	Sweat Equity	-	-
4.	Commission	-	-
5.	Others	-	-
	Total	345.07	82.85

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences to the Company, directors and officers of the Company during the year ended March 31, 2018.

Reliance Capital Limited

Directors' Report

Annexure – D

Disclosure under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014

(a) Conservation of Energy:

The steps taken or impact on conservation of energy	:	The Company requires energy for its operations and the Company is making all efforts to conserve energy by monitoring energy costs and periodically reviews of the consumption of energy. It also takes appropriate steps to reduce the consumption through efficiency in usage and timely maintenance / installation / upgradation of energy saving devices.
The steps taken by the Company for utilizing alternate sources of energy		
The capital investment on energy conservation equipments		

(b) Technology Absorption, Adoption and Innovation:

(i) The efforts made towards technology absorption	:	The Company uses latest technology and equipments into the business. Further, the Company is not engaged in any manufacturing activities.
(ii) The benefits derived like product improvement, cost reduction, product development or import substitution		
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)		
(a) The details of technology imported		
(b) The year of import		
(c) Whether technology been fully absorbed?		
(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof.		
(iv) The expenditure incurred on Research and development	:	The Company has not spent any amount towards research and developmental activities and has been active in harnessing and tapping the latest and the best technology in the industry.

(c) Total foreign exchange earnings and outgo:

a. Total Foreign Exchange earnings	:	Nil
b. Total Foreign Exchange outgo	:	₹ 8 crore

Directors' Report

Annexure – E

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2017-18

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

The Company has a robust CSR Policy at Group level. As per the said policy, all our efforts are focused towards two goals: building a great enterprise for the stakeholders and a great future for our country. Our approach is to interweave social responsibility into the Company's mainstream business functions through translating commitments into policies, which not only drive all employees but influence and mobilize stakeholders, especially partners and suppliers, to embrace responsible business practices in their respective spheres of action. The policy affirms business objectives and strategy along with our commitment to preserve natural resources and augment the growth and development of employees and families, the communities we operate in, suppliers/vendors, and our investors. Through the social policy manual, the Company seeks to engage with all the stakeholders, using it as a reference or guideline for all stakeholders and practitioners. Our CSR policy is placed on our website at the link http://www.reliancecapital.co.in/pdf/Group_CSR_Policy_Document.pdf

2. The Composition of the CSR Committee:

Dr. Bidhubhusan Samal, Chairman (Independent Director)

Mr. V. N. Kaul (Independent Director)

Mr. Amitabh Jhunjhunwala (Non-Executive and Non-Independent Director)

Mr. Jai Anmol Ambani (Executive Director)

3. Average net profit of the Company for last three financial years:

Average net profit : ₹ 666.12 crore.

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):

The Company is required to spend ₹ 13.33 crore towards CSR.

5. Details of CSR spent during the financial year:

a. Total amount spent for the financial year :- ₹ 13.33 crore

b. Amount unspent, if any :- NA

c. Manner in which the amount spent during the financial year is detailed below:

(₹ in crore)

1. Sr. No.	2. CSR Projects or activity identified.	3. Sector in which the project is covered.	4. Projects or Programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken.	5. Amount Outlay (budget) Project or Programs wise.	6. Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads.	7. Cumulative Expenditure upto the reporting period.	8. Amount spent: Direct or through implementing agency.*
1.	Oncology Centres	Health Care	Maharashtra	30.00	-	21.61	Through a non-profit centre via Mandke Foundation specialised in the provision of health care.
2.	Health Care	Health Care	Maharashtra	15.00	-	12.87	Through a non-profit centre via Mandke Foundation specialised in the provision of health care.
3.	Health Care	Health Care	Maharashtra	15.00	13.33	13.33	Through a non-profit centre via Mandke Foundation specialised in the provision of health care.
Total				60.00	13.33	47.81	

* Implemented in phased manner

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Not applicable.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy is in compliance with CSR objectives and policy of the Company.

August 10, 2018

Jai Anmol Ambani
Executive Director

Dr. Bidhubhusan Samal
Chairman, CSR Committee

Reliance Capital Limited

Dividend Distribution Policy

1. Introduction

The Board of Directors (the "Board") of Reliance Capital Limited (the "Company") at its meeting held on August 13, 2016, has adopted this Dividend Distribution Policy (the "Policy") in accordance with the Companies Act, 2013 (the "Act") and Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

The Policy was reviewed and revised by the Board at its meeting held on April 26, 2018.

2. Objective

The Objective of this Policy is to establish the parameters to be considered by the Board of Directors of the Company before declaring or recommending dividend.

3. Circumstances under which the shareholders of the listed entities may or may not expect dividend

The shareholders of the Company may not expect dividend in the below mentioned circumstances:

- i. In the event of a growth opportunity where the Company may be required to allocate a significant amount of capital.
- ii. In the event of higher working capital requirement for business operations or otherwise.
- iii. In the event of inadequacy of cashflow available for distribution.
- iv. In the event of inadequacy or absence of profits.
- v. In the event of any regulation or contractual restriction.

The Board may consider not declaring dividend or may recommend a lower payout for a given financial year, after analysing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment.

4. Parameters to be considered before recommending dividend

Dividends will generally be recommended by the Board once a year, after the announcement of the full year results and before the Annual General Meeting (AGM) of the shareholders, as may be permitted by the Companies Act, 2013. The Board may also declare interim dividends as may be permitted by the Companies Act, 2013. The Company has had a consistent dividend policy that balances the objective of appropriately rewarding shareholders through dividends and to support the future growth.

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Dividend pay-out decision of any company depends upon certain external and internal factors:

4.1 External Factors

State of Economy: In case of uncertain or recessionary economic and business conditions, Board will endeavor to retain larger part of profits to build up reserves to absorb future shocks.

4.2 Internal Factors

Apart from the various external factors aforementioned, the Board will take into account various internal factors while declaring Dividend, which *inter alia* will include:

- Income / Profits earned during the year;
- Present & future capital requirements of the existing businesses;
- Brand / Business Acquisitions;
- Expansion / Modernization of existing businesses;
- Additional investments in subsidiaries / associates of the Company;
- Fresh investments into external businesses; and
- Any other factor as deemed fit by the Board.

5. Utilisation of retained earnings

The Company shall endeavour to utilise the retained earnings in following manner:

- For expansion and growth of business;
- Additional investments in existing businesses;
- Declaration of Dividend;
- General Corporate purpose; and
- Any other specific purpose as may be approved by the Board.

6. Parameters that shall be adopted with regard to various classes of shares

The Company has issued only one class of shares viz. Equity shares. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of share.

7. Review

This Policy will be reviewed periodically by the Board.

8. Limitation and amendment

In the event of any conflict between the Act or the Listing Regulations and the provisions of the policy, the Listing Regulations shall prevail over this policy. Any subsequent amendment / modification in the Listing Regulations, in this regard, shall automatically apply to this policy.

Management Discussion and Analysis

Forward looking statements

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include determination of tariff and such other charges and levies by the regulatory authority, changes in government regulations, tax laws, economic developments within the country and such other factors globally.

The financial statement are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 2013 (the "Act") and comply with the Accounting Standards notified under Section 133 of the Act. The management of Reliance Capital Limited ("Reliance Capital" or "RCL" or "the Company") has used estimates and judgments relating to the financial statement on a prudent and reasonable basis, in order that the financial statement reflect in a true and fair manner, the state of affairs and profit for the year.

The following discussions on our financial condition and result of operations should be read together with our audited consolidated financial statement and the notes to these statements included in the Annual Report.

Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company", "Reliance", "RCL" or "Reliance Capital" are to Reliance Capital Limited and its subsidiaries and associates.

Macroeconomic Overview

Indian Economic Environment

The Indian economy recovered strongly from the transient impact of demonetization of high value currency notes in late 2016 and the impact of implementation of a country-wide Goods and Services Tax. As per the Central Statistics Organization (CSO) second advance estimates, the Indian economy grew by 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19 and 7.5 per cent in 2019-20. As per NASSCOM, India is the third largest base to boost startup culture with over 4,750 technology start-ups. The foreign exchange reserves were approx. US\$ 424 billion in March 2018. The bank recapitalization plan by Government is expected to push credit growth to 15 per cent. In addition, Government continued with major reform particularly in the field of corporate insolvency resolution via National Company Law Tribunal (NCLT route). Over 100 cases have been referred to NCLT for faster resolution since its inception.

Inflation continued with its downtrend, with CPI averaging 3.6 per cent in 2017-18 versus 4.5 per cent in 2016-17. A favourable monsoon, efficient food supply management by Government and continued rationalization in Minimum Support Prices helped keep food inflation in check. The uptick in fuel inflation and housing inflation caused due to higher crude oil prices and 7th Central Pay Commission HRA norms, respectively, has negated the moderation in food inflation.

Benign inflationary pressures meant that the RBI could deliver a 25bps reduction in repo rates, bringing the rates down to 6 per cent. However, reversal of excess liquidity post the demonetization episode led to hardening of interest rates in the

latter half of the year, with bond yields rising by over 70 bps in 2018 – and signaling a period of increasing interest rates.

Central government fiscal deficit slipped marginally in 2017-18 to 3.5 per cent of the GDP. These, however, were the outcome of short-term adjustments to GST, and other structural reforms. However, the Government has reinstated a plan to return to the path of consolidation by projecting a reduction in fiscal deficit to 3.3 per cent of GDP in FY19. It also adopted key recommendations of the Fiscal Responsibility and Budget Management (FRBM) with a medium term fiscal policy aim of reducing the cumulative government (Center + State) debt to 60 per cent of GDP by FY25.

Reforms measures initiated by the Government has also resulted in a significant improvement in direct tax compliance in 2017-18. Central Government direct tax collection touched nearly ₹ 10 Lakh crore in 2017-18, a growth of 18 per cent. There has been an addition of 1 crore new taxpayers in 2017-18.

The country's reforms agenda has been showing external results as well. For the first time ever, India has jumped 30 positions to become one amongst the top 100 countries in the "Ease of doing Business" ranking. Similarly, the improvement in the country's business environment has stabilized India's ranking in the global competitiveness index, prepared by the World Economic Forum, in 2017. Moody's upgraded India's Sovereign rating, after 14 years, to Baa2 with a stable economic outlook.

GDP Growth

As per various estimates, India's GDP growth is likely to recover in 2018-19 to 7.3 – 7.5 per cent from 6.6 per cent in 2017-18. Post two major economic events in the form of demonetisation and GST, economic activity has begun to recover quite sharply. The recovery will continue to find support going forward due to a number of factors such as: a) higher government spending ahead of elections, b) strong global growth helping both goods and services exports, c) strong rural demand aiding by normal monsoon, d) continued buoyancy in urban indicators, e) pick in labour market conditions, f) pickup in spending in key infra sectors like roads, irrigation and power transmission and g) the recovery in various labour intensive sectors which were impacted by GST implementation.

Industrial Production

During 2017-18, the Index of Industrial Production (IIP) grew by 4.3 per cent compared with a growth of 4.6 per cent in 2016-17. The manufacturing sector which accounts for 77 per cent in the index grew at slow pace. The decline was led by contraction of capital goods output, while mining and electricity grew at modest rate. Besides, sectors like construction goods and consumer non durables have posted strong growth in fourth quarter of 2017-18. Credit growth is also picking up, and there are nascent signs that few segments within manufacturing related to consumer goods, metals, etc have started to expand their production capacities.

Inflation and Interest Rate

Along with growth, we are also likely to witness firming up of inflation. However, while prices of oil and other commodities are hardening in recent months, the overall impact will likely remain within acceptable boundaries, aided by prudent Government spending and good monsoon should keep the inflation under control. While the RBI has maintained a neutral stance for nearly a year now, there is increasing likelihood of a return to a higher interest rate regime if inflation pressures continue.

While the surplus liquidity observed during the immediacy of demonetization drained out during the course of the year, overall liquidity remains fair, and is supported by proactive RBI actions through injection of durable liquidity into the system.

Reliance Capital Limited

Management Discussion and Analysis

Current Account Deficit (CAD) and the exchange rate

India's current account deficit (CAD) has reached nearly 2 per cent of GDP, as oil prices and electronics imports have surged. Oil prices have risen by over US\$ 10 a barrel between December 2016 and December 2017. India's current account in the balance of payments ended in a deficit of US\$ 13.5 billion in the quarter ended December 2017, up from US\$ 8.0 billion or 1.4 per cent of GDP in the previous corresponding quarter and US\$ 7.2 billion (1.1 per cent of GDP) in the preceding quarter ended September 2016. The CAD also constitutes services. Net services receipts increased by 17.8 per cent on year-on-year basis led by rise in net earnings from software services and travel receipts. RBI reported an increase of US\$ 9.4 billion to the foreign exchange reserves as against depletion of US\$ 1.2 billion in third quarter of 2016-17. Other than CAD, global financial conditions, particularly in the second half of 2018-19 will dictate the domestic currency. Some downward pressure may remain despite recent weakness.

About Reliance Capital

Reliance Capital Limited, a part of the Reliance Group, is one of India's leading private sector financial services companies. It ranks amongst the top private sector financial services and banking groups, in terms of net worth. The Company is a constituent of MSCI Global Small Cap Index.

Reliance Capital has interests in asset management and mutual funds, pension funds, life, health and general insurance, commercial and home finance, stock broking, wealth management services, distribution of financial products, asset reconstruction, proprietary investments and other activities in financial services.

Consolidated Financial Performance – Overview

The Company's standalone performance is discussed in detail under the head 'Financial Performance' in the Directors' Report. The consolidated performance of the Company is as follows:

RCL's consolidated income from operations for the financial year ended March 31, 2018, rose to ₹ 19,898 crore (US\$ 3.1 billion) from ₹ 17,640 crore (US\$ 2.7 billion) in the previous year, an increase of 13 per cent. Staff costs for the year were ₹ 1,401 crore (US\$ 216 million) as against ₹ 1,337 crore (US\$ 206 million) in the previous year, an increase of 5 per cent. Selling, administrative and other expenses in the year were ₹ 3,119 crore (US\$ 480 million) as against ₹ 2,790 crore (US\$ 429 million) in the previous year, an increase of 12 per cent. Interest & finance charges for the year were ₹ 4,026 crore (US\$ 619 million) as against ₹ 3,068 crore (US\$ 472 million) in the previous year, an increase of 31 per cent. Depreciation for the year was ₹ 143 crore (US\$ 22 million) as against ₹ 116 crore (US\$ 18 million) in the previous year, an increase of 23 per cent. Provision for tax for the year was ₹ 438 crore (US\$ 67 million) as against ₹ 379 crore (US\$ 57 million) in the previous year, an increase of 16 per cent. Profit after tax, minority interest, share of profit of associates and sale of subsidiaries and one time provisioning, for the year was ₹ 1,309 crore (US\$ 201 million) as against ₹ 1,086 crore (US\$ 167 million) in the previous year, an increase of 21 per cent.

Resources and Liquidity

As of March 31, 2018, the consolidated net worth of the Company stood at ₹ 16,605 crore (US\$ 2.6 billion). As on March 31, 2018, the Company had a net debt equity ratio of 2.48. As of March 31, 2018, the consolidated total assets were ₹ 93,851 crore (US\$ 14.4 billion) as against ₹ 82,209 crore (US\$ 12.6 billion), an increase of 14 per cent.

Credit Rating

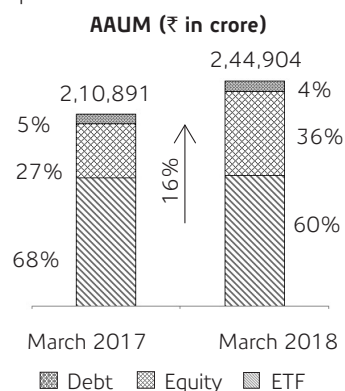
RCL's short term debt programme enjoys a rating of "A1+" by ICRA, the highest credit quality rating assigned to short-term debt instruments. Instruments rated in this category carry lower credit risk in the short term. CARE assigned the long-term debt programme a rating of "CARE AA+". Instruments with this rating are considered to be one of the best credit qualities, offering high safety for timely servicing of debt obligations. Such instruments carry lower credit risk.

Reliance Nippon Life Asset Management (RNAM)

Reliance Nippon Life Asset Management Limited is the largest asset manager in India managing ₹ 3,96,370 crore (US\$ 61 billion) as on March 31, 2018, across mutual funds, pension funds, managed accounts, hedge funds and real estate fund, as against ₹ 3,58,059 crore (US\$ 55.1 billion) as on March 31, 2017, an increase of 13 per cent. RNAM's income from its operations for the year ended March 31, 2018, was at ₹ 1,815 crore (US\$ 279 million) as against ₹ 1,436 crore (US\$ 221 million) in the previous year, an increase of 26 per cent. Profit before tax for the year ended March 31, 2018, was ₹ 726 crore (US\$ 112 million) as against ₹ 581 crore (US\$ 89 million) in the previous year, an increase of 25 per cent. RNAM continues to be amongst the most profitable Asset Management Companies (AMCs) in India.

Reliance Mutual Fund

Reliance Mutual Fund (RMF) is amongst the top mutual funds in India in terms of Assets Under Management, with a market share of 10.6 per cent as on March 31, 2018. The Industry's Average Assets Under Management (AAUM) for the quarter ended March 31, 2018, stood at ₹ 23,05,212 crore (US\$ 354.6 billion) as against ₹ 18,29,583 crore (US\$ 281.5 billion) for the quarter ended March 31, 2017, a growth of 26 per cent (Source: Association of Mutual Funds of India). The AAUM of RMF for the quarter ended March 31, 2018, stood at ₹ 2,44,904 crore (US\$ 37.7 billion) as against ₹ 2,10,891 crore (US\$ 32.4 billion) for the quarter ended March 31, 2017, an increase of 16 per cent.



RNAM has created a wide distribution network in nearly 282 locations with 65,300 empanelled distributors. The number of investor folios in RNAM stood at 82 lakh as on March 31, 2018, as against 68 lakh as on March 31, 2017. The number of Systematic Investment Plan (SIP) and Systematic Transfer Plan (STP) investor accounts in RNAM rose to 27 lakh as on March 31, 2018.

RNAM Achievements

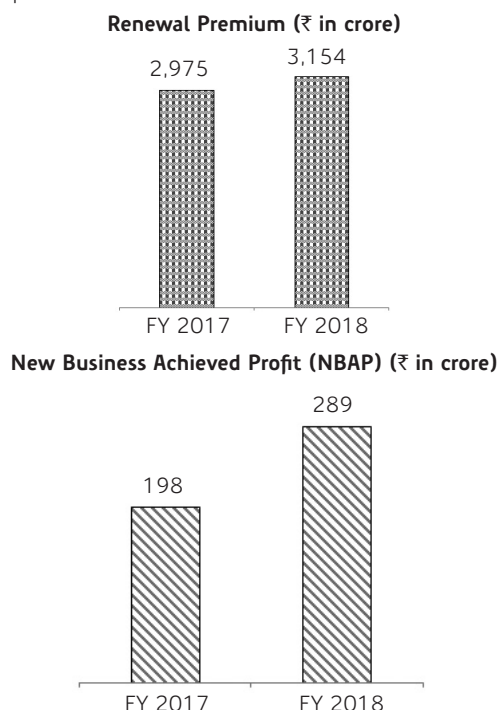
RNAM continues to be a Retail focused AMC, with the goal of achieving long term wealth creation for investors. In

Management Discussion and Analysis

2017-18, RNAM witnessed highest growth in Retail Assets Under Management (AUM), across all AMCs. RNAM also holds highest assets from the 'B15 category' in the Industry as per March 2018. RNAM won Best Customer Centric Company of the year Award at World Quality Congress. RNAM has also been featured as 'Great Place to Work' by AON.

Reliance Nippon Life Insurance (RNLI)

Reliance Nippon Life Insurance currently offers a total of 37 products that fulfill the savings and protection needs of customers. Of these, 27 are targeted at individuals and 10 at group businesses. RNLI is committed to emerging as a transnational Life Insurer of global scale and standard and attaining leadership rankings in the industry within the next few years. During the year, the Indian life insurance industry recorded new business premium of ₹ 1,93,865 crore (US\$ 30 billion) as against ₹ 1,74,675 crore (US\$ 27 billion) in the previous year, an increase of 11 per cent. During the year, the Indian private sector life insurance industry recorded new business premium of ₹ 59,314 crore (US\$ 9.1 billion) as against ₹ 50,224 crore (US\$ 7.7 billion) in the previous year, an increase of 18 per cent (Source: Financial Year 2017-18 data, Life Insurance Council website). This was primarily driven by higher sales of ULIPs (Unit Linked Insurance Products) as capital markets improved. RNLI is amongst the leading private sector life insurers with a private sector market share of 1.5 per cent, in terms of new business premium. (Source: Financial Year 2017-18 data, Insurance Regulatory and Development Authority of India website). The total net premium for the year stood at ₹ 4,042 crore (US\$ 622 million). The new business premium income for the year ended March 31, 2018, was ₹ 916 crore (US\$ 141 million). For the year ended March 31, 2018, the renewal premium was ₹ 3,154 crore (US\$ 485 million) as against ₹ 2,975 crore (US\$ 458 million), an increase of 6 per cent. The new business achieved profit for the year ended March 31, 2018 was ₹ 289 crore (US\$ 44 million) as against ₹ 198 crore (US\$ 30 million) in the previous year, an increase of 46 per cent.



The total funds under management were at ₹ 19,096 crore (US\$ 2.9 billion) as on March 31, 2018, as against ₹ 17,253 crore (US\$ 2.7 billion) as on March 31, 2017. The number of policies sold during the year was approximately 2 lakh. The distribution network stood at approx. 750 branches and over 65,000 active advisors at the end of March 2018.

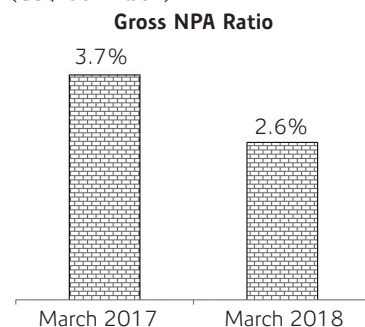
Reliance Commercial Finance ("Reliance Money")

Reliance Money is amongst the leading SME lenders in the Indian non banking finance space, with a focus on transforming itself into a diversified and new-age finance solutions provider, both in the commercial and consumer finance space.

Reliance Money offers a wide range of products which include SME Loans, Microfinance, Loans Against Property, Infrastructure Finance, Agriculture Loans, Supply Chain Finance, Two-wheeler Financing and Used Car Loans. The focus in this business continues to be on asset backed lending and productive asset creation. The aim of RCF is not only credit growth per se, but also the quality of credit sourced. In line with this, Reliance Money has been disbursing only secured asset backed loans and has wound up the unsecured loans portfolio.

The disbursements for the year ended March 31, 2018, were ₹ 10,061 crore (US\$ 1.6 billion) as against ₹ 8,827 crore (US\$ 1.4 billion) for the previous year, an increase of 14 per cent. As of March 31, 2018, the Assets Under Management (including securitized portfolio) was ₹ 16,475 crore (US\$ 2.5 billion) as against ₹ 16,759 crore (US\$ 2.6 billion) as on March 31, 2017. During the year, Reliance Money securitized loans of ₹ 2,801 crore (US\$ 431 million), as against ₹ 4,323 crore (US\$ 665 million) securitized in the previous year. The Net Interest Income for the year ended March 31, 2018, was at ₹ 734 crore (US\$ 113 million), as against ₹ 659 crore (US\$ 101 million) for the previous year, an increase of 11 per cent. As on March 31, 2018, the outstanding loan book was ₹ 13,674 crore (US\$ 2.1 billion) as against ₹ 12,436 crore (US\$ 1.9 billion) at the end of March 31, 2017. This loan book is spread across 51,400 customers from top 39 Indian cities. The gross non-performing assets improved to 2.6 per cent of the total assets under management, as against 3.7 per cent as of March 31, 2017.

Reliance Money achieved a profit before tax of ₹ 281 crore (US\$ 43 million) for the year ended March 31, 2018 as against ₹ 343 crore (US\$ 53 million).



Reliance Home Finance (RHF)

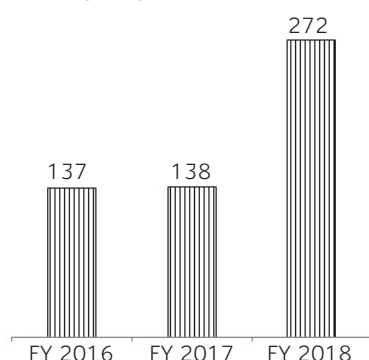
Reliance Home Finance Limited (RHFL), provides a wide range of loan solutions like home loans, Affordable Housing Loans, LAP and Construction Finance. RHFL also provides property services that help customers find their dream

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homes / properties. The disbursements for the year ended March 31, 2018, were ₹ 8,695 crore (US\$ 1.3 billion) as against ₹ 7,333 crore (US\$ 1.1 billion) for the previous year, an increase of 19 per cent. As of March 31, 2018, the Assets Under Management (including securitised portfolio) was ₹ 16,379 crore (US\$ 2.5 billion) as against ₹ 11,174 crore (US\$ 1.7 billion) as on March 31, 2017, an increase of 47 per cent. The total income for the year ended March 31, 2018, was at ₹ 1,671 crore (US\$ 257 million), as against ₹ 1,145 crore (US\$ 176 million) for the previous year, an increase of 46 per cent. As on March 31, 2018, the outstanding loan book was ₹ 14,655 crore (US\$ 2.3 billion) as against ₹ 9,983 crore (US\$ 1.5 billion) at the end of March 31, 2017. This loan book is spread across 45,000 customers from top 54 Indian cities. The gross non-performing assets were at ₹ 128 crore (US\$ 20 million), an increase of 53 per cent. The business achieved a profit before tax of ₹ 272 crore (US\$ 42 million) as against ₹ 138 crore (US\$ 21 million), for the year ended March 31, 2018, an increase of 97 per cent.

Profit Before Tax (₹ in crore)



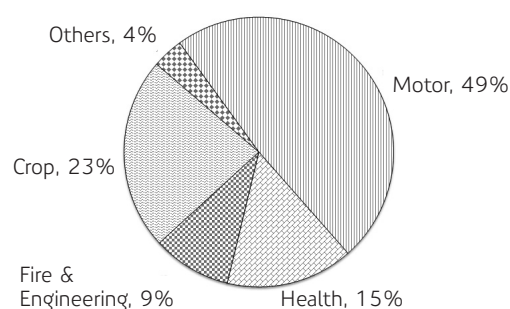
Broking and Distribution businesses

Reliance Capital's broking business is carried out by its subsidiary viz. Reliance Securities Limited, one of the leading retail broking house in India that provides customers with access to equities, equity options and wealth management solutions. The focus is on the key business verticals of equity broking and wealth management. As of March 31, 2018, the business had over 8,55,600 equity broking accounts and achieved average daily turnover of ₹ 4,333 crore (US\$ 667 million) for the year. In wealth management business, the client needs are assessed to create customized financial investment opportunities. The customized individual portfolios are based on their diverse investment needs and risk profiles. In wealth management, the AUM rose by 47 per cent to over ₹ 6,060 crore (US\$ 932 million) as on March 31, 2018. Reliance Commodities, the commodity broking arm of Reliance Capital, is one of the leading retail broking houses in India, providing customers with access to commodities market. As of March 31, 2018, the business had over 102,000 commodity broking accounts and recorded average daily commodities broking turnover of ₹ 273 crore (US\$ 42 million). The distribution business is a comprehensive financial services and solutions provider, providing customers with access to mutual funds, life and general insurance products, and other financial products having a distribution network of approx. 100 branches and 1,300 customer touch points across India. The business achieved revenues of ₹ 350 crore (US\$ 54 million) for the year ended March 31, 2018. The profit before tax rose to ₹ 49 crore (US\$ 8 million) for the year ended March 31, 2018.

Reliance General Insurance

Reliance General Insurance (RGI) offers insurance solutions for auto, health, home, property, travel, marine, commercial and other specialty products. RGI is amongst the leading private sector general insurance players in India with a private sector market share of 7.7 per cent. During 2017-18, gross direct premium of the total general insurance industry increased by 18 per cent to ₹ 141,552 crore (US\$ 21.8 billion). During 2017-18, gross direct premium of the private Indian general insurance industry increased by 21 per cent to ₹ 65,335 crore (US\$ 10.1 billion) (Source: IRDAI website). RGI's gross written premium for the year ended March 31, 2018 was ₹ 5,122 crore (US\$ 788 million), an increase of 28 per cent over the previous year.

Sectorwise Premium Contribution



Profit before tax for the year ended March 31, 2018, stood at ₹ 165 crore (US\$ 25 million) as against ₹ 130 crore (US\$ 20 million) in the corresponding period of the previous year, an increase of 27 per cent over the previous year. The distribution network comprised of approx. 130 branches and approx. 27,900 agents at the end of March 31, 2018. At the end of March 31, 2018, the investment book increased by 19 per cent to ₹ 7,999 crore (US\$ 1.2 billion).

Reliance Asset Reconstruction

Reliance Asset Reconstruction Company Limited (Reliance ARC) is in the business of acquisition, management and resolution of distressed debt / assets. The focus of this business continues to be on the distressed assets in the SME and retail segments. The Assets Under Management as on March 31, 2018, rose to ₹ 1,864 crore (US\$ 287 million) as against ₹ 1,829 crore (US\$ 281 million) as on March 31, 2017. Its own investment in NPAs decreased from ₹ 285 crore (US\$ 44 million) as on March 31, 2017, to ₹ 281 crore (US\$ 43 million) as on March 31, 2018.

Risks and Concerns

RCL has exposures in various line of business through its subsidiaries and associate entities. RCL, its subsidiaries and associates are exposed to specific risks that are particular to their respective businesses and the environments within which they operate, including market risk, competition risk, credit risk, liquidity and interest rate risk, human resource risk, operational risk, information security risks, regulatory risk and macro-economic risks. The level and degree of each risk varies depending upon the nature of activity undertaken by them.

Market risk

The Company has quoted investments which are exposed to fluctuations in stock prices. Similarly, the Company has also

Management Discussion and Analysis

raised funds through issue of Market Linked Debentures, whose returns are linked to relevant underlying market instruments or indices. RCL continuously monitors market exposure for both equity and debt and, in appropriate cases, also uses various derivative instruments as a hedging mechanism to limit volatility.

Competition risk

The financial sector industry is becoming increasingly competitive and the Company's growth will depend on its ability to compete effectively. The Company's main competitors are Indian Non-Banking Financial Companies / Core investment Companies, commercial banks, life and non-life insurance companies, both in the public and private sector, mutual funds, broking houses, mortgage lenders, depository participants and other financial services providers. Foreign banks also operate in India through non-banking finance companies. Further liberalization of the Indian financial sector could lead to a greater presence or entry of new foreign banks and financial services companies offering a wider range of products and services. This could significantly toughen our competitive environment. The Company's strong brand image, wide distribution network, diversified product offering and quality of management place it in a strong position to deal with competition effectively.

Credit risk

Credit risk is a risk arising out of default or failure on the part of borrowers or investee entities in meeting their financial obligations towards repayment of loans or investment instruments in the nature of debt / credit such as debentures, commercial papers, PTCs etc. Thus, credit risk is a loss as a result of non-recovery of funds both on principal and interest counts. This risk is comprehensively addressed both at the strategic level and at the client level. There is a robust governance framework with risk oversight being provided by the Risk Management.

Stringent standards have been stipulated for customer identification and evaluation of credit proposals. Critical underwriting activities are automated. Appropriate delegation and deviation grids have been put in place. Each credit proposal is evaluated on various lending parameters both in qualitative and quantitative terms. Proper security, industry norms and ceilings have been prescribed to ensure diversifying risks and to avoid concentration risk. Cross references to credit bureau data are made to assess the credit behaviour of the prospective customers. These are impacted by economic and market changes and government policies. Company has put in place monitoring mechanisms commensurate with nature and volume of activities. Any early signal of default is addressed on priority to minimize/ prevent credit loss. Regular portfolio risk analysis is done extensively on various financial and policy parameters for making required changes in the credit policy as a proactive approach to risk management. The Indian financial services industry is highly competitive with the experience and market knowledge the Company has gained over the years in the lending and investment business and are well placed to be the preferred provider of asset based finance in coming years.

Liquidity and Interest Rate Risk

The Company is exposed to liquidity risk principally, as a result of lending and investment for periods which may differ from those of its funding sources. Treasury teams actively manage asset liability positions in accordance with the overall guidelines laid down by various regulators in the Asset Liability Management (ALM) framework. The Company may be impacted by volatility in interest rates in India which could cause its margins to decline and profitability to shrink. The success of the Company's business depends significantly on interest income from its operations. It is exposed to interest rate risk, both as a result of lending at fixed

interest rates and for reset periods which may differ from those of its funding sources. Interest rates are highly sensitive to many factors beyond the Company's control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and, inflation. As a result, interest rates in India have historically experienced a relatively high degree of volatility.

The Company seeks to match its interest rate positions of assets and liabilities to minimize interest rate risk. However, there can be no assurance that significant interest rate movements will not have an adverse effect on its financial position.

With the growth of the Company's business, it will become increasingly reliant on funding from the debt capital markets and commercial borrowings. The market for such funds is competitive and the Company's ability to obtain funds at competitive rates will depend on various factors including its credit ratings. There can be no guarantee that the Company will be able to raise debt on competitive terms, in the required quantum and in a cost effective manner. Any failure to do so may adversely impact the Company's business, its future financial performance and the price of its shares. The Company is also hedged to some extent against this risk through the variable interest clause in its advances portfolio.

Human resource risk

The Company's success depends largely upon the quality and competence of its management team and key personnel. Attracting and retaining talented professionals is therefore a key element of the Company's strategy and a significant source of competitive advantage. While the Company has a salary and incentive structure designed to encourage employee retention, a failure to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an impact on the Company's business, its future financial performance and the results of its operations.

Operational risk

The Company may encounter operational and control difficulties when commencing businesses in new markets. The rapid development and establishment of financial services businesses in new markets may raise unanticipated operational or control risks. Such risks could have a materially adverse effect on the Company's financial position and the results of its operations.

The operations of the Company have been extensively automated which minimizes the operational risk arising out of human errors and omissions. A robust system of internal controls is practiced to ensure that all its assets are safeguarded and protected against loss from unauthorised use or disposition and all its transactions are authorised, recorded and reported correctly. The respective Audit Committee of the Board periodically reviews the adequacy of our internal controls. The Company has implemented SAP systems across functions. With this initiative, along with other key systems and checks and balances established, we believe that our overall control environment has been enhanced. The Company is relentlessly focused on quality parameters and has a dedicated quality team to proactively identify and address operational issues. The mandate of the quality team is also to work closely with various business teams to bring about operational efficiencies and effectiveness through Six Sigma initiatives. It is pertinent to note that Reliance Nippon Life Insurance, Reliance General Insurance, Reliance Nippon Life Asset Management, Reliance Securities, Reliance Commercial Finance and Reliance Home Finance have obtained an ISO 9001:2008 certification. They are among the few companies in their respective industries to be ISO certified.

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Information security risk

RCL has robust Information Security Risk monitoring systems and tools to guard and protect sensitive customer data and guard against potential hackers and viruses. The Information Security team is governed by the Information Security Risk Management Committee. Robust governance, controls and sophisticated technology is adopted across lines of business to ward off cyber threats and protect information residing within the Company.

Information Security has been brought under the Enterprise Risk Management Framework to enhance data protection and ward off cyber risks effectively, thereby making our overall Risk, Control & Governance framework more robust.

Regulatory risk

As a financial conglomerate in the financial services sector, the Company and its entities are subject to regulations by Indian governmental authorities and regulators including Reserve Bank of India, Insurance Regulatory and Development Authority of India, Securities and Exchange Board of India, Pension Fund Regulatory & Development Authority and National Housing Bank. Their laws and regulations impose numerous requirements on the Company, including asset classifications and prescribed levels of capital adequacy, solvency requirements and liquid assets. There may be future changes in the regulatory system or in the enforcement of the laws and regulations that could adversely affect the Company's performance.

Macro-economic risk

Any slowdown in economic growth in India could cause the business of the Company to suffer. Any slowdown in the Indian economy, and in particular in the demand for housing and infrastructure, could adversely affect the Company's business. Similarly, any sustained volatility in global commodity prices, including a significant increase in the prices of oil and petroleum products, could once again spark off a new inflationary cycle, thereby curtailing the purchasing power of the consumers. RCL manages these risks by maintaining a conservative financial profile and following prudent business and risk management practices.

Internal Control

The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls, and compliance with applicable laws and regulations.

The organization is well structured and the policy guidelines are well documented with pre-defined authority. The Company has also implemented suitable controls to ensure that all resources are utilized optimally, financial transactions are reported with accuracy and there is strict adherence to applicable laws and regulations.

The Company has put in place adequate systems to ensure that assets are safeguarded against loss from unauthorised use or disposition and that transactions are authorised, recorded and reported. The Company also has an exhaustive budgetary control system to monitor all expenditures against approved budgets on an ongoing basis.

The Company uses information technology extensively in its operations for ensuring effective controls besides economy. It also helps the Company in providing accurate MIS and prompt information / services to its customers and other stakeholders. The Company has implemented enhanced level of Information System Security controls with monitoring systems to address technology risks.

The Company has an independent internal audit function which continuously evaluates the adequacy of, and compliance with, policies, plans, regulatory and statutory requirements. Risk based approach is adopted while carrying out the audits. Internal audit also evaluates and suggests improvement in effectiveness of risk management, control and governance process. The Audit Committee of the Board provides necessary oversight and directions to the internal audit function and periodically reviews the findings and ensures corrective measures are taken.

Opportunities

- Low retail penetration of financial services / products in India
- Extensive distribution reach and strong brand recognition
- Opening of financial sector in India along with introduction of innovative products
- Opportunity to cross sell services
- Increasing per-capita GDP
- Changing demographic profile of the country in favour of the young

Threats

- Inflationary pressures, slowdown in policy making and reduction in household savings in financial products
- Competition from local and multinational players
- Execution risk
- Regulatory changes
- Attraction and retention of human capital

Human Resources

Across all its business operations, Reliance Capital had a workforce of 18,208 people as on March 31, 2018. The business wise breakup of the workforce is given below:

Business Operation	Number of people
Reliance Capital (Core)	125
Commercial Finance	921
Home Finance	961
Asset Management	1,140
General Insurance	2,499
Life Insurance	10,625
Broking & Distribution	1,480
Other businesses	457
Total	18,208

Our workforce is young, with an average age of 34 years, and highly qualified. 65 per cent of our workforce is under-graduates and/or graduates, while 18 per cent are post-graduates and another 17 per cent are management graduates and chartered accountants.

Corporate Social Responsibility

The Reliance Group strives to further its commitment to be an ideal Corporate citizen. The Kokilaben Dhirubhai Ambani Hospital continues to provide quality healthcare and contributes in a very significant manner towards supporting the poor and the needy, especially those below the poverty line. The Company initiated projects in the areas of promoting preventive healthcare, education and rural development in Maharashtra. Reliance Capital made a contribution of ₹ 23 crore in 2017-18, *inter-alia*, through a non-profit centre engaged in the provision of health care.

Management Discussion and Analysis

The Company, through non-profit centres, successfully undertook 'Mobile Health Unit' projects to serve tribal, rural and urban areas in partnership with Government. The Company participated in various projects towards medical help, provision of water in tribal areas, plantation of trees, etc. in association with the State Government in Rajasthan. Also, the Company contributed towards providing healthcare facilities to the public at large, mostly from rural areas and from economically weaker section of the society, in Madhya Pradesh. As part of Employee Volunteerism, blood donation campaigns were conducted during the year. In partnership with Reliance General Insurance, the employees visited children homes, donated stationary and conducted eye check-ups across 10 cities in India. Our Offices are being fitted out and maintained keeping in mind, the mission of energy conservation and environment protection. Through several initiatives, a consistent and ongoing endeavor is on to reduce the carbon footprint.

Outlook

The Indian Economy

The year 2017 was marked by key structural initiatives to build strength across macro-economic parameters for sustainable growth in the future. The growth in the first half of the year suffered despite global tailwinds. Currently, the economy seems to be on the growth path, with indicators of industrial production, stock market index, auto sales and exports having shown uptick. We believe that India's economic outlook remains promising for 2017-18 and is expected to strengthen further in 2018-19. The Government has come up with various policy measures to boost growth:

- Goods & Services Tax: with the aim to consolidate all indirect tax laws and to also bring a harmonized tax structure and uniform compliance practice both by regulators and businesses.
- Insolvency and Bankruptcy Code: a one stop solution for resolving insolvencies which offer economically viable arrangement and at the same time protect the interests of small investors and make the process of doing business simpler.
- Pradhan Mantri Jan Dhan Yojana and Aadhaar: During the year, a total of 307 million accounts have been opened under Pradhan Mantri Jan-Dhan Yojana and a total of ₹ 421.8 billion had been deposited in approx. 37.4 million Pradhan Mantri Jan-Dhan Yojana accounts.
- Ayushman Bharat: Government initiative which is aimed at addressing health holistically, in primary, secondary and tertiary care systems, covering both prevention and health promotion.

India's fiscal deficit has steadily declined over the years. The gross tax to GDP ratio has risen by 0.2 per cent to 11.6 per cent in 2017-18 and is expected to grow ~ 12.1 per cent for 2018-19. The tax revenues are expected to grow by 16.6 per cent in 2018-19 as compared to 15.3 per cent in 2017-18. On the expenditure side, the government has budgeted a 10 per cent growth for 2018-19 as compared to a growth of 12.3 per cent in 2017-18. Based on these estimates, the government has estimated that the fiscal deficit will reduce from 3.5 per cent in 2017-18 to 3.3 per cent in 2018-19.

Inflation remains largely under control, though some risks have emerged. The main challenges include rising crude oil prices on account of global oil output cuts. CPI inflation for 2018-19 is likely to come in at an average of around 3.9 per cent for the full fiscal year. In February 2018, the monetary policy committee stipulated that inflation will remain around 5.1-5.6 per cent in first half of 2018-19 and then ease at 4.5-4.6 per cent in second half of 2018-19. The monetary action by the RBI is expected to hover around this inflation data.

While the Indian economy has regained the tag of the 'fastest growing economy', factors such as balancing forces on the economic front, corporate earnings recovery, visible benefits from recent government initiated reforms and trend towards financial savings and digitization would help in reviving the growth.

The Financial Sector

India has a diversified financial sector undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The financial inclusion drive of the RBI has expanded the target market to semi-urban and rural areas. RBI allowed 100 per cent foreign investment under the automatic route in 'other financial services'. The Securities and Exchange Board of India has allowed exchanges in India to operate in equity and commodity segments simultaneously. The asset management industry is surging and has recorded compound annual growth rate of 15.51 per cent over 2007-18. The Association of Mutual Funds in India (AMFI) is targeting nearly fivefold growth in Assets under Management to ₹ 95 trillion (US\$ 1.47 trillion), and a more than three times growth in investor accounts to 130 million by 2025. Another crucial component is the insurance sector and has been proliferating. The domestic life insurance industry registered 10.99 per cent year-on-year basis growth for new business premium in 2017-18, generating a revenue of ₹ 1.94 trillion (US\$ 30.1 billion). During 2002-18, increase in non-life insurance premiums witnessed at a compound annual growth rate of 16.65 per cent while market share of private players in the segment surged from 15 per cent in 2003-04 to 46.6 per cent in 2017-18. Gross direct premiums for non-life insurance industry increased by 17.54 per cent year-on-year basis in 2017-18. Steadily rising turnover in financial markets has led to rapid expansion of the brokerage segment. The number of listed companies has gone up by 16 per cent over 2010-18. A total of 153 initial public offers (IPOs) were issued in the India stock markets in 2017, which raised a total of US\$ 11.6 billion. The revenues of the brokerage industry in India are estimated to grow by 15-20 per cent to reach ₹ 18,000-19,000 crore (US\$ 2.80- 2.96 billion) in 2017-18, backed by healthy volumes and a rise in the share of the cash segment. India has scored a perfect 10 in protecting shareholders' rights on the back of reforms implemented by Securities and Exchange Board of India. Non-Banking Financial Companies continue to serve the unbanked customers by pioneering into retail asset backed lending, lending against securities and microfinance. Non-Banking Financial Companies aspire to emerge as a one-stop shop for all financial services.

Reliance Capital Limited

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company** : L65910MH1986PLC165645
2. **Name of the Company** : Reliance Capital Limited
3. **Registered address** : H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710
4. **Website** : www.reliancecapital.co.in
5. **E-mail id** : rcl.investor@relianceada.com
6. **Financial Year reported** : 2017-18
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**

Reliance Capital, a part of the Reliance Group, is one of India's leading private sector financial services companies. It ranks amongst the top private sector financial services and banking groups, in terms of net worth. The Company is a constituent of MSCI Global Small Cap Index.

Reliance Capital has interests in asset management and mutual funds, pension funds, life, health and general insurance, commercial and home finance, stock broking, wealth management services, distribution of financial products, asset reconstruction, proprietary investments and other activities in financial services.

Services Code No.	Description
649	Non-banking financial services

8. **List three key products / services that the Company manufactures / provides (as in balance sheet)**
Asset Management, Commercial & Home Finance, Life & General Insurance, Securities Broking, Wealth Management Services and Distribution of Financial Products.
9. **Total number of locations where business activity is undertaken by the Company**
(a) Number of International Locations: Singapore and Mauritius.
(b) Number of National Locations: Reliance Capital conducts its operations through a network of over 5,000 physical touch points, including owned branches as well as distribution partners.
10. **Markets served by the Company**
Reliance Capital serves the Indian markets, along with the international customers through its above mentioned international offices.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (INR)** : 253 crore
2. **Total Turnover (INR)** : 19,898 crore
3. **Total profit after taxes (INR)** : 1,309 crore
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)** : 2% (₹ 13.33 crore)
5. **List of activities in which expenditure in 4 above has been incurred:-**
 - a. One of the main CSR initiative of Reliance Group is to support the Mandke Foundation. With the support of Reliance Group, Mandke Foundation had developed Kokilaben Dhirubhai Ambani Hospital & Medical Research Institute as one of the most advanced tertiary care facilities, which continues to provide quality healthcare, especially those below the poverty line.
 - b. Contribution to various NGO's as part of Corporate Social Responsibility for Rural development projects like water resource management, safe drinking water, advancement of education and other objects of general public utility.
 - c. Mobile Health Units at Mumbai & Ahmedabad in collaboration with Deepak Foundation & AmeriCares India Foundation to set up & operate our two Mobile Health Units. The mobile units are useful in providing health care service in remote and underprivileged areas of Maharashtra
 - d. The Company initiated projects in the areas of promoting education in New Delhi through a non-profit centre i.e. Smile Foundation, engaged in the provision of health care.
 - e. The Company initiated the project for setting up multiple RO plants in different urban slums to make available safe drinking water through Non-Government Organisations viz. Janhit Society for Social Welfare.
 - f. Health camps and blood donation camps.

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company / Companies?**
The Company has 20 subsidiary companies as on March 31, 2018.
2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**
Yes, CSR activities are done at group level in which subsidiaries are part of it.
3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?**
Reliance Capital encourages its associates and partners to participate in the BR initiatives of the Company. At present, less than 30% of the other entities participate in the BR initiatives of the Company.

Business Responsibility Report

SECTION D: BR INFORMATION

1. Details of Director / Directors responsible for BR

a) Details of the Director / Director responsible for implementation of the BR policy/policies

DIN Number	Name	Designation
00007256	Dr. Bidhubhusan Samal	Independent Director

b) Details of the BR head

No.	Particulars	Details
1.	DIN Number (if applicable)	07591624
2.	Name	Mr. Jai Anmol Ambani
3.	Designation	Executive Director
4.	Telephone number	+91 22 3303 1000
5.	e-mail id	rcl.investor@relianceada.com

2. Principle-wise (as per NVGs) BR Policy / policies

- P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3 Businesses should promote the wellbeing of all employees.
- P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5 Businesses should respect and promote human rights.
- P6 Business should respect, protect, and make efforts to restore the environment.
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8 Businesses should support inclusive growth and equitable development.
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	-	Y	-	Y	Y	-	-	-
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director / Official to oversee the implementation of the policy?	Yes								
6.	Indicate the link for the policy to be viewed online?	Code of conduct is available on the Company's website - www.reliancecapital.co.in								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8.	Does the company have in-house structure to implement the policy / policies.	Yes								
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Yes								
10.	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Yes								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles	Not Applicable								
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

Reliance Capital Limited

Business Responsibility Report

3. Governance related to BR

- (a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company: Within 3 months, 3-6 months, Annually, More than 1 year**

The Executive Director of the Company periodically reviews the BR performance of the Company.

- (b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Yes, BRR is provided on the website of the Company (www.reliancecapital.co.in) and the same is published annually.

SECTION E – Principle-wise performance

Principle 1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

The Company considers Corporate Governance as an integral part of good management. The Company's policy relating to ethics, bribery and corruption is covered under Reliance Group Companies Code of Ethics and Business Policies, which are applicable to all personnel of the Company as well as to the (i) Consultants, (ii) Representatives, (iii) Suppliers, (iv) Contractors and (v) Agents dealing with the Company.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

The Company has received 55 complaints from shareholders during the year and all complaints were satisfactorily resolved.

Principle 2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.**

The following products / services have been designed to incorporate social concerns as well as benefit from the available opportunities:

- (a) Reliance Nippon Life Asset Management: Annual Reports which run into several pages, and had to be mandatorily sent to all investors, are now being sent only through e-mail, significantly reducing usage of physical papers. The initiative was spearheaded by RMF, and has now become an Industry practice.
- (b) Reliance Nippon Life Asset Management: Mandatory Know Your Customer (KYC) process is being done with biometric devices, and hence reducing usage of physical papers.
- (c) Reliance Nippon Life Asset Management: RMF offers free life insurance in systematic investment plans (SIPs) made in certain schemes. This would ensure that investors' critical goals would still be met, even in the unfortunate event of death.
- (d) Reliance Home Finance: RHF's principle is based on Government of India's vision of "Housing for All". Its major focus is on Affordable Housing Sector where customers belong to Low Middle Income (LMI) / Middle Income Group (MIG) segment thereby contributing towards social and economic growth of the society.

The Company has also contributed in large in Government of India's initiative – 'Pradhan Mantri Awas Yojana', which helps LIG / MIG customer segments to take benefits of Credit Linked Subsidy Scheme (CLSS). This scheme is in-line with the Government's initiative "Housing for all by 2022" and aims at making the dream of owning 'Own House' come true.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

With regard to the businesses of Reliance Capital, the question is not applicable to the Company.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**

'Outsourcing Policy' entails the processes and procedures for outsourcing agreements. Periodic performance evaluations of these outsourced vendors are done by the management.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

With regard to the businesses of Reliance Capital, the question is not applicable to the Company.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

With regard to the businesses of Reliance Capital, the question is not applicable to the Company.

Principle 3 Businesses should promote the wellbeing of all employees.

1. **Please indicate the Total number of employees.**

The total number of employees in the group were 18,208 on rolls as on March 31, 2018.

2. **Please indicate the Total number of employees hired on temporary / contractual / casual basis.**

There are approximately 5,200 employees.

3. **Please indicate the Number of permanent women employees.**

There are 4,746 women employees.

Business Responsibility Report

4. Please indicate the Number of permanent employees with disabilities.

There are 4 employees with disabilities.

5. Do you have an employee association that is recognized by management?

No.

6. What percentage of your permanent employees is members of this recognized employee association?

Not Applicable.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour / forced labour / involuntary labour	The Company does not hire Child labour, forced labour or involuntary labour. No Complaint.	Not Applicable
2.	Sexual harassment	No case reported	Not Applicable
3.	Discriminatory employment	There is no discrimination in the recruitment process of the Company.	Not Applicable

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Permanent Employees	85%
Permanent Women Employees	75%
Casual/Temporary/Contractual Employees	60%
Employees with Disabilities	70%

Principle 4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders?

Yes.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders.

- One of the main CSR initiative of Reliance Group is to support the Mandke Foundation. With the support of Reliance Group, Mandke Foundation had developed Kokilaben Dhirubhai Ambani Hospital & Medical Research Institute as one of the most advanced tertiary care facilities, which continues to provide quality healthcare, especially those below the poverty line.
- Contribution to various NGO's as part of Corporate Social Responsibility for Rural development projects like water resource management, safe drinking water, advancement of education and other objects of general public utility.
- Mobile Health Units at Mumbai & Ahmedabad in collaboration with Deepak Foundation & AmeriCares India Foundation to set up & operate our two Mobile Health Units. The mobile units are useful in providing health care service in remote and underprivileged areas of Maharashtra.
- The Company initiated projects in the areas of promoting education in New Delhi through a non-profit centre i.e. Smile Foundation, engaged in the provision of health care.
- The Company initiated the project for setting up multiple RO plants in different urban slums to make available safe drinking water through Non-Government Organisations viz. Janhit Society for Social Welfare.
- Health camps and blood donation camps at zonal offices.

Principle 5 Businesses should respect and promote human rights.

1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

Most of the aspects of human policy are covered in our Reliance Group Companies Code of Ethics and Business Policies. We respect human rights. All the labour related laws are based on human rights principle, which we follow consistently. We provide equal opportunity to all the sections of the society without any discrimination. We have formulated the Ombudspersons & Whistle Blower (Vigil Mechanism) Policy of the Company on human rights.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Please refer our response to Principle No. 1.

Reliance Capital Limited

Business Responsibility Report

Principle 6 Businesses should respect, protect and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.

Our companies in the group are committed to achieve the global standards of health, safety and environment. We believe in sharing process and product innovations within the group and extending its benefits to the Industry. We believe in safeguarding environment for long term. Reliance Group Companies Code of Ethics and Business Policies is applicable to all personnel of the Company as well as to the Consultants, Representatives, Suppliers, Contractors and Agents dealing with the Company.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Not Applicable.

3. Does the company identify and assess potential environmental risks?

Not Applicable.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Not Applicable.

5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.

Yes.

It has deployed a technology called Virtual desktop infrastructure (VDI) which uses less power compared to a desktop. Also, offices are being fitted out and maintained keeping in mind, the mission of energy conservation and environment protection. Through several initiatives, a consistent and ongoing endeavour is undertaken to reduce the overall carbon footprint.

We are using highly efficient Star Rated Air-conditioning for offices for conservation of electricity.

We have started using LED light wherever we are setting up new branches / relocating existing for conservation of energy.

In order to reduce the usage of paper, the Company employed ways such as converting physical contract notes to e-format. Physical copies are provided only on request, which was very rare.

6. Are the Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Not Applicable

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as at end of Financial Year.

Not received any notice from CPCB / SPCB.

Principle 7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, we are the members of the relevant trade & chamber or such similar associations. The major associations are as follows:

- a. Association of Mutual Funds in India (AMFI)
- b. Life Insurance Council
- c. General Insurance Council
- d. TransUnion CIBIL Limited
- e. Fixed Income Money Market And Derivatives Association of India
- f. Insurance Regulatory and Development Authority of India
- g. Japan Chamber of Commerce and Industry in India
- h. Association of National Exchanges Members of India (ANMI)
- i. The Bombay Stock Exchange Brokers Forum (BBF)
- j. Depository Participants Association of India
- k. The Associated Chambers of Commerce & Industry of India - National Council-Affordable Housing
- l. Commodity Participants Association of India
- m. Confederation of Indian Industry

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good?

Yes. The Company has undertaken several initiatives to impart investor education to its stakeholders in the Life Insurance and Asset Management businesses, in line with the Insurance Regulatory and Development Authority of India and Association of Mutual Funds in India guidelines, respectively. Also, the Company has advocated with the above mentioned associations for governance, administration, economic and educational reforms.

Business Responsibility Report

Principle 8 Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company supports inclusive growth and equitable development through various training and development programmes for its employees as well as its key stakeholders.

- Mobile Health Unit – As a part of our commitment to Do Good, we have made "Healthcare & Education" as our two focus areas for our CSR initiatives. With this aim, Reliance Nippon Life came up with an idea of Mobile Health Unit, inspired by the 'Car Angel' concept of Nippon Life. Our company has decided to contribute to Deepak Foundation and AmeriCares India Foundation to set up and operate two Mobile Health Units. The two vans were inaugurated by Ms. Tina Ambani and Mr. Tsutsui in June 2016. The mobile units are useful in providing health care service in remote and underprivileged areas of Maharashtra.
- Free Health Check up for employees who belong to the age group of 40 years and above.
- Mission Education Programme with Smiles Foundation: With Smiles Foundation, we are working towards the development and welfare – supporting education and nutrition needs of under-privileged children for a year, as part of the "Mission Education Programme".
- Payroll Giving program: Our employees have supported the initiatives of "Give India" through their Payroll Giving program. Many employees have enrolled under the Payroll Giving program run by Give India, where a certain amount of money is deducted from their salary every month and directed towards the NGO & the cause chosen by the employee.
- Inclusive' Greeting Cards: Anniversary greeting cards made by Indian Mouth and Foot Painting Artists (IMFPA), to help them meet their financial needs. IMFPA is an international, for-profit association wholly owned and run by disabled artists who paint with brushes held in their mouth or feet (as a result of a disability sustained at birth or through an accident or illness that prohibits them from using their hands).
- Donate Blood – Gift Life! (Blood Donation Drive): Our blood donation drive was partnered by Kokilaben Dhirubhai Ambani Hospital in which our employees participated.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

Driven by our belief that the whole is greater than the sum of its parts, all our CSR activities across the group are aligned under one umbrella: the Group CSR forum which is the helm for strategy, planning and integration of functional learning. The forum facilitates cross-functional, cross-geographical learning and brings in operational and methodological efficiency at every level within the CSR ambit across the Group companies.

The programmes were undertaken both, through in-house teams as well as in co-ordination with external NGOs.

3. Have you done any impact assessment of your initiative?

On a periodic basis, we measure the direction of our initiatives and their impact. The assessment helps in focusing our efforts and achieving better results.

4. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Reliance Capital, through its various social programmes and financial inclusion initiatives, is expanding its coverage to rural and semi-urban markets and providing access to financial services to customers in those markets. The products and services offered by the Company have made a positive impact.

Principle 9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year.

With regards to our large customer base and business reach, the percentage of pending complaints is very miniscule. However, as on date all complaints are satisfactorily resolved.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)

Yes. The Company complies with disclosure requirements relating to its products and services.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

In the ordinary course of services' businesses, customers and borrowers may have disputes with the Company regarding deficiency in services or product performance, which could result in a civil suit, or a consumer complaint. Most of our businesses are linked to the capital markets and thus, prone to short-term fluctuations. The Company, regularly, engages with its customers to appropriately address their concerns; however, in some cases, legal resolutions may also be pursued.

4. Did your company carry out any consumer survey / consumer satisfaction trends?

Indian Market Research Bureau (IMRB) has conducted surveys, focusing on customer satisfaction, across our businesses.

Reliance Capital Limited

Corporate Governance Report

Corporate governance philosophy

Reliance Capital follows the highest standards of corporate governance principles and best practices by adopting the "Reliance Group – Corporate Governance Policies and Code of Conduct" as is the norm for all constituent companies in the group. These policies prescribe a set of systems and processes guided by the core principles of transparency, disclosure, accountability, compliances, ethical conduct and the commitment to promote the interests of all stakeholders. The policies and the code are reviewed periodically to ensure their continuing relevance, effectiveness and responsiveness to the needs of our stakeholders.

Governance policies and practices

The Company has formulated a number of policies and introduced several governance practices to comply with the applicable statutory and regulatory requirements, with most of them introduced long before they were made mandatory.

A. Values and commitments

We have set out and adopted a policy document on 'Values and Commitments' of Reliance Capital. We believe that any business conduct can be ethical only when it rests on the nine core values viz. honesty, integrity, respect, fairness, purposefulness, trust, responsibility, citizenship and caring.

B. Code of ethics

Our policy document on 'Code of Ethics' demands that our employees conduct the business with impeccable integrity and by excluding any consideration of personal profit or advantage.

C. Business policies

Our 'Business Policies' cover a comprehensive range of issues such as fair market practices, inside information, financial records and accounting integrity, external communication, work ethics, personal conduct, policy on prevention of sexual harassment, health, safety, environment and quality.

D. Separation of the board's supervisory role from executive management

In line with best global practices, we have adopted the policy of separating the Board's supervisory role from the executive management. We have also split the posts of the Chairman and CEO. Whole-time Director is designated to also perform functions of CEO.

E. Policy on prohibition of insider trading

This document contains the policy on prohibiting trading in the securities of the Company, based on insider or privileged information.

F. Policy on prevention of sexual harassment

Our policy on prevention of sexual harassment aims at promoting a productive work environment and protects individual rights against sexual harassment.

G. Ombudspersons & Whistle Blower (Vigil Mechanism) policy

Our Ombudspersons & Whistle Blower (Vigil Mechanism) policy encourages disclosure in good faith of any wrongful conduct on a matter of general concern and protects the whistle blower from any adverse personnel action.

It is affirmed that no personnel has been denied access to the Audit Committee.

H. Environment policy

The Company is committed to achieving excellence in environmental performance, preservation and promotion of clean environment. These are the fundamental concern in all our business activities.

I. Risk management

Our risk management procedures ensure that the management controls various business related risks through means of a properly defined framework.

J. Boardroom practices

a. Chairman

In line with the highest global standards of corporate governance, the Board has separated the Chairman's role from that of an executive in managing day-to-day business affairs.

b. Board charter

The Company has a comprehensive charter, which sets out clear and transparent guidelines on matters relating to the composition of the Board, the scope and function of various Board Committees, etc.

c. Board committees

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Board constituted Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. The Board rotates the Chairman of these Committees.

d. Selection of independent directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field / profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee, *inter-alia*, considers qualification, positive attributes, area of expertise and number of directorships and memberships held in various committees of other companies by such persons. The Board considers the Committee's recommendation, and takes appropriate decision.

Every Independent Director, at the first meeting of the Board in which she / he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that she / he meets the criteria of independence as provided under law.

e. Tenure of independent directors

Tenure of independent directors on the Board of the Company shall not exceed the time period as per provisions of the Companies Act, 2013, as amended, from time to time.

f. Independent director's interaction with stakeholders

Members of the Stakeholders Relationship Committee interact with stakeholders on their suggestions and queries, if any, which are forwarded to the Company Secretary.

g. Lead independent director

Recognising the need for a representative and spokesperson for the independent directors, the Board designated Mr. V. N. Kaul, an Independent Director as the Lead Independent Director.

h. Familiarisation of board members

The Board members are periodically given formal orientation and training with respect to the Company's vision, strategic direction, core values including ethics,

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corporate governance practices, financial matters and business operations. The Directors are facilitated to get familiar with the Company's functions at the operational levels. Periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. The Board members are also provided with the necessary documents / brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices.

Periodic updates and training programs for Board members are also conducted on relevant statutory changes and landmark judicial pronouncements encompassing important laws.

The details of programs for familiarisation of independent directors is put on the website of the Company at the link <http://www.reliancecapital.co.in/Policies.html>

i. Meeting of independent directors with operating team

The independent directors of the Company meet in executive sessions with the various operating teams as and when they deem necessary. These discussions may include topics such as operating policies and procedures, risk management strategies, measures to improve efficiencies, performance and compensation, strategic issues for Board consideration, flow of information to directors, management progression and succession and others, as the independent directors may determine. During these executive sessions, the independent directors have access to members of management and other advisors, as the independent directors may determine and deem fit.

j. Subsidiaries

All the subsidiaries of the Company are managed by their respective boards. Their boards have the rights and obligations to manage their companies in the best interest of their stakeholders. The Company monitors performance of subsidiary companies.

k. Commitment of directors

The meeting dates for the entire financial year are scheduled in the beginning of the year and an annual calendar of meetings of the Board and its Committees is circulated to the directors. This enables the directors to plan their commitments and facilitates attendance at the meetings of the Board and its Committees.

K. Role of the Company Secretary in Governance Process

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the directors and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible, to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters. All the directors of the Company have access to the advice and services of the Company Secretary.

L. Independent Statutory Auditors

The Company's accounts are audited by a panel of two leading independent audit firms namely:

1. M/s. Pathak H.D. & Associates, Chartered Accountants

2. M/s. Price Waterhouse & Co Chartered Accountants LLP, Chartered Accountants

M. Compliance with the code and rules of Luxembourg Stock Exchange

The Global Depository Receipts (GDRs) issued by the Company are listed on the Luxembourg Stock Exchange (LSE). The Company has reviewed the code on corporate governance of LSE and the Company's corporate governance practices conform to these codes and rules.

N. Compliance with the Listing Regulations

The Company is fully compliant with the mandatory requirements of the Listing Regulations.

We present our report on compliance of governance conditions specified in the Listing Regulations:

I. Board of Directors

1. Board composition – Board strength and representation

The Board consists of seven members. The composition and category of directors on the Board of the Company were as under:

Category	Name of directors and DIN
Promoter, Non-Executive and Non-Independent Director	Mr. Anil D. Ambani, Chairman (DIN:00004878)
Non-Executive and Non-Independent Director	Mr. Amitabh Jhunjhunwala, Vice Chairman (DIN:00045174)
Independent Directors	Mr. Rajendra P. Chitale (DIN:00015986) Dr. Bidhubhusan Samal (DIN:00007256) Mr. V. N. Kaul (DIN:03070263) Ms. Chhaya Virani (DIN:06953556)
Executive Director	Mr. Jai Anmol Ambani (DIN:07591624)

Notes:

- a. Mr. Jai Anmol Ambani is the son of Mr. Anil D. Ambani. None of the other directors are related to any other director.
- b. None of the directors has any business relationship with the Company.
- c. None of the directors has received any loans and advances from the Company during the year.

All the independent directors of the Company furnish a declaration at the time of their appointment as also annually that they qualify the conditions of their being independent. All such declarations are placed before the Board.

2. Conduct of Board proceedings

The day-to-day business is conducted by the executives and the business heads of the Company under the direction of the Board. The Board holds minimum four meetings every year to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company.

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The Board performs the following specific functions in addition to overseeing the business and the management:

- Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.
- Monitoring the effectiveness of the Company's governance practices and making changes as needed.
- Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.
- Aligning key executive and board remuneration with the longer term interests of the Company and its shareholders.
- Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- Monitoring and managing potential conflicts of interest of management, board members and shareholders,

including misuse of corporate assets and abuse in related party transactions.

- Ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- Overseeing the process of disclosure and communications.
- Monitoring and reviewing Board Evaluation Framework.

3. Board meetings

The Board held seven meetings during the financial year 2017-18 on April 7, 2017, April 27, 2017, May 25, 2017, July 27, 2017, November 14, 2017, February 8, 2018 and March 28, 2018. The maximum time gap between any two meetings during the year under review was 109 days and the minimum gap was 19 days.

The Board periodically reviews compliance reports of all laws applicable to the Company.

4. Attendance of directors

Attendance of the Directors at the Board meetings held during the financial year 2017 - 18 and the last Annual General Meeting (AGM) held on September 26, 2017 and the details of directorships (calculated as per provisions of Section 165 of the Companies Act, 2013), Committee Chairmanships and Committee Memberships held by the Directors as on March 31, 2018 were as under:

Name of Director	Number of Board meetings attended out of Seven meetings held	Attendance at the last AGM held on September 26, 2017	Number of directorship (including RCL)	Committee(s) Chairmanship / Membership (including RCL)	
				Membership	Chairmanship
Mr. Anil D. Ambani	7	Present	14	-	-
Mr. Amitabh Jhunjhunwala	7	Present	3	2	-
Mr. Rajendra P. Chitale	7	Present	10	9	5
Dr. Bidhubhusan Samal	7	Present	9	6	2
Mr. V. N. Kaul	7	Present	2	2	-
Ms. Chhaya Virani	7	Present	5	7	-
Mr. Jai Anmol Ambani	7	Present	2	1	-

Notes:

- None of the directors hold directorships in more than 20 companies of which directorship in public companies does not exceed 10 in line with the provisions of Section 165 of the Companies Act, 2013.
- None of the directors hold membership of more than 10 committees of board, nor, is a chairman of more than 5 committees across board of all listed entities.
- None of the independent director holds the position of the independent director in more than seven listed companies as required under the Listing Regulations.
- The information provided above pertains to the following committees in accordance with the provisions of Regulation 26(1) (b) of the Listing Regulations: (i) Audit Committee; (ii) Stakeholders Relationship Committee.
- The committee membership and chairmanship above excludes membership and chairmanship in private companies, foreign companies and Section 8 companies.
- Membership of committees include chairmanship, if any.

The Company's Independent Directors meet at least once in every financial year without the attendance of Non-Independent Directors and Management Personnel. One meeting of the Independent Directors was held during the financial year.

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5. Details of directors

The abbreviated resumes of all the directors are furnished hereunder:

Mr. Anil D. Ambani, 59 years, B.Sc. Hons. and MBA from the Wharton School of the University of Pennsylvania, is the Chairman of our Company, Reliance Communications Limited, Reliance Infrastructure Limited, Reliance Power Limited and Reliance Naval and Engineering Limited. He does not hold any share in the Company as of March 31, 2018.

Mr. Amitabh Jhunjhunwala, 62 years, is a Fellow Chartered Accountant. He has had a wide exposure in developing, strategising and overseeing businesses in financial services, power, telecommunication and entertainment sectors. Currently, he oversees and leads businesses in financial services and entertainment sectors of the Reliance Group. He has experience in the areas of finance, commercial, banking, accounts and general management. He is Vice Chairman of Reliance Capital Limited and also a director on the board of Reliance Anil Dhirubhai Ambani Group Limited. Mr. Amitabh Jhunjhunwala is a member of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility (CSR) Committee of the Company. He does not hold any share in the Company as of March 31, 2018.

Mr. Rajendra P. Chitale, 57 years, a law graduate and an eminent Chartered Accountant, is a Managing Partner of Chitale & Co. (one of India's leading boutique structuring and tax advisory firm) and M. P. Chitale & Co. (one of the India's leading accounting and consulting firms). He has served as a member of the Insurance Advisory Committee of the Insurance Regulatory and Development Authority of India (IRDAI), the Working Group on Insurance, Pensions, Small Savings, etc., Financial Sector Legislative Reforms Commission, Government of India, the Takeover Panel of the Securities & Exchange Board of India, Investor Education & Protection Fund Committee, Government of India, the Advisory Committee on Regulations of the Competition Commission of India and the Maharashtra Board for Restructuring of State Enterprises, Government of Maharashtra. He has served as a director on the boards of Life Insurance Corporation of India, Unit Trust of India, Small Industries Development Bank of India, National Stock Exchange of India Limited, Asset Reconstruction Company (India) Limited, SBI Capital Markets Limited and National Securities Clearing Corporation Limited.

He currently serves as a director on the boards of several large companies including Hinduja Ventures Limited, Ambuja Cements Limited, Hinduja Global Solutions Limited, The Clearing Corporation of India Limited, JM Financial Asset Management Limited, Reliance Nippon Life Insurance Company Limited and Reliance General Insurance Company Limited.

Mr. Rajendra P. Chitale is the Chairman of Audit Committee and Nomination and Remuneration Committee of the Company.

He is the Chairman of Audit Committee of Ambuja Cements Limited, The Clearing Corporation of India Limited and Reliance General Insurance Company Limited and a member of Audit Committee of Hinduja Ventures Limited, Hinduja Global Solutions Limited, Reliance Nippon Life Insurance Company Limited and JM Financial Asset Management Limited. He is the Chairman of Stakeholders Relationship Committee of Ambuja Cements Limited.

He does not hold any share in the Company as of March 31, 2018.

Dr. Bidhubhusan Samal, 75 years, Master in Agriculture (Gold Medalist) and doctorate in Economics from Kalyani University, West Bengal. He is also a Post Graduate Diploma

holder in Bank Management from the National Institute of Bank Management, Pune. He has more than 30 years of work experience in the field of Banking, Securities Markets and Industrial Finance. He has served as Chairman and Managing Director of Allahabad Bank, Chairman and Managing Director of Industrial Investment Bank of India and as Member of the Securities Appellate Tribunal.

He is a director on the board of Mayfair Hotels and Resorts Limited, Industrial Investment Trust Limited, IITL Projects Limited, Vipul Limited, World Resorts Limited and Future Generali India Life Insurance Company Limited.

He is the Chairman of Stakeholders Relationship Committee and Corporate Social Responsibility (CSR) Committee and a member of Audit Committee and Nomination and Remuneration Committee of the Company. He is the Chairman of Audit Committee of Mayfair Hotels and Resorts Limited and a member of Audit Committee of Vipul Limited and IITL Projects Limited. He is also a member of Stakeholders Relationship Committee of Industrial Investment Trust Limited.

He does not hold any share in the Company as of March 31, 2018.

Mr. V. N. Kaul, 75 years, is a former Comptroller and Auditor General of India (C&AG) who was awarded Padma Bhushan in 2014. He has been Vice Chairman of the United Nations Independent Audit Advisory Committee, New York, from 2008 to 2011. Prior to his appointment as C&AG, Mr. Kaul held senior positions in Government and in the United Nations. In Government he was, *inter-alia*, Secretary to the Government of India in the Ministries of Petroleum and Natural Gas, Chemicals and Fertilizers and Coal. Earlier he served as Principal Secretary, Finance and Secretary, Commerce and Industry in Madhya Pradesh. He has served as a director in many private and public sector companies and he has been on the Governing Boards of International Bodies. From 1991 to 1998 he was seconded to the United Nations – ESCAP, Bangkok as Advisor, Trade Policy and Negotiations for Asia – Pacific Region.

Mr. Kaul holds a Masters degree from the University of Delhi and later he was on a Colombo Plan fellowship at the University of Manchester, U.K. He is currently a member of the Eminent Persons Advisory Group (EPAG), constituted by the Competition Commission of India, to give broad inputs and advice on larger issues impacting markets and competition. He is also a member of the Oversight Committee constituted to advise and oversee the process of monetization of immovable property of Air India.

Mr. V. N. Kaul is the Chairman of Risk Management Committee and a member of Audit Committee and Corporate Social Responsibility (CSR) Committee of the Company.

He does not hold any share in the Company as of March 31, 2018.

Ms. Chhaya Virani, 64 years, graduated from Mumbai University with a bachelors' degree in Arts. She also acquired a bachelors' degree in legislative laws from the Government Law College in 1976. She is a partner in M/s. ALMT Legal Advocates and Solicitors.

She is a Director on the board of Reliance Infratel Limited, Reliance General Insurance Company Limited, Reliance Capital Pension Fund Limited and Reliance Communications Limited.

She is a member of Audit Committee, Stakeholders Relationship Committee and Risk Management Committee of the Company.

She is the member of Audit Committee of Reliance Infratel Limited, Reliance General Insurance Company Limited,

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Reliance Capital Pension Fund Limited and Reliance Communications Limited. She is also a member of Stakeholders Relationship Committee of Reliance Communications Limited.

She does not hold any share in the Company as of March 31, 2018.

Mr. Jai Anmol Ambani, 26 years, studied in Cathedral and John Connon School, Mumbai, till Xth (2007) and thereafter completed his schooling from Seven Oaks School, United Kingdom, in 2009.

Mr. Anmol completed his undergraduate studies – BSC in Management – from Warwick Business School, UK. He has four years of experience in financial services.

He serves on the board of Reliance Home Finance Limited and Reliance Nippon Life Asset Management Limited. He is a member of Audit Committee and Corporate Social Responsibility (CSR) Committee of the Company. He is a member of Audit Committee of Reliance Nippon Life Asset Management Limited.

As on March 31, 2018, Mr. Anmol held 1,78,692 equity shares in the Company.

6. Insurance coverage

The Company has obtained Directors & Officers Liability Insurance coverage in respect of any legal action that might be initiated against directors / officers of the Company and its subsidiary companies.

II. Audit Committee

The Company has an Audit Committee. The composition and terms of reference of Audit Committee are in compliance with the provisions of Section 177 of the Companies Act, 2013, Listing Regulations, Master Circular – "Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015" and other applicable laws. The Committee was re-constituted by the Board of Directors of the Company on February 8, 2018. The Committee presently comprises of four independent non-executive directors, one non-independent non-executive director and executive director of the Company viz. Mr. Rajendra P. Chitale as Chairman, Dr. Bidhubhusan Samal, Mr. V. N. Kaul, Ms. Chhaya Virani, Mr. Amitabh Jhunjhunwala and Mr. Jai Anmol Ambani as Members. All the Members of the Committee possess financial / accounting expertise / exposure.

The Audit Committee, *inter-alia*, advises the management on the areas where systems, processes, measures for controlling and monitoring revenue assurance, internal audit and risk management can be improved.

The terms of reference, *inter-alia*, comprises the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013

- b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 8. Subject to and conditional upon the approval of the Board of Directors, approval of Related Party Transactions (RPTs) or subsequent modifications thereto. Such approval can be in the form of omnibus approval of RPT subject to conditions not inconsistent with the conditions specified in Regulation 23(2) and Regulation 23(3) of the Listing Regulations. Such approval shall not be required for transactions with a wholly owned subsidiary whose accounts are consolidated with the Company;
 9. Subject to review by the Board of Directors, review on quarterly basis, of RPTs entered into by the Company pursuant to each omnibus approval given pursuant to (8) above;
 10. Scrutiny of inter-corporate loans and investments;
 11. Valuation of undertakings or assets of the Company, wherever it is necessary;
 12. Review the Company's established system and processes of internal financial controls and risk management systems;
 13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 15. Discussion with internal auditors of any significant findings and follow up there on;
 16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

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18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. To review the functioning of the Whistle Blower mechanism;
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; and
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term 'related party transactions' shall have the same meaning as provided in Regulation 23 of the Listing Regulations.

The Audit Committee is also authorised to:

1. Investigate any activity within its terms of reference;
2. Obtain outside legal or other professional advice;
3. To have full access to information contained in the records of the Company.
4. Secure attendance of outsiders with relevant expertise, if it considers necessary;
5. Call for comments from the auditors about internal controls systems and the scope of audit, including the observations of the auditors;
6. Review financial statements before submission to the Board; and
7. Discuss any related issues with the internal and statutory auditors and the management of the Company.

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
6. Statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the listing regulations; and
 - (b) annual statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7) of the listing regulations.

Attendance at the meetings of the Audit Committee held during 2017-18

The Audit Committee held its meetings on April 26, 2017, May 25, 2017, July 27, 2017, November 14, 2017 and February 8, 2018 which were attended by all the Committee Members. The maximum and minimum time gap between any two meetings, during the year under review was 109 days and 28 days, respectively.

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

The Audit Committee considered all the points in terms of its reference at periodic intervals.

The Company Secretary acts as the Secretary to the Audit Committee.

During the year, the Committee discussed with the Company's Auditors the overall scope and plans for the independent audit.

The Management represented to the Committee that the Company's Financial Statement were prepared in accordance with prevailing laws and regulations.

The Committee discussed the Company's Audited Financial Statement, the rationality of significant judgments and the clarity of disclosures in the Financial Statement. Based on the review and discussions conducted with the Management and the Auditors, the Audit Committee believes that the Company's Financial Statement are fairly presented in conformity with prevailing laws and regulations in all material aspects.

The Committee has also reviewed the internal controls put in place to ensure that the accounts of the Company are properly maintained and that the accounting transactions are in accordance with the prevailing laws and regulations. In conducting such reviews, the Committee found no material discrepancy or weakness in the internal control systems of the Company. The Committee also reviewed the financial policies of the Company and expressed its satisfaction with the same. The Committee, after review expressed its satisfaction on the independence of both the Internal and the Statutory Auditors.

III. Nomination and Remuneration Committee

The Company has a Nomination and Remuneration Committee. The composition and terms of reference of Nomination and Remuneration Committee are in compliance with the provisions of Section 178 of the Companies Act, 2013, Listing Regulations, Master Circular – "Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015", Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014, and other applicable laws. The Committee comprises of three directors, viz. Mr. Rajendra P. Chitale as Chairman, Mr. Amitabh Jhunjhunwala and Dr. Bidhubhusan Samal as Members.

The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

The terms of reference, *inter-alia*, comprises the following:

1. To follow the process for selection and appointment of new directors and succession plans;
2. To recommend to the Board from time to time, a compensation structure for Directors and the senior management personnel;
3. To identify persons who are qualified to be appointed as directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend their appointment and / or removal to the Board;
4. To formulate the criteria for evaluation of performance of Independent Directors, the Board and the Committee(s) thereof;
5. To assess whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors;
6. To carry out evaluation of every Director's performance;

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7. To devise a policy on Board diversity;
8. To perform functions relating to all share based employees benefits; and
9. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees.

Policy on appointment and remuneration for Directors, Key Managerial Personnel and Senior Management Employees has been provided as an Annexure to the Directors' Report.

The Members at the 29th Annual General Meeting held on September 30, 2015, had approved payment of commission upto 3 per cent of the net profits of the Company for a period of 5 (five) years from the financial year commencing from April 1, 2016 to non-executive directors, who were not in the whole-time employment, upto the limits laid down under the provisions of Sections 197 and 198 of the Companies Act, 2013, computed in the manner specified in the Act.

The Nomination and Remuneration Committee held its meetings on April 26, 2017, May 25, 2017, July 27, 2017, October 23, 2017, November 14, 2017, February 8, 2018 and March 28, 2018 which were attended by all the Committee Members.

Criteria for making payments to non-executive directors

The remuneration to non-executive directors is benchmarked with the relevant market, performance oriented, balanced between financial and sectoral market, based on comparative scales, aligned to Corporate Goals, role assumed and number of meetings attended.

Details of sitting fees and commission paid to the Non-Executive Directors during the Financial Year ended March 31, 2018.

(₹ in lakh)

Directors	Sitting Fees	Commission
Mr. Anil D. Ambani	2.80	-
Mr. Amitabh Jhunjhunwala	10.00	-
Mr. Rajendra P. Chitale	7.60	15.00
Dr. Bidhubhusan Samal	10.00	15.00
Mr. V. N. Kaul	7.20	15.00
Ms. Chhaya Virani	8.00	15.00

Notes:

- a. There were no other pecuniary relationships or transactions of non-executive directors vis-à-vis the Company.
- b. The Company has so far not issued any stock options to its non-executive directors.
- c. Pursuant to the limits approved by the Board, all non-executive directors, were paid sitting fees of ₹ 40,000 for attending each meeting of the Board and its committees.
- d. Remuneration by way of commission to the non-executive directors was paid for the financial year 2016-17.

During the year, in terms of the approval granted by the shareholders, Mr. Jai Anmol Ambani, Executive Director was paid a remuneration of ₹ 120.00 lakh and the same is as per the Policy on appointment and remuneration for

Directors, Key Managerial Personnel and Senior Management Employees.

Employee Stock Option Scheme

In order to share the growth in value and reward the employees for having participated in the success of the Company, our Employee Stock Option Scheme (the 'Scheme') has been implemented by the Company to the eligible employees based on specified criteria.

The Plans are prepared in due compliance of the Scheme, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and other applicable laws, which were in compliance with the requirements of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

IV. Stakeholders Relationship Committee

The Company has a Stakeholders Relationship Committee. The composition and terms of reference of Stakeholders Relationship Committee are in compliance with the provisions of Section 178 of the Companies Act, 2013, Listing Regulations and other applicable laws. The terms of reference of the Committee, *inter-alia*, is to consider and resolve the grievances of the security holders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends. The Committee comprises of Dr. Bidhubhusan Samal as Chairman, Mr. Amitabh Jhunjhunwala and Ms. Chhaya Virani as Members.

Attendance at the meeting of the Stakeholders Relationship Committee held during 2017 - 18.

The Stakeholders Relationship Committee held its meetings on April 26, 2017, July 27, 2017, November 14, 2017 and February 8, 2018 which was attended by all the Committee Members. The maximum time gap between any two meetings during the year under review was 109 days and the minimum gap was 75 days.

The Company Secretary acts as the Secretary to the Stakeholders Relationship Committee.

V. Compliance Officer

Mr. Atul Tandon, Company Secretary is the Compliance Officer for complying with the requirements of various provisions of Law, Rules, Regulations applicable to the Company including SEBI Regulations and the Uniform Listing Agreements executed with the Stock Exchanges.

VI. Corporate Social Responsibility (CSR) Committee

The Company has a Corporate Social Responsibility (CSR) Committee. The composition and terms of reference of Corporate Social Responsibility (CSR) Committee are in compliance with the provisions of Section 135 of the Companies Act, 2013 and other applicable laws. The Committee was re-constituted by the Board of Directors of the Company on November 14, 2017. The Committee presently comprises of Dr. Bidhubhusan Samal as Chairman, Mr. Amitabh Jhunjhunwala, Mr. V. N. Kaul and Mr. Jai Anmol Ambani as Members. The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'Corporate Social Responsibility Policy'.

The CSR Committee has formulated a CSR policy indicating the activities to be undertaken by the Company.

The Committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013.

The Corporate Social Responsibility (CSR) Committee held its meetings on April 26, 2017 and February 8, 2018.

Corporate Governance Report

The meetings were attended by the members as below:

Members	Number of Meetings	
	held during the tenure	attended
Dr. Bidhubhusan Samal	2	2
Mr. Amitabh Jhunjunwala	2	2
Mr. V. N. Kaul	2	2
Mr. Jai Anmol Ambani	1	1

The Company Secretary acts as the Secretary to the CSR Committee.

VII. Risk Management Committee

The Company has a Risk Management Committee. Pursuant to the Master Circular – "Non-Banking Financial Companies-Corporate Governance (Reserve Bank) Directions, 2015", the Risk Management Committee comprises of Mr. V. N. Kaul as Chairman and Ms. Chhaya Virani as a Member.

The Committee is authorised to discharge its responsibilities as follows:

1. Oversee and approve the risk management, internal compliance and control policies and procedures of the Company.
2. Oversee the design and implementation of the risk management and internal control systems (including reporting and internal audit systems), in conjunction with existing business processes and systems, to manage the Company's material business risks.
3. Set reporting guidelines for management.
4. Establish policies for the monitoring and evaluation of risk management systems to assess the effectiveness of those systems in minimizing risks that may impact adversely on the business objectives of the Company.
5. Oversight of internal systems to evaluate compliance with corporate policies.
6. Provide guidance to the Board on making the Company's risk management policies.
7. Monitor subsidiary companies.

During the year, the Risk Management Committee held its meetings on April 26, 2017, July 27, 2017, November 14, 2017 and February 8, 2018 which was attended by all the Committee Members.

The minutes of the meetings of all the Committees of the Board of Directors are placed before the Board.

VIII. General Body Meetings

The Company held its last three Annual General Meetings as under:

Financial Year	Date and Time	Whether Special Resolution passed or not
2016-17	September 26, 2017 10:00 A.M.	Yes, Adoption of new Articles of Association of the Company, Private Placement of Non-Convertible Debentures and/or other Debt Securities, Issue of Securities to the Qualified Institutional Buyers.

Financial Year	Date and Time	Whether Special Resolution passed or not
2015-16	September 27, 2016 10:00 A.M.	Yes, Private Placement of Non-Convertible Debentures and/or other Debt Securities, Issue of Securities to the Qualified Institutional Buyers.
2014-15	September 30, 2015 10:00 A.M.	Yes, Payment of Commission to Non-Executive Directors, Private Placement of Non-Convertible Debentures and/or other Debt Securities, Issue of Securities to the Qualified Institutional Buyers.

The above Annual General Meetings were held at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020.

During the year, there was no Extra-Ordinary General Meeting held by the Company.

A Tribunal Convened Meeting was held on Monday, July 24, 2017 at 9:30 A.M. at Reliance Energy Management Institute, Jogeshwari – Vikhroli Link Road, Opposite SEEPZ, North Gate No. 3, Aarey Colony, Aarey Colony Road, Mumbai 400 065, to approve the Scheme of Arrangement between Reliance Capital Limited and Reliance Home Finance Limited and their respective shareholders and creditors.

IX. Postal Ballot

The Company had not conducted any business through Postal Ballot during the financial year 2017-18.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing of a special resolution through postal ballot.

X. Means of communication

- Quarterly Results:** Quarterly results are published in The Financial Express (English) newspaper circulating in substantially the whole of India and in Navshakti (Marathi) newspaper and are also posted on the Company's website: www.reliancecapital.co.in.
- Media Releases and Presentations:** Official media releases are sent to the Stock Exchanges before their release to the media for wider dissemination. Presentations made to media, analysts, institutional investors, etc. are posted on the Company's website.
- Website:** The Company's website contains a separate dedicated section 'Investor Relations'. It contains comprehensive database of information of interest to our investors including the financial results and Annual Report of the Company, information on dividend declared by the Company, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered / facilities extended by the Company to our investors, in

Reliance Capital Limited

Corporate Governance Report

a user friendly manner. The basic information about the Company is provided on the Company's website and the same is updated regularly.

- d. **Annual Report:** The Annual Report containing, *inter-alia*, Notice of Annual General Meeting, Audited Financial Statement, Consolidated Financial Statement, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Business Responsibility Report and Management Discussion and Analysis Report forms part of the Annual Report and are displayed on the Company's website.

The Companies Act, 2013 read with the Rules made thereunder and the Listing Regulations facilitate the service of documents to members through electronic means. The Company e-mails the soft copies of the Annual Report to all those members whose E-mail Ids are available with its Registrar and Transfer Agent.

- e. **NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web-based system designed by NSE for corporates. The shareholding pattern, corporate governance report, corporate announcement, media release, results, etc. are filed electronically on NEAPS.
- f. **BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** The Listing Centre is a web-based application designed by BSE for corporates. The shareholding pattern, corporate governance report, media release, results, etc. are filed electronically on the Listing Centre.
- g. **Unique Investor Helpdesk:** Exclusively for investor servicing, the Company has set up a Unique Investor Helpdesk with multiple access modes as under:
- | | | |
|-----------------------|---|-----------------------|
| Toll free no. (India) | : | 1800 4250 999 |
| Tel. | : | +91 40 6716 1500 |
| Fax | : | +91 40 6716 1791 |
| E-mail | : | rclinvestor@karvy.com |
- h. **Designated e-mail id:** The Company has also designated e-mail id : rcl.investor@relianceada.com exclusively for investor servicing.
- i. **SEBI Complaints Redressal System (SCORES):** The investors' complaints are also being processed through the centralised web-based complaint redressal system. The salient features of SCORES are availability of centralised data base of the complaints, uploading online action taken reports by the Company. Through SCORES the investors can view online, the action taken and current status of the complaints.

XI. Management Discussion and Analysis

A Management Discussion and Analysis Report forms part of this Annual Report and includes discussions on various matters specified under Regulation 34(2) and Schedule V of the Listing Regulations and the RBI Directions.

XII. Subsidiaries

Reliance General Insurance Company Limited (RGICL) and Reliance Nippon Life Insurance Company Limited (RNLICL) are material non-listed Indian subsidiaries in terms of Regulation 24 of the Listing Regulations. Mr. Rajendra P. Chitale and Ms. Chhaya Virani, Independent Directors of the Company have been appointed on the board of RGICL. Mr. Rajendra P. Chitale, Independent Director of the Company has been appointed on the board of RNLICL.

The Company monitors performance of subsidiary companies, *inter-alia*, by the following means:

- Financial statements, in particular the investments made by unlisted subsidiary companies are reviewed quarterly by the Audit Committee of the Company.
- Minutes of the meetings of the board of directors of all subsidiary companies are placed before the Company's Board regularly.
- A statement containing all the significant transactions and arrangements entered into by the unlisted subsidiary companies are placed before the Company's Board / Audit Committee.
- Review of Risk Management process by the Risk Management Committee / Audit Committee / Board.

XIII. Disclosures

- a. There has been no non-compliance by the Company on any matter related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority.

b. Related party transactions

During the financial year 2017-18, no transactions of material nature had been entered into by the Company that may have a potential conflict with interest of the Company. The details of related party transactions are disclosed in Notes to Financial Statement.

c. Accounting treatment

In the preparation of Financial Statement, the Company has followed the Accounting Standards as prescribed under the Companies (Accounting Standard) Rules, 2006, as applicable. The Accounting Policies followed by the Company to the extent relevant, are set out elsewhere in this Annual Report.

d. Risk management

The Company has laid down a robust Risk Management Policy, defining Risk profiles involving Strategic, Technological, Operational, Financial, Organisational, Legal and Regulatory risks within a well defined framework. The Risk Management Policy acts as an enabler of growth for the Company by helping its businesses to identify the inherent risks, assess, evaluate and monitor these risks continuously and undertake effective steps to manage these risks.

Mr. V. N. Kaul acts as the Chairman and Ms. Chhaya Virani is a member of Risk Management Committee. The Committee periodically reviews the robustness of the Risk Management Policy. The periodical update on the risk management practices and mitigation plan of the Company and subsidiaries are presented to the Audit Committee and Board of Directors. The Audit Committee and Board periodically review such updates and findings and suggest areas where internal controls and risk management practices can be improved.

e. Prevention of Money Laundering – Know Your Customer Policy

In keeping with specific requirements for Non-Banking Financial Companies the Company has also formulated a Prevention of Money Laundering and Know Your Customer Policy and the same has been posted on the Company's website.

f. Code of Conduct

The Company has adopted the Code of Conduct and ethics for directors and senior management. The Code has been circulated to all the members of the Board and

Corporate Governance Report

senior management and the same has been posted on the Company's website www.reliancecapital.co.in. The Board members and senior management have affirmed their compliance with the Code and a declaration signed by the Executive Director of the Company is given below:

"It is hereby declared that the Company has obtained from all members of the Board and senior management personnel affirmation that they have complied with the Code of Conduct for Directors and Senior Management of the Company for the year 2017-18."

Jai Anmol Ambani
Executive Director

g. **CEO / CFO certification**

Mr. Jai Anmol Ambani, Executive Director and Mr. Amit Bapna, Chief Financial Officer of the Company has provided certification on financial reporting and internal controls to the Board as required under Regulation 17(8) of the Listing Regulations.

h. **Review of Directors' Responsibility Statement**

The Board in its report has confirmed that the Financial Statements for the year ended March 31, 2018 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

XIV. **Policy on prohibition of insider trading**

The Company has formulated the "Reliance Capital Limited – Code of Conduct for Prevention of Insider Trading and Code for Fair Disclosure of Unpublished Price Sensitive Information (Code)" in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Board has appointed Mr. Atul Tandon, Company Secretary as the Compliance Officer under the Code responsible for complying with the procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code under the overall supervision of the Board. The Company's Code, *inter-alia*, prohibits purchase and/or sale of securities of the Company by an insider, while in possession of unpublished price sensitive information in relation to the Company and also during certain prohibited periods. The Company's Code is available on the Company's website.

XV. **Compliance of Regulation 34(3) and Para F of Schedule V of the Listing Regulations**

As per Regulation 34(3) and Para F of Schedule V of the Listing Regulations, the details in respect of equity shares lying in 'Reliance Capital Limited – Unclaimed Suspense Account' were as follows:

Particulars	No. of shareholders	No. of shares
(i) Aggregate number of shareholders and the outstanding shares in the suspense account lying at April 1, 2017	52,313	1,99,978
(ii) Number of shareholders who approached listed entity for transfer of shares from suspense account during April 1, 2017 to March 31, 2018	192	1,545

Particulars	No. of shareholders	No. of shares
(iii) Number of shareholders to whom shares were transferred from suspense account during the April 1, 2017 to March 31, 2018	192	1,545
(iv) Number of Shares Transfer to IEPF	49,465	1,65,576
(v) Aggregate number of shareholders and the outstanding shares in the suspense account lying at March 31, 2018	2,656	32,857

The voting rights on the shares outstanding in the 'Reliance Capital Limited – Unclaimed Suspense Account' as on March 31, 2018 shall remain frozen till the rightful owner of such shares claims the shares.

Wherever shareholders have claimed the share(s), after proper verifications, the share certificates were dispatched to them or share(s) were credited to the respective beneficiary account.

XVI. **Compliance with non-mandatory requirements**

1. **The Board**

Our Chairman is a non-executive Chairman and is entitled to maintain Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.

2. **Audit qualifications**

There are no audit qualifications on the Financial Statements of the Company for the year 2017-18.

3. **Separate posts of Chairman and CEO**

The Company appointed Mr. Jai Anmol Ambani as Executive Director of the Company. Thus, Company maintains separate posts of Chairman and CEO.

4. **Reporting of Internal Auditor**

The Internal Auditor reports directly to the Audit Committee of the Company.

XVII. **General shareholder information**

The mandatory and various additional information of interest to investors are voluntarily furnished in a separate section on investor information in this Annual Report.

Auditors' certificate on corporate governance

The Auditors' certificate on compliance of Regulation 34(3) of the Listing Regulations relating to corporate governance is published in this Annual Report.

Review of governance practices

We have in this Report attempted to present the governance practices and principles being followed at Reliance Capital, as evolved over a period, and as best suited to the needs of our business and stakeholders.

Our disclosures and governance practices are continually revisited, reviewed and revised to respond to the dynamic needs of our business and ensure that our standards are at par with the globally recognised practices of governance, so as to meet the expectations of all our stakeholders.

Reliance Capital Limited

Compliance of Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of the Listing Regulations

Sr. No.	Particulars	Regulation	Compliance Status	Compliance Observed
1.	Board of Directors	17	Yes	<ul style="list-style-type: none"> • Composition & Meetings • Review of compliance reports & compliance certificate • Plans for orderly succession for appointments • Code of Conduct • Fees / compensation to Non-Executive Directors • Minimum information to be placed before the Board • Risk assessment and management • Performance evaluation
2.	Audit Committee	18	Yes	<ul style="list-style-type: none"> • Composition & Meetings • Powers of the Committee • Role of the Committee and review of information by the Committee
3.	Nomination and Remuneration Committee	19	Yes	<ul style="list-style-type: none"> • Composition • Role of the Committee
4.	Stakeholders Relationship Committee	20	Yes	<ul style="list-style-type: none"> • Composition • Role of the Committee
5.	Risk Management Committee	21	Yes	<ul style="list-style-type: none"> • Composition • Role of the Committee
6.	Vigil Mechanism	22	Yes	<ul style="list-style-type: none"> • Review of Vigil Mechanism for Directors and employees • Direct access to Chairperson of Audit Committee
7.	Related Party Transactions	23	Yes	<ul style="list-style-type: none"> • Policy of Materiality of Related Party Transactions and dealing with Related Party Transactions • Approval including omnibus approval of Audit Committee and the Board • Review of Related Party Transactions • No material Related Party Transactions
8.	Subsidiaries of the Company	24	Yes	<ul style="list-style-type: none"> • Appointment of Company's Independent Director on the Board of material subsidiary • Review of financial statements of subsidiary by the Audit Committee • Minutes of the Board of Directors of the subsidiaries are placed at the meeting of the Board of Directors • Significant transactions and arrangements of subsidiary are placed at the meeting of the Board of Directors
9.	Obligations with respect to Independent Directors	25	Yes	<ul style="list-style-type: none"> • Maximum directorships and tenure • Meetings of Independent Directors • Familiarisation of Independent Directors
10.	Obligations with respect to employees including Senior Management, Key Managerial Personnel, Directors and Promoters	26	Yes	<ul style="list-style-type: none"> • Memberships / Chairmanships in Committees • Affirmation on compliance of Code of Conduct by Directors and Senior Management • Disclosure of shareholding by Non-Executive Directors • Disclosures by Senior Management about potential conflicts of interest • No agreement with regard to compensation or profit sharing in connection with dealings in securities of the Company by Key Managerial Personnel, Director and Promoter
11.	Other Corporate Governance requirements	27	Yes	<ul style="list-style-type: none"> • Compliance with discretionary requirements • Filing of compliance report on Corporate Governance
12.	Website	46(2)(b) to (i)	Yes	<ul style="list-style-type: none"> • Terms and conditions for appointment of Independent Directors • Composition of various Committees of the Board of Directors • Code of Conduct of Board of Directors and Senior Management Personnel • Details of establishment of Vigil Mechanism / Whistle-blower policy • Policy on dealing with Related Party Transactions • Policy for determining material subsidiaries • Details of familiarisation programmes imparted to Independent Directors

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To,
The Members of
Reliance Capital Limited

We have examined the compliance of conditions of Corporate Governance by **Reliance Capital Limited** ('the Company') for the year ended March 31, 2018 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of 46 and Paragraph C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Parimal Kumar Jha
Partner
Membership No.: 124262

Mumbai
August 10, 2018

For **Price Waterhouse & Co
Chartered Accountants LLP**
Firm Registration No.:
304026E/
E-300009
Chartered Accountants

Vivek Prasad
Partner
Membership No.: 104941

Mumbai
August 10, 2018

Reliance Capital Limited

Investor Information

Important points

Hold securities in dematerialised form as transfer of shares in physical form will no more be permissible.

As per notification issued by SEBI, with effect from December 5, 2018, the shares of the Company can be transferred only in dematerialised form. Members are advised to dematerialise shares in the Company to facilitate transfer of shares.

Form for updating PAN / Bank details is provided as a part of this Annual Report.

Members are requested to send duly filled form along with

- (a) self-attested copy of PAN card of all the holders; and**
- (b) original cancelled cheque leaf with names of shareholders or bank passbook showing names of members, duly attested by an authorised bank official.**

Holding securities in dematerialised form is beneficial to the investors in the following manner:

- A safe and convenient way to hold securities;
- Elimination of risk(s) associated with physical certificates such as bad delivery, fake securities, delays, thefts, etc.;
- Immediate transfer of securities;
- No stamp duty on electronic transfer of securities;
- Reduction in transaction cost;
- Reduction in paperwork involved in transfer of securities;
- No odd lot problem, even one share can be traded;
- Availability of nomination facility;
- Ease in effecting change of address / bank account details as change with Depository Participants (DPs) gets registered with all companies in which investor holds securities electronically;
- Easier transmission of securities as the same done by DPs for all securities in demat account;
- Automatic credit into demat account of shares, arising out of bonus / split / consolidation / merger / etc.;
- Convenient method of consolidation of folios/ accounts;
- Holding investments in Equity, Debt Instruments, Government securities, Mutual Fund Units etc. in a single account;
- Ease of pledging of securities; and
- Ease in monitoring of portfolio.

Hold securities in consolidated form

Investors holding shares in multiple folios are requested to consolidate their holdings in single folio. Holding of securities in one folio enables shareholders to monitor the same with ease.

Furnish bank details and get dividend directly credited in bank account

Investors should avail the Electronic Payment Services for payment of dividend as the same reduces risk attached to physical dividend warrants. Some of the advantages of payment through electronic credit services are as under:

- Avoidance of frequent visits to banks for depositing the physical instruments.
- Prompt credit to the bank account of the investor through electronic clearing.
- Fraudulent encashment of warrants is avoided.
- Exposure to delays / loss in postal service avoided.
- As there can be no loss in transit of warrants, issue of duplicate warrants is avoided.

Printing of bank account numbers, names and addresses of bank branches on dividend warrants provide protection against fraudulent encashment of dividend warrants. Members are

requested to provide the same to the Company's RTA for incorporation on their dividend warrants.

Register for SMS alert facility

Investor should register with Depository Participants for the SMS alert facility. Both Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) alert investors through SMS of the debits and credits in their demat account.

Intimate mobile number

Shareholders are requested to intimate their mobile number and changes therein, if any, to Karvy, if shares are held in physical form or to their DP if the holding is in electronic form, to receive communications on corporate actions and other information of the Company.

Submit nomination form and avoid transmission hassle

Nomination helps nominees to get the shares transmitted in their favour without any hassles. Investors should get the nomination registered with the Company in case of physical holding and with their Depository Participants in case shares are held in dematerialised form.

Form may be downloaded from the Company's website, www.reliancecapital.co.in under the section 'Investor Relations'. However, if shares are held in dematerialised form, nomination has to be registered with the concerned Depository Participants directly, as per the form prescribed by the Depository Participants.

Deal only with SEBI registered intermediaries

Investors should deal with SEBI registered intermediaries so that in case of deficiency of services, investor may take up the matter with SEBI.

Corporate benefits in electronic form

Investor holding shares in physical form should opt for corporate benefits like bonus / split / consolidation / merger / etc. in electronic form by providing their demat account details to the Company's RTA.

Register e-mail address

Investors should register their e-mail address with the Company/ Depository Participants. This will help them in receiving all communication from the Company electronically at their e-mail address. This also avoids delay in receiving communications from the Company. Prescribed form for registration may please be downloaded from the Company's website.

Course of action in case of non-receipt of dividend, revalidation of dividend warrant etc.

Shareholders may write to the Company's RTA, furnishing the particulars of the dividend not received, and quoting the folio number / DP ID and Client ID particulars (in case of dematerialised shares), as the case may be and provide bank details along with cancelled cheque bearing the name of the shareholder for updation of bank details and payment of unpaid dividend. The RTA would request the concerned shareholder to execute an indemnity before processing the request. **As per a circular dated April 20, 2018 issued by SEBI, the unencashed dividend can be remitted by electronic transfer only and no duplicate dividend warrants will be issued by the Company. The shareholders are advised to register their bank details with the Company / RTA or their DPs, as the case may be, to claim unencashed dividend from the Company.**

Facility for a Basic Services Demat Account (BSDA)

SEBI has stated that all the depository participants shall make available a BSDA for the shareholders unless otherwise opted for regular demat account with (a) No Annual Maintenance charges if the value of holding is upto ₹ 50,000 and (b) Annual Maintenance charges not exceeding ₹ 100 for value of holding from ₹ 50,001 to ₹ 2,00,000. (Refer circular

Investor Information

CIR/MRD/DP/22/2012 dated August 27, 2012 and circular CIR/MRD/ DP/20/2015 dated December 11, 2015)

Annual General Meeting

The 32nd Annual General Meeting (AGM) will be held on Tuesday, September 18, 2018 at 1:15 P.M. or soon after the conclusion of the Annual General Meeting of Reliance Power Limited convened on the same day, whichever is later, at Birla Matushri Sabhaagar, 19, New Marine Lines, Mumbai 400 020.

E-voting

The Members can cast their vote online from 10:00 A.M. on September 14, 2018 to 5:00 P.M. on September 17, 2018.

Financial year of the Company

The financial year of the Company is from April 1 to March 31 each year.

Website

The Company's website www.reliancecapital.co.in contains a separate dedicated section called 'Investor Relations'. It contains comprehensive database of information of interest to our investors including the financial results, annual reports, dividends declared, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered / facilities extended to our investors.

Dedicated e-mail id for investors

For the convenience of our investors, the Company has designated an e-mail id i.e. rci.investor@relianceada.com for investors.

Registrar and Transfer Agent (RTA)

Karvy Computershare Private Limited
Unit: Reliance Capital Limited
Karvy Selenium Tower – B
Plot No. 31 & 32, Survey No. 116/22, 115/24, 115/25
Financial District, Nanakramguda
Hyderabad 500 032
Toll free no. (India) : 1800 4250 999
Tel. : +91 40 6716 1500, Fax : +91 40 6716 1791
E-mail : rciinvestor@karvy.com
Website: www.karvy.com

Dividend announcements

The Board of Directors of the Company have recommended a Dividend of ₹ 11 (110 per cent) per equity share of the Company for the financial year ended March 31, 2018, subject to the declaration by shareholders at the ensuing AGM. The dividend, if declared, will be paid after the Meeting.

Book closure dates for the purpose of dividend and AGM

Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 15, 2018 to Tuesday, September 18, 2018 (both days inclusive) for the purpose of AGM as well as to determine the entitlement of shareholders to receive the Dividend, if any, for the year ended March 31, 2018.

Dividend remittance

Final Dividend on Equity Shares as recommended by the Directors for the financial year ended March 31, 2018, when declared at the AGM will be paid to:

- all those equity shareholders whose names appear in the Register of Members as on September 14, 2018; and
- those whose names as beneficial owners as on September 14, 2018 are furnished by the NSDL and CDSL for the purpose.

Modes of payment of dividend

The dividend is paid under two modes viz.

- Electronic Payment via
 - NACH (National Automated Clearing House)

- NEFT (National Electronic Funds Transfer)
- RTGS (Real Time Gross Settlement)
- Direct Credit

- Dispatch of physical dividend warrant

Shareholders are requested to avail the Electronic Payment Services for payment of dividend as the same is immensely beneficial and considerably reduces risk attached to physical dividend warrants.

Unclaimed dividends / shares

The provisions of Sections 124 and 125 on unclaimed dividend and Investor Education and Protection Fund (IEPF) under the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) have come into force with effect from September 7, 2016.

The Company has transferred the dividend for the year 1996-97 to 2009-10 remaining unclaimed for seven years from the date of declaration to IEPF.

During the year under review, the Company has transferred ₹ 1,73,25,908 to the Investor Education and Protection Fund pursuant to the provisions of the Companies Act, 2013.

During the year, the Company has transferred to the IEPF Authority 12,44,145 shares of ₹ 10 each in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer, i.e. October 27, 2017.

Details of shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link: <http://www.reliancecapital.co.in/Details-of-equity-shares-transferred-to-IEPF.aspx>. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

The dividend and other benefits, if any, for the following years remaining unclaimed for seven years from the date of declaration are required to be transferred by the Company to IEPF and the various dates for transfer of such amount are as under:

Financial year ended	Dividend per share (₹)	Date of declaration	Due for transfer on	Amount lying in the unpaid dividend account (in ₹)
31-03-2011	6.50	27-09-2011	26-10-2018	1 78 39 400
31-03-2012	7.50	04-09-2012	03-10-2019	2 21 67 786
Special Interim Dividend	5.00	10-09-2012	09-10-2019	1 60 65 010
31-03-2013	8.00	27-08-2013	26-09-2020	2 55 36 608
31-03-2014	8.50	30-09-2014	29-10-2021	2 65 50 582
31-03-2015	9.00	30-09-2015	29-10-2022	2 91 43 655
31-03-2016	10.00	27-09-2016	26-10-2023	3 43 40 550
31-03-2017	10.50	26-09-2017	25-10-2024	3 80 79 594

Members who have so far not encashed dividend warrants for the aforesaid years are requested to approach the Company's Registrar and Transfer Agent, Karvy Computershare Private Limited immediately.

The Company shall transfer to IEPF within the stipulated period (a) the unpaid or unclaimed dividend for the financial year 2010-11; (b) the shares on which dividend has not been claimed or encashed for last seven consecutive years or more.

The Company has individually communicated to the concerned shareholders whose shares are liable to be transferred to the

Reliance Capital Limited

Investor Information

IEPF, to enable them to take appropriate action for claiming the unclaimed dividends and shares, if any, by due date, failing which the Company would transfer the aforesaid shares to the IEPF as per the procedure set out in the Rules.

Members are requested to note that no claims shall lie against the Company in respect of their shares or the amounts so transferred to IEPF and no payment shall be made in respect of any such claim. Any shareholder whose shares and unclaimed dividends and sale proceeds of fractional shares has been transferred to the Fund, may claim the shares or apply for claiming the dividend transferred to IEPF by making an application in Form IEPF 5 available on the website www.iepf.gov.in along with the applicable fee.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 26, 2017 (date of last Annual General Meeting) and the details of such shareholders and shares due for transfer on the website of the Company (www.reliancecapital.co.in), as also on the website of the Ministry of Corporate Affairs.

The voting rights on the shares transferred to IEPF Authority shall remain frozen till the rightful owner claims the shares.

Share transfer system

Shareholders / Investors are requested to send share certificate(s) along with share transfer deed in the prescribed Form SH-4, duly filled in, executed and affixed with share transfer stamps, to the Company's RTA. If the transfer documents are in order, the transfer of shares is registered within 7 days of receipt of transfer documents by Company's RTA. **However, SEBI vide its notification has stated that transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository with effect from December 5, 2018.**

Permanent Account Number (PAN) for transfer of shares in physical form mandatory

SEBI has stated that for securities market transactions and off-market transactions involving transfer of shares in physical form of listed companies, it is mandatory for the transferor(s) and transferee(s) to furnish copy of PAN card to the Company's RTA for registration of such transfer of shares.

Shareholding Pattern

Category of shareholders	As on 31.03.2018		As on 31.03.2017	
	Number of Shares	%	Number of Shares	%
(A) Shareholding of promoter and promoter group				
(i) Indian	13 13 82 303	51.99	13 13 82 303	52.01
(ii) Foreign	-	-	-	-
Total shareholding of promoter and promoter group	13 13 82 303	51.99	13 13 82 303	52.01
(B) Public shareholding				
(i) Institutions	7 19 65 842	28.48	7 49 26 079	29.66
(ii) Non-institutions	4 65 97 826	18.44	4 32 48 251	17.12
Total public shareholding	11 85 63 668	46.92	11 81 74 330	46.78
(C) Shares held by custodians and against which depository receipts have been issued	11 58 711	0.46	14 76 167	0.58
(D) ESOS Trust	16 00 000	0.63	16 00 000	0.63
Grand Total (A)+(B)+(C)+(D)	25 27 04 682	100.00	25 26 32 800	100.00

Distribution of Shareholding

Number of shares	Number of shareholders as on 31.03.2018		Total shares as on 31.03.2018		Number of shareholders as on 31.03.2017		Total shares as on 31.03.2017	
	Number	%	Number	%	Number	%	Number	%
Upto 500	7 61 621	98.76	2 28 44 928	9.04	9 41 258	99.08	2 39 89 211	9.50
501 to 5000	8 837	1.15	1 02 88 233	4.07	8 107	0.86	93 81 387	3.71
5001 to 100000	591	0.08	1 08 21 125	4.28	513	0.05	1 05 36 987	4.17
Above 100000	108	0.01	20 87 50 396	82.61	104	0.01	20 87 25 215	82.62
Total	7 71 157	100.00	25 27 04 682	100.00	9 49 982	100.00	25 26 32 800	100.00

Dematerialisation of shares and Liquidity

The Company was among the first few companies to admit its shares to the depository system of National Securities Depository Limited (NSDL) for dematerialisation of shares. The International Securities Identification Number (ISIN) allotted to the Company is INE 013A01015. The Company was the first to admit its shares and go 'live' on the depository system of Central Depository Services (India) Limited (CDSL) for dematerialisation of shares. The equity shares of the Company are compulsorily traded in dematerialised form as mandated by the Securities and Exchange Board of India (SEBI).

Investor Information

Status of dematerialisation of shares

As on March 31, 2018, 98.09 per cent of the Company's shares are held in Dematerialised form.

Investors' Grievances Attended

Received from	Received during		Redressed during		Pending as on	
	2017-2018	2016-2017	2017-2018	2016-2017	31.03.2018	31.03.2017
SEBI	36	26	36	26	Nil	Nil
Stock Exchanges	17	10	17	10	Nil	Nil
NSDL/CDSL	-	-	-	-	Nil	Nil
Direct from investors	2	14	2	14	Nil	Nil
Total	55	50	55	50	Nil	Nil

Analysis of Grievances

	2017 - 2018		2016 - 2017	
	Numbers	%	Numbers	%
Non-receipt of dividend	25	45.45	42	84.00
Non-receipt of share certificates	-	-	-	-
Others	30	54.55	8	16.00
Total	55	100.00	50	100.00

There was no complaint pending as on March 31, 2018.

Notes :

- The shareholder base was 7,71,157 as of March 31, 2018 and 9,49,982 as of March 31, 2017.
- Investors queries / grievances are normally attended within a period of 3 days from the date of receipt thereof, except in cases involving external agencies or compliance with longer procedural requirements specified by the authorities concerned.

Legal Proceedings

There are certain pending cases relating to disputes over title to shares, in which the Company is made a party. These cases are however not material in nature.

Equity History

Sr. No.	Date	Particulars	Price per equity share (₹)	No. of shares	Cumulative Total
1.	05-03-1986	Shares issued upon incorporation	10	7 000	7 000
2.	14-06-1990 & 21-06-1990	1 st Public Issue	10	1 99 93 000	2 00 00 000
3.	28-08-1992	Shares issued upon amalgamation	10	18 70 000	2 18 70 000
4.	10-02-1993	1 st Rights Issue 1992 with a ratio of 1:1	40	2 18 77 500	4 37 47 500
5.	18-07-1994 & 29-10-1994	Preferential Allotment to Promoters	50	2 74 00 000	7 11 47 500
6.	20-01-1995 & 17-02-1995	Public Issue 1995	140	4 33 97 592	11 45 45 092
7.	29-03-1995	Rights Issue 1995	50	1 40 01 970	12 85 47 062
8.	11-07-1995	Allotment of Rights kept in abeyance	50	42 790	12 85 89 852
9.	13-11-1995	Allotment of Rights kept in abeyance	50	13 280	12 86 03 132
10.	09-02-1996	Allotment of Rights kept in abeyance	50	9 620	12 86 12 752
11.	29-06-1996	Allotment of Rights kept in abeyance	150	12 400	12 86 25 152
12.	31-03-1997	Allotment of Rights kept in abeyance	50	25 298	12 86 50 450
13.	04-11-1996	Forfeiture of equity shares relating to Public Issue of 1990 and Rights Issue 1992	-	(1 23 400)	12 85 27 050
14.	27-04-2000	Forfeiture of equity shares relating to Public and Rights Issue 1995	-	(12 61 455)	12 72 65 595
15.	27-04-2000 to 29-07-2003	Forfeiture of equity shares annulled	-	40 649	12 73 06 244
16.	21-07-2005	Preferential Allotment to FIIs	228	1 62 60 001	14 35 66 245
17.	02-08-2005	Preferential Allotment to Promoters	228	6 00 00 000	20 35 66 245
18.	22-08-2005	Allotment to Promoter upon Conversion of warrants on preferential basis	228	38 00 000	20 73 66 245
19.	31-03-2006	Allotment to Promoter upon Conversion of warrants on preferential basis	228	1 55 00 000	22 28 66 245

Reliance Capital Limited

Investor Information

Sr. No.	Date	Particulars	Price per equity share (₹)	No. of shares	Cumulative Total
20.	07-08-2006	Allotment pursuant to amalgamation of Reliance Capital Ventures Ltd. (RCVL) with the Company	10	6 11 56 521	
21.	07-08-2006	Less: Shares extinguished due to amalgamation of RCVL with the Company	-	(6 00 89 966)	22 39 32 800
22.	30-01-2007	Allotment to Promoter upon Conversion of warrants on preferential basis	228	2 17 00 000	24 56 32 800
23.	12-03-2015	Preferential allotment to Sumitomo Mitsui Trust Bank	530	70 00 000	25 26 32 800
24.	03-07-2017 to 04-09-2017	Allotment pursuant to ESOS	396	56 830	25 26 89 630
25.	01-12-2017 to 11-01-2018	Allotment pursuant to ESOS	296	15 052	25 27 04 682

Stock Price and Volume

2017 - 18	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Volume Nos.	High (₹)	Low (₹)	Volume Nos.
April, 2017	690.85	596.75	1 01 43 666	691.25	596.20	6 68 88 463
May, 2017	693.10	524.00	1 28 99 354	692.50	523.30	7 51 73 902
June, 2017	663.50	545.45	1 09 93 077	663.90	545.55	8 38 35 514
July, 2017	734.70	637.30	1 88 05 613	735.20	636.85	5 85 90 583
August, 2017	817.75	712.85	1 32 39 347	818.50	714.25	10 41 86 202
September, 2017	877.80	580.00	1 34 76 840	879.90	578.00	13 23 54 104
October, 2017	595.75	531.75	1 11 15 749	595.45	530.55	10 10 51 330
November, 2017	591.00	400.20	1 59 51 862	591.00	400.30	12 65 19 194
December, 2017	604.75	397.95	1 68 19 600	605.00	397.00	14 38 99 417
January, 2018	626.30	484.20	1 85 94 525	626.35	485.00	15 65 79 346
February, 2018	521.00	413.05	1 32 17 246	521.30	413.30	10 97 07 135
March, 2018	475.95	394.35	1 09 81 411	475.80	393.60	9 76 33 780

[Source: This information is compiled from the data available on the websites of BSE and NSE]

Stock exchange listings

The Company's equity shares are actively traded on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE), the Indian Stock Exchanges.

Listing on stock exchanges

Equity shares

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai 400 001
Website : www.bseindia.com

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor, Plot No. C/1, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Website : www.nseindia.com

Stock codes

BSE Limited : 500111
National Stock Exchange of India Limited : RELCAPITAL

ISIN

ISIN for equity shares : INE013A01015

An Index Scrip: Equity Shares of the Company are included in the Indices viz. Nifty 500, Nifty 200, S&P BSE 200, S&P BSE 500, S&P BSE Midcap, S&P BSE Finance, S&P BSE All Cap and MSCI Global Small Cap Index.

Global Depository Receipts (GDRs)

Luxembourg Stock Exchange

Societe De La Bourse, De Luxembourg
35A Boulevard Joseph II, Luxembourg
Website : www.bourse.lu

Depository bank for GDR holders

Deutsche Bank Trust Company America
60 Wall Street, New York - 10005

Security Codes of RCL GDRs

	Master Rule 144A GDRs	Master Regulation S GDRs
CUSIP	75945L103	75945L202
ISIN	US75945L1035	US75945L2025
Common Code	026469457	026470315

Note: The GDRs are admitted to listing on the official list of the Luxembourg Stock Exchange and to trading on the Euro MTF market. The Rule 144A GDRs have been accepted for clearance and settlement through the facilities of DTC, New York. The Regulation S GDRs have been accepted for clearance and settlement through the facilities of Euroclear and Clearstream, Luxembourg. The Rule 144A GDRs have been designated as eligible for trading on PORTAL.

Investor Information

Outstanding GDRs of the Company, conversion date and likely impact on equity

Outstanding GDRs as on March 31, 2018 represent 11,58,711 equity shares constituting 0.46 per cent of the paid-up equity share capital of the Company. Each GDR represent one underlying equity share in the Company.

Commodity price risk or foreign exchange risk and hedging activities

The Company does not have any un-hedged exposure to commodity price risks and foreign exchange Risk. The Company hedges its interest rate risk on market linked debentures by taking positions in futures and options.

Debt securities

The Debt Securities of the Company are listed on the BSE Limited.

Debenture Trustee

Vistra ITCL (India) Limited
(formerly IL & FS Trust Company Limited)
The IL&FS Financial Center, Plot C-22, G Block
Bandra - Kurla Complex, Bandra East, Mumbai 400 051
Website : www.vistraitcl.com

Payment of listing fees

Annual listing fee for the year 2018-19 has been paid by the Company to the stock exchanges.

Payment of depository fees

Annual custody / issuer fee for the year 2018-19 has been paid by the Company to CDSL and will be paid to NSDL on receipt of invoice.

Share price performance in comparison to broad based indices - Sensex BSE and Nifty NSE Sensex BSE and Nifty NSE

	RCL	Sensex BSE	Nifty NSE
FY 2017 -18	-31.18 %	11.30 %	10.25 %
2 years	14.92 %	30.10 %	30.69 %
3 years	-0.29 %	17.92 %	19.11 %

Key financial reporting dates for the financial year 2018-19

Unaudited results for the first quarter ended June 30, 2018	: On or before August 14, 2018
Unaudited results for the second quarter / half year ended September 30, 2018	: On or before November 14, 2018
Unaudited results for the third quarter / nine months ended December 31, 2018	: On or before February 14, 2019
Audited results for the financial year 2018-19	: On or before May 30, 2019

Depository services

For guidance on depository services, shareholders may write to the Company's RTA or National Securities Depository Limited, Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, website: www.nsdl.co.in or Central Depository Services (India) Limited, Unit No. A-2501, A Wing, Marathon Futurex, 25th Floor, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (E), Mumbai 400 013, website: www.cdslindia.com.

Communication to members

The quarterly financial results of the Company were announced within 45 days of the end of the respective quarter except last quarter during the year under review. The last quarter financial results of the Company were announced within 60 days of the end of the year. The Company's media releases and details of significant developments are made available on Company's website: www.reliancecapital.co.in. These are also published in leading newspapers.

Reconciliation of share capital audit

The Securities and Exchange Board of India has directed that all issuer companies shall submit a report reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued / paid-up capital. The said certificate, duly certified by a qualified chartered accountant is submitted to the stock exchanges where the securities of the Company are listed within 30 days of the end of each quarter and the certificate is also placed before the Board of Directors of the Company.

Investors' correspondence may be addressed to the Registrar and Transfer Agent of the Company

Shareholders / Investors are requested to forward documents related to share transfer, dematerialisation requests (through their respective Depository Participant) and other related correspondence directly to Karvy Computershare Private Limited at the below mentioned address for speedy response:

Karvy Computershare Private Limited
Unit: Reliance Capital Limited
Karvy Selenium Tower - B
Plot No. 31 & 32, Survey No. 116/22, 115/24, 115/25
Financial District, Nanakramguda
Hyderabad 500 032
E-mail: rclinvestor@karvy.com
Website: www.karvy.com

Shareholders / Investors may send the above correspondence at the following address

Queries relating to Financial Statement of the Company may be addressed to :

Chief Financial Officer
Reliance Capital Limited
H Block, 1st Floor
Dhirubhai Ambani Knowledge City
Navi Mumbai 400 710
Tel.: +91 22 3303 1000
Fax: +91 22 3303 6664
E-mail: rcl.investor@relianceada.com

Correspondence on investor services may be addressed to:

Company Secretary & Compliance Officer
Reliance Capital Limited
H Block, 1st Floor
Dhirubhai Ambani Knowledge City
Navi Mumbai 400 710
Tel.: +91 22 3303 1000
Fax: +91 22 3303 6664
E-mail : rcl.investor@relianceada.com

Plant Locations

The Company is engaged in the business of financial services and as such has no plant.

Reliance Capital Limited

Independent Auditors' Report on the Standalone Financial Statement

To
The Members,
Reliance Capital Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Reliance Capital Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein referred to as "the standalone financial statements").

Management's Responsibility for the Standalone Financial Statements

2. 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 standalone financial statements to 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 relevant rules of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

9. We draw attention to Note No. 38(i) to the standalone financial statements which describes that the Company has made an application to the Reserve Bank of India ('RBI') for obtaining Certificate of Registration as a Core Investment Company ('CIC') and has taken necessary measures to comply with the prudential norms applicable to a CIC.

Our opinion is not modified in respect of this matter.

Other Matter

10. The standalone financial statements of the Company for the year ended March 31, 2017 were audited by the then Joint Statutory Auditor, M/s. B S R & Co. LLP, Chartered Accountants and the present Joint Statutory Auditor, M/s. Pathak H.D. & Associates, Chartered Accountants who issued an unmodified opinion vide their report dated April 27, 2017.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. As required by 'the Companies (Auditor's Report) Order, 2016' issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order.
12. 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;

Independent Auditors' Report on the Standalone Financial Statement

- (d) In our opinion, the aforesaid standalone 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A and;
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone financial statements – Refer Note No. 43(a)(ii) to the standalone financial statements;
 - The Company has made provision as at March 31, 2018 as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note No. 49 to the standalone financial statements;
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018;
 - The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018 – Refer Note No. 48 to the standalone financial statements.

For **Pathak H.D. & Associates** For **Price Waterhouse & Co**
Firm Registration No.: 107783W **Chartered Accountants LLP**
Chartered Accountants Firm Registration No.: 304026E/
E-300009
Chartered Accountants

Parimal Kumar Jha **Vivek Prasad**
Partner Partner
Membership No.: 124262 Membership No.: 104941

Mumbai Mumbai
April 26, 2018 April 26, 2018

Annexure A to the Independent Auditors' Report on the Standalone Financial Statement

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Reliance Capital Limited ("the Company") on the standalone financial statements for the year ended March 31, 2018

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

- We have audited the internal financial controls over financial reporting of the Company as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

- The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

- Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on

our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

- Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.
- We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

- A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting

Reliance Capital Limited

Annexure A to the Independent Auditors' Report on the Standalone Financial Statement

and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial

control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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**

Firm Registration No.: 107783W
Chartered Accountants

Parimal Kumar Jha

Partner

Membership No.: 124262

Mumbai

April 26, 2018

For **Price Waterhouse & Co**

Chartered Accountants LLP

Firm Registration No.: 304026E/

E-300009

Chartered Accountants

Vivek Prasad

Partner

Membership No.: 104941

Mumbai

April 26, 2018

Annexure B to the Independent Auditor's Report on the Standalone Financial Statement

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Reliance Capital Limited ("the Company") on the standalone financial statements as of and for the year ended March 31, 2018

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note No. 14 on fixed assets to the standalone financial statements, are held in the name of the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

- iv. The Company has not granted any loan or provided any guarantee or security in connection with any loan taken by parties covered under Section 185 of the Act. Therefore, the provisions of Section 185 are not applicable to the Company. The Company is registered as a Non-Banking Financial Company with the RBI and has made application to RBI for obtaining Certificate of Registration as Core Investment Company. Thus, the provision of Section 186 except sub-section (1) of the Act is not applicable to the Company. In our opinion and according to the information and explanations given to us, during the year, the Company has not made any investments through more than two layers of investment companies as mentioned in sub section (1) of Section 186 of the Act.
- v. The Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Therefore, the provisions of Clause 3(v) of the said Order are not applicable to the Company.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Therefore, the provisions of Clause 3(v) of the said Order are 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 undisputed statutory dues in respect of provident fund, income tax and profession tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues,

Annexure B to the Independent Auditor's Report on the Standalone Financial Statement

including service tax, value added tax, cess, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.

- (b) 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, service-tax, value added tax, goods and service tax which have not been deposited on account of any dispute. The particulars of dues of sales tax as at March 31, 2018, which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
Madhya Pradesh Sales Tax Act, 1958	Sales Tax	430,472	1996-1997	Appellate Deputy Commissioner of the Commercial Tax, Indore Division I
Gujarat Sales Tax Act, 1969	Sales Tax	475,916	2001-2002	Gujarat Sales Tax Tribunal, Ahmedabad

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

- xi. The Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the standalone financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with relevant rules of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. According to the information and explanations given to us the Company is registered as Non-Banking Financial Company under Section 45-IA of the Reserve Bank of India Act, 1934. The Company has positioned itself as a Core Investment Company and has made an application with RBI for obtaining Certificate of Registration as a Core Investment Company and has taken necessary measures to comply with the prudential norms applicable to a Core Investment Company – Refer Note No. 38(i) to the standalone financial statements.

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

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration No.: 304026E/
E-300009
Chartered Accountants

Parimal Kumar Jha
Partner
Membership No.: 124262

Vivek Prasad
Partner
Membership No.: 104941

Mumbai
April 26, 2018

Mumbai
April 26, 2018

Reliance Capital Limited

Standalone Balance Sheet as at March 31, 2018

					(₹ in crore)
	Note No.	As at March 31, 2018		As at March 31, 2017	
I EQUITY AND LIABILITIES					
(1) Shareholders' funds					
(a) Share capital	4	253		253	
(b) Reserves and surplus	5	13 915	14 168	13 448	13 701
(2) Non-current liabilities					
(a) Long-term borrowings	6	18 113		13 670	
(b) Deferred tax liabilities (net)	7	18		3	
(c) Other long-term liabilities	8	43		13	
(d) Long-term provisions	9	378	18 552	223	13 909
(3) Current liabilities					
(a) Short-term borrowings	10	467		3 423	
(b) Trade payables	11				
– Micro, small and medium enterprises		-		-	
– Others		-		-	
(c) Other current liabilities	12	3 151		2 397	
(d) Short-term provisions	13	14	3 632	7	5 827
TOTAL			36 352		33 437
II ASSETS					
(1) Non-current assets					
(a) Fixed assets	14				
(i) Tangible assets		90		123	
(ii) Intangible assets		1		7	
		91		130	
(b) Non-current investments	15	21 108		18 972	
(c) Long-term loans and advances	16	6 984		8 321	
(d) Other non-current assets	17	185	28 368	102	27 525
(2) Current assets					
(a) Current investments	18	-		22	
(b) Trade receivables	19	4		-	
(c) Cash and bank balances	20	2 982		4 211	
(d) Short-term loans and advances	21	3 350		1 537	
(e) Other current assets	22	1 648	7 984	142	5 912
TOTAL			36 352		33 437

The accompanying notes (1-49) are integral part of these standalone financial statements

As per our report of even date attached

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

Parimal Kumar Jha
Partner
Membership No.: 124262

Mumbai
Dated: April 26, 2018

For **Price Waterhouse & Co**
Chartered Accountants LLP
Firm Registration No.: 304026E / E-300009
Chartered Accountants

Vivek Prasad
Partner
Membership No.: 104941

For and on behalf of the Board

Chairman
Vice Chairman

Directors

Executive Director
Chief Financial Officer
Company Secretary & Compliance Officer
Mumbai
Dated: April 26, 2018

Anil D. Ambani
Amitabh Jhunjhunwala
Rajendra P. Chitale
Dr. Bidhubhusan Samal
V. N. Kaul
Chhaya Virani
Jai Anmol Ambani
Amit Bapna
Atul Tandon

Reliance Capital Limited

Standalone Statement of Profit and Loss for the year ended March 31, 2018

(₹ in crore)

	Note No.	2017-18	2016-17
REVENUE			
I Revenue from operations	23	3 275	1 954
II Other income	24	40	117
III Total revenue (I+II)		3 315	2 071
IV EXPENSES			
Employee benefit expense	25	85	72
Finance cost	26	1 835	1 360
Depreciation and amortisation expense	14	21	27
Other expenses	27	320	95
Total expenses		2 261	1 554
V Profit before tax (III-IV)		1 054	517
VI Tax expense			
(1) Current tax		202	80
(2) Taxation for earlier years		9	15
(3) Deferred tax charge		15	3
VII Profit after tax (V-VI)		828	419
VIII Earnings per equity share face value of ₹ 10 each fully paid-up	36		
(1) Basic (₹)		32.76	16.60
(2) Diluted (₹)		32.71	16.60

The accompanying notes (1-49) are integral part of these standalone financial statements

As per our report of even date attached

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

Parimal Kumar Jha
Partner
Membership No.: 124262

Mumbai
Dated: April 26, 2018

For **Price Waterhouse & Co**
Chartered Accountants LLP
Firm Registration No.: 304026E / E-300009
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For and on behalf of the Board

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Vice Chairman

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Mumbai
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Amit Bapna
Atul Tandon

Reliance Capital Limited

Standalone Cash Flow Statement for the year ended March 31, 2018

	(₹ in crore)	
	2017-18	2016-17
A. Cash flows from operating activities		
Profit before tax	1 054	517
Adjusted for		
Depreciation and amortisation expense	21	27
Bad debts recovered	(11)	(35)
Provision for NPA, doubtful debts and balances written off	25	34
Provision / (Reversal) for diminution in the value of investments / written off	173	(61)
Provision for gratuity / leave encashment	(2)	(1)
(Profit) / loss on sale of fixed assets	3	(12)
Interest income on investments	(782)	(63)
Dividend income on investments	(282)	(129)
(Profit) / loss on sale of investments (net)	(774)	(253)
Amortised brokerage on borrowings	33	23
Discount on commercial papers	99	183
Interest expenses	1 703	1 154
	206	867
Operating profit before working capital changes	1 260	1 384
Adjusted for		
Unamortised expenses incurred	(73)	(59)
Interest paid	(1 512)	(994)
Trade receivables & loans and advances	(145)	(518)
Trade payables and liabilities	379	37
	(1 351)	(1 534)
Cash used in operations	(91)	(150)
Taxes paid (Net)	(225)	96
Net cash used in operating activities	(316)	(54)
B. Cash flows from investing activities		
Purchase of fixed assets (including capital advances)	(2)	(28)
Sale of fixed assets (including capital advances)	27	16
Investments in subsidiaries	(994)	(3 685)
Proceeds from sale of subsidiaries	544	-
Withdrawal from partnership firm current account (Net)	-	76
Purchase of non-current investments	(3 199)	(7 630)
Proceeds from sale of non-current investments	2 228	3 780
Proceeds from sale of current investments (Net)	44	36
Interest received	166	290
Dividend received	282	129
Net cash used in investing activities	(904)	(7 016)

Reliance Capital Limited

Standalone Cash Flow Statement for the year ended March 31, 2018

(₹ in crore)

	2017-18	2016-17
C. Cash flows from financing activities		
Dividends paid (including dividend tax thereon)	(290)	(278)
Proceeds from / (repayment of) short term borrowings (Net)	(3 055)	3 240
Proceeds from long-term borrowings	6 679	6 563
Repayment of long-term borrowings	(1 691)	(942)
Equity share capital issued (including premium)	3	-
Net cash from financing activities	1 646	8 583
Net increase in cash and cash equivalents (A + B + C)	426	1 513
Opening balance of cash and cash equivalents	2 515	1 495
Less: On account of Demerger (Refer Note No. 37(b))	-	493
Closing balance of cash and cash equivalents (Refer Note No. 20)	2 941	2 515

Notes:

- The previous year's figures have been regrouped and reclassified wherever necessary. The figures for the previous year includes figures of Real Estate Lending Business of the Company which is demerged with Reliance Home Finance Limited with effect from April 1, 2017 i.e. the Appointed Date and therefore to that extent not strictly comparable to that of current year's figures.
- Cash and cash equivalents include cash on hand and bank balances.

As per our report of even date attached

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

Parimal Kumar Jha
Partner
Membership No.: 124262

Mumbai
Dated: April 26, 2018

For **Price Waterhouse & Co Chartered Accountants LLP** Firm Registration No.: 304026E / E-300009
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Vivek Prasad
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Atul Tandon

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2018

1 Background

Reliance Capital Limited ('the Company') is registered as Non-Banking Financial Company (NBFC) as defined under Section 45-IA of the Reserve Bank of India Act, 1934 (RBI). The Company has positioned itself as a Core Investment Company ('CIC') in terms of the Core Investment Companies (Reserve Bank) Directions, 2016 (RBI CIC Directions). As a CIC, the Company is primarily a holding company, holding investments in its subsidiaries, associates and other group companies. The Company's subsidiaries and associates are engaged in a wide array of businesses in the financial service sector.

2 Significant Accounting Policies

a Basis of Preparation of Financial Statements

The accompanying standalone financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting unless otherwise stated in accordance with the Generally Accepted Accounting Principles (GAAP) in India and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the 'Act'), read with relevant rules of the Companies (Accounts) Rules, 2014 and relevant provisions of the Act. These financial statements are presented in Indian rupees rounded to the nearest crore except otherwise stated. The Company complies with the prudential norms relating to income recognition, asset classification and provisioning for non-performing assets and other matters as applicable to a CIC.

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 Schedule III to the Act. Based on the nature of the services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

b Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

c Revenue Recognition

i) Interest income:

Interest income is recognised as it accrues on a time proportion basis taking into account the amount outstanding and the rate applicable except in the case of Non-Performing Assets ("NPAs") where it is recognised on realisation basis.

ii) Dividend income:

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

iii) Income from investments:

Profit / (Loss) earned from sale of securities is recognised on trade date basis. The cost of securities is computed based on weighted average basis.

iv) Lease rental income:

Lease rental income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

v) Discount on investments:

The difference between the acquisition cost and face value of debt instruments is recognised as interest income over the tenor of the instrument on straight-line basis.

vi) Redemption premium on investments:

Redemption premium on investments is recognised as income over the tenor of the investment.

vii) Management fee income:

Management fee income towards support services is accounted as and when services are rendered and it becomes due on contractual terms with the parties.

d Fixed assets

i) Tangible assets

Leased assets

All assets given on operating lease are shown as fixed assets net of depreciation and impairment loss, if any. Initial direct costs in respect of leases are expensed in the year in which such costs are incurred.

Notes to the Standalone Financial Statement for the year ended March 31, 2018

Own assets

Tangible assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost includes acquisition cost which is directly attributable to bring the asset to its working condition for its intended use.

ii) **Intangible assets**

Intangible assets are recognised where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortisation.

e **Depreciation / Amortisation**

Depreciation on fixed assets is provided as follows:

i) **Tangible assets**

Depreciation on Property, Plant and Equipment is provided in accordance with the provisions of Schedule II to the Act. Tangible assets are depreciated on straight-line basis method over the useful life of assets, as prescribed in Part C of Schedule II to the Act.

The estimated useful lives for the different types of assets are:

- (i) Furniture and Fixtures – 10 years
- (ii) Office equipments – 5 years
- (iii) Computers – 3 years
- (iv) Vehicles – 8 years
- (v) Plant & Machinery given on lease – 8 years
- (vi) Data processing machineries given on lease – 3 years
- (vii) Vehicles given on lease – 8 years
- (viii) Buildings – 60 years

- ii) Intangible assets are amortised on straight-line basis over the useful life of the asset up to a maximum of 5 years commencing from the month in which such asset is first installed.

The Company provides pro-rata depreciation from the day the asset is put to use and for any asset sold, till the date of sale.

f **Impairment of assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

g **Investments**

Investments are classified as long-term or current based on intention of the management at the time of purchase. Current investments are valued, scrip wise at cost or market value, whichever is lower. Long-term investments are carried at carrying cost less diminution in value which is other than temporary, determined separately for each individual investment scrip wise.

An investment property is accounted for in accordance with cost model. The cost of any shares in a co-operative society or a company, the holding of which is directly related to the right to hold the investment property, is added to the carrying amount of the investment property.

h **Loan origination / acquisition cost**

All direct cost incurred for the loan origination is amortised over the tenure of the loan.

i **Provisions for Non-Performing Assets (NPA) and doubtful debts**

Loans and advances, receivables are identified as bad / doubtful based on the duration of the delinquency. NPA provisions are made based on the management's assessment of the degree of impairment and the level of provisioning meets the NBFC prudential norms prescribed by the Reserve Bank of India.

j **Provisions for standard assets**

Provisions on standard assets are made as per para 13 of Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, para 18 of RBI CIC Directions.

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2018

k Market linked debentures (MLDs)

The Company has issued certain non-convertible debentures, the rate of interest on which is linked to performance of specified indices over the period of the debentures. The Company hedges its interest rate risk on MLD by taking positions in future & options based on specified indices. Any gain / loss on these hedge positions are netted against with interest expense on MLD and resultant 'net loss' is recognised in Statement of Profit and Loss immediately, however 'net gain', if any, is ignored.

l Discount on commercial paper

The difference between the issue price and the redemption value of commercial papers is apportioned on time basis and recognised as discounting expense.

m Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction. Exchange differences, if any, arising out of transactions settled during the year are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies at the year end are restated at year end rates.

n Employee benefits

i) Provident fund:

Company's contributions to the recognised provident fund, which is a defined contribution scheme, are charged to the Statement of Profit and Loss.

ii) Gratuity:

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

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

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

iii) Leave encashment:

Leave encashment which is a defined benefit, is accrued for based on an actuarial valuation at the balance sheet date carried out by an independent actuary.

iv) Phantom Shares:

As a long-term incentive plan to employees, the Company has initiated Phantom Stock Option Plan which are cash settlement rights where the employees are entitled to get cash compensation based on agreed formulae linked to market value of group company shares upon exercise of phantom stock options over notional or hypothetical shares, whereby instead of becoming entitled to buy the actual shares on vesting, they become entitled to cash payment equivalent to appreciation in the value over defined base price of shares. The present value of the obligation under such plan is determined based on actuarial valuation.

o Employee Stock Option Scheme (ESOS)

The employees of the Company and its subsidiaries are entitled for grant of stock options (equity shares), based on the eligibility criteria set in ESOS plan of the Company. The employee compensation expenses are accounted on the basis of "intrinsic value method" as prescribed by the Guidance Note on Employee share based payments issued by the Institute of Chartered Accountants of India as required by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The excess, if any, of quoted market price over the exercise price on the date of grant would be recognised as compensation cost over the vesting period. The Company recognises compensation cost on the basis of estimated number of stock options expected to vest.

p Borrowing costs

Borrowing costs, which are directly attributable to the acquisition / construction of fixed assets, till the time such assets are ready for intended use, are capitalised as part of the cost of the assets. Other borrowing costs are recognised as an expense in the year in which they are incurred. Brokerage costs directly attributable to a borrowing are expensed over the tenure of the borrowing.

Notes to the Standalone Financial Statement for the year ended March 31, 2018

q **Operating leases**

Lease payments for assets taken on an operating lease are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

r **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 year. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit / loss after tax by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

In computing dilutive earnings per share, only potential equity shares that are dilutive and that reduce profit / increase loss per share are included.

s **Taxation**

– Current tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit entitlement is recognised where there is convincing evidence that the same can be realised in future.

– 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 if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

t **Provisions, contingent liabilities and contingent assets**

The Company creates a provision when there is a present obligation as a result of past events and it is probable that there will be outflow of resources and a reliable estimate of the obligation can be made of the amount of the obligation. Contingent liabilities are not recognised but are disclosed in the notes to the financial statements. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

Contingent assets are neither recognised nor disclosed in the financial statements.

u **Cash and cash equivalents**

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

3 Previous year figures has been regrouped / reclassified wherever necessary.

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2018

(₹ in crore)

	As at March 31, 2018	As at March 31, 2017
4 Share capital		
(a) Authorised:		
30 00 00 000 Equity shares of ₹ 10 each (Previous year 30 00 00 000)	300	300
10 00 00 000 Preference shares of ₹ 10 each (Previous year 10 00 00 000)	100	100
	400	400
(b) Issued & Subscribed:		
25 40 48 888 Equity shares of ₹ 10 each fully paid-up (Previous year 25 39 77 006)	254	254
	254	254
(c) Paid-up:		
25 27 04 682 Equity shares of ₹ 10 each fully paid-up (Previous year 25 26 32 800)	252	252
Add: Forfeited shares 13 44 206 Equity shares of ₹ 10 each (Previous year 13 44 206)	1	1
	253	253
(d) Equity shares in the Company held by each shareholder holding more than 5 per cent:		
Name of the holder	As at March 31, 2018	As at March 31, 2017
	% Qty.	% Qty.
Reliance Inceptum Private Limited	38.67 9 77 14 206	38.68 9 77 14 206
Reliance Infrastructure Consulting & Engineers Private Limited	11.07 2 79 75 633	11.07 2 79 75 633
(e) The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholder. The Board of Directors have recommended a dividend of 110 per cent [₹ 11 (Previous year ₹ 10.50) per equity share] for the year subject to the approval of the members of the Company at the ensuing Annual General Meeting. In terms of revised Accounting Standard (AS) 4 'Contingencies and Events Occurring After the Balance Sheet Date' as notified by the Ministry of Corporate Affairs through Amendments to the Companies (Accounting Standards) Amendment Rules, 2016 dated March 30, 2016, the Company has not accounted for proposed dividend as a liability as at March 31, 2018. Accordingly, the proposed dividend of ₹ 278 crore and tax thereon ₹ 52 crore (net of dividend distribution tax set-off receivable from subsidiaries) are not recognised as liability in the financial statements for the year ended March 31, 2018.		
(f) Reconciliation of number of shares outstanding:		
	As at March 31, 2018	As at March 31, 2017
	No. of Shares Amount (₹ in crore)	No. of Shares Amount (₹ in crore)
Equity shares		
Opening balance	25 26 32 800 252	25 26 32 800 252
Addition during the year (₹ 7 18 820)	71 882 -	- -
Closing balance	25 27 04 682 252	25 26 32 800 252
(g) As on March 31, 2018, 11,58,711 equity shares (Previous year 14,76,167 equity shares) are held by custodian against which depository receipts have been issued.		
h) For employee stock options scheme refer Note No. 31.		

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2018

(₹ in crore)

	As at March 31, 2018	As at March 31, 2017
5 Reserves and surplus		
Capital reserve*		
As per last balance sheet	852	852
Less: Utilised (Refer Note No. 37)	(73)	-
	779	852
Capital redemption reserve		
As per last balance sheet	10	10
Securities premium account		
As per last balance sheet	3 655	3 655
Add: On issue of shares	2	-
	3 657	3 655
General reserve **		
As per last balance sheet	4 817	4 817
Statutory reserve fund ***		
As per last balance sheet	1 677	1 593
Add: Amount transferred from surplus in Statement of Profit and Loss	166	84
	1 843	1 677
Surplus in Statement of Profit and Loss		
As per last Balance Sheet	2 437	2 101
Add: Amount transferred from Statement of Profit and Loss	828	419
Less: Dividend [₹ Nil (Previous year ₹ 10) per equity share]	265	-
Less: Tax on dividend (Refer Note No. 30)	25	-
Less: Transfer to statutory reserve fund	166	84
	2 809	2 437
	13 915	13 448
* Includes ₹ 773 crore (Previous year ₹ 846 crore) created pursuant to the Scheme of Amalgamation approved by High Court which shall for all regulatory and accounting purposes be considered to be part of the owned funds / net worth of the Company.		
** Includes ₹ 3,837 crore (Previous year ₹ 3,837 crore) created pursuant to Scheme of Amalgamation.		
*** Created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934.		
6 Long-term borrowings		
Non-convertible debentures		
-Secured [Refer Note No. 28(i)]		
Others	16 018	12 131
Related party (Refer Note No. 34)	80	116
-Unsecured [Refer Note No. 28(i)]		
Others	1 355	1 373
Related party (Refer Note No. 34)	50	50
	17 503	13 670
Term loans from banks / financial institutions		
-Secured [Refer Note No. 28(ii)]	610	-
	18 113	13 670

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2018

(₹ in crore)

	As at March 31, 2018	As at March 31, 2017
7 Deferred tax liabilities (net)		
Deferred tax liabilities / (assets) included in the Balance Sheet comprises the following:		
(a) Deferred tax liabilities		
Depreciation on fixed assets	14	19
Unamortised expenditures	56	23
Total (a)	70	42
(b) Deferred tax assets		
Provision for non-performing assets / diminution in the value of assets and investments	51	38
Provision for leave encashment / gratuity	1	1
Total (b)	52	39
Net deferred tax liabilities [(a)-(b)]	18	3
8 Other long-term liabilities		
Interest accrued but not due on debentures	42	10
Security deposits	1	3
	43	13
9 Long-term provisions		
Provision for employee benefits		
-Leave encashment (Refer Note No. 32)	1	1
Provision for diminution in value of investments	299	160
Provision for doubtful loans & advances	20	11
Contingent provision against standard assets	58	51
	378	223
10 Short-term borrowings		
Non-convertible debentures		
-Secured [Refer Note No. 28(i)]	125	-
Commercial papers (Refer Note below)		
-Others (Unsecured)	342	3 423
	467	3 423
Note:		
In respect of Commercial papers maximum amount outstanding during the year was ₹ 3,673 crore (Previous year ₹ 4,074 crore).		
11 Trade payables		
- Micro, small and medium enterprises (Refer Note below)	-	-
- Others	-	-
	-	-
Note:		
Disclosure of amounts payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.		

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2018

(₹ in crore)

	As at March 31, 2018	As at March 31, 2017
12 Other current liabilities		
Current maturities of long-term debt		
Non-convertible debentures		
-Secured [Refer Note No. 28(i)]		
Others	2 011	1 501
Related party (Refer Note No. 34)	93	81
-Unsecured		
Others	18	-
Term loans from banks / financial institutions		
-Secured [Refer Note No. 28(ii)]	5	-
Interest accrued but not due on debentures	853	695
Security deposits	4	2
Advance from customers (₹ 46 84 580)	-	1
Other payables*	146	98
Unclaimed dividend #	21	19
	3 151	2 397

Notes:

* Includes provision for expenses, statutory dues payables and other payables.

Does not include any amounts, due and outstanding, to be transferred to the Investor Education and Protection Fund created pursuant to Section 125 of the Companies Act, 2013.

13 Short-term provisions

Provision for employee benefits (Refer Note No. 32)		
-Leave encashment	1	1
-Gratuity	-	1
Others		
-Contingent provision against standard assets	13	5
	14	7

Notes to the Standalone Financial Statement for the year ended March 31, 2018

14 Fixed assets

Description	Gross Carrying Amount				Accumulated Depreciation / Amortisation			Net Carrying Amount	
	As at April 1, 2017	Additions / Adjustments	Deductions / Adjustments	Gross Carrying Amount Pursuant to Scheme of Arrangement [#]	As at March 31, 2018	Upto April 1, 2017	For the Year	Upto March 31, 2018	As at March 31, 2018
(₹ in crore)									
(i) Tangible assets									
Lease assets									
Plant and equipments	64	-	22	-	42	30	6	21	21
Data processing machineries	24	-	-	-	24	21	2	23	1
Vehicles	3	-	-	-	3	3	-	3	-
Sub-total A	91	-	22	-	69	54	8	47	37
Previous Year	89	9	7	-	91	46	13	54	37
Own Assets									
Buildings *	89	- (ii)	8	9	72	8	1	7	65
Data processing machineries	21	1 - (i)	-	- (vi)	22	20	2	22	-
Furniture and fixtures	2	- (iii)	-	- (vii)	2	1	-	1	1
Vehicles	7	1	1	-	7	5	1	5	2
Office equipments	- (i)	- (iv)	-	-	- (viii)	- (x)	- (xii)	- (xvii)	- (xviii)
Leasehold improvement	2	-	-	2	- (ix)	2	-	- (xvi)	-
Sub-total B	121	2	9	11	103	36	4	35	68
Previous Year	187	2	19	49	121	75	5	36	86
Total (A+B)	212	2	31	11	172	90	12	82	105
Previous Year	276	11	26	49	212	121	18	90	123
(ii) Intangible assets									
Computer software /Licensing cost	55	-	-	-	55	48	6	54	1
Total	55	-	-	-	55	48	6	54	1
Previous Year	86	-	-	31	55	62	7	48	7

Notes:

- In respect of Intangible assets:
 - It is other than internally generated.
 - Average remaining useful life is as follows:
 - Additions for F.Y. 2015-16 - 2 years (Previous year 3 years)
 - Additions for F.Y. 2014-15 - 1 year (Previous year 2 years)
 - Additions for F.Y. 2013-14 - Nil (Previous year 1 year)
- * Gross Carrying Amount transferred & Accumulated Depreciation transferred Pursuant to Scheme of Arrangement transferred Pursuant to the Scheme of Arrangement to Reliance Home Finance Limited (Previous year Reliance Commercial Finance Limited) during the year.
 - ₹ 34 93 304 (ii) ₹ 5 58 295 (iii) ₹ 1 35 876 (iv) ₹ 3 19 000 (v) ₹ 3 70 331 (vi) ₹ 8 90 778 (vii) ₹ 4 3 43 486
 - ₹ 38 12 304 (ix) ₹ 16 77 706 (x) ₹ 26 67 314 (xi) ₹ 34 04 927 (xii) ₹ 7 69 322 (xiii) ₹ 3 09 161 (xiv) ₹ 2 86 848
 - ₹ 4 53 260 (xvi) ₹ 17 37 395 (xvii) ₹ 29 76 475 (xviii) ₹ 16 77 706 (xix) ₹ 26 53 480 (xx) ₹ 12 05 442 (xxi) ₹ 8 35 829
- Depreciation and amortisation as shown in Statement of Profit and Loss includes ₹ 3 crore (Previous year ₹ 2 crore) on account of depreciation on investments in building shown under Non-current investments.
- * Buildings include ₹ 0.01 crore (Previous year ₹ 0.01 crore) which is given as security for Non-convertible debentures.

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2018

(₹ in crore)

	Face Value / Issue Price ₹	Quantity As at March 31, 2018	As at March 31, 2017	Value As at March 31, 2018	As at March 31, 2017
15. Non-current investments					
Other investments					
(A) Investment in properties (Refer note 2 below)					
Land				29	29
Buildings [net of accumulated depreciation ₹ 5 crore (Previous year ₹ 2 crore)]				144	147
Sub-total (A)				173	176
(B) Investments in equity instrument (valued at cost unless stated otherwise)					
Quoted, fully paid-up					
Others					
BSE Limited	2	-	65 000	-	2
Reliance Communications Limited*	5	2 96 95 295	2 96 95 295	293	293
Reliance Industrial Infrastructure Limited	10	-	1 60 100	-	1
Reliance Power Limited	10	41 17 823	41 17 823	3	3
Yatra Online Inc.	\$10	29 80 139	30 23 771	37	38
				333	337
Subsidiary Company *					
Reliance Home Finance Limited	10	23 23 69 188	-	894	-
				894	-
Associate Company *					
Reliance Nippon Life Asset Management Limited	10	26 23 95 000	-	216	-
				216	-
				1 443	337
Unquoted, fully paid-up					
Azalia Media Services Private Limited	10	19 38 000	-	2	-
Global Wind Power Limited**	10	20 00 000	20 00 000	-	-
Nationwide Communication Private Limited* [₹ 4 000 (Previous year ₹ 4 000)]	10	400	400	-	-
Paytm E-Commerce Private Limited [₹ 79 240 (Previous year ₹ 79 240)]	10	7 924	7 924	-	-
Reliance Broadcast Network Limited	5	1 57 27 957	1 57 27 957	77	77
Reliance DigiTech Limited [₹ 90 000 (Previous year ₹ 90 000)]	10	9 000	9 000	-	-
Reliance MediaWorks Limited**	5	19 32 089	19 32 089	-	17
Reliance Net Limited	10	5 26 497	5 26 497	1	1
Vrushvik Entertainment Private Limited	10	19 38 000	19 38 000	2	2
				82	99
Subsidiary Companies *					
Unquoted, fully paid-up					
Reliance Nippon Life Asset Management Limited	10	-	58 75 200	-	248
Reliance Capital AIF Trustee Company Private Limited [₹ 6 00 000 (Previous year ₹ 6 00 000)]	10	60 000	60 000	-	-
Reliance Money Precious Metals Private Limited**	10	80 00 000	80 00 000	-	-
Reliance Capital Trustee Co. Limited [₹ 5 07 000 (Previous year ₹ 5 07 000)]	10	50 700	50 700	-	-
Reliance Capital Pension Fund Limited	10	42 50 000	-	5	-
Reliance Commodities Limited	10	30 00 000	30 00 000	3	3
Reliance Corporate Advisory Services Limited	10	1 21 80 00 000	1 21 80 00 000	1 218	1 218
Reliance Exchangenext Limited	10	4 22 60 000	4 22 60 000	35	35
Reliance Financial Limited	10	2 41 57 897	2 41 57 897	61	61
Reliance General Insurance Company Limited	10	25 15 49 920	12 57 74 960	1 837	1 837
Reliance Commercial Finance Limited	10	13 53 25 700	12 28 25 700	2 213	1 813
Reliance Home Finance Limited	10	-	11 58 20 000	-	521
Reliance Nippon Life Insurance Company Limited	10	61 01 24 985	61 01 24 985	5 077	5 077
Reliance Health Insurance Limited	10	4 00 50 000	-	40	-
Reliance Money Solutions Private Limited [₹ 1 00 000 (Previous year ₹ 1 00 000)]	10	10 000	10 000	-	-

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2018

(₹ in crore)

	Face Value / Issue Price ₹	Quantity As at March 31, 2018	Quantity As at March 31, 2017	Value As at March 31, 2018	Value As at March 31, 2017
Reliance Securities Limited	10	21 00 00 000	5 00 00 000	185	25
Reliance Wealth Management Limited	10	1 75 00 000	1 75 00 000	18	18
Quant Capital Private Limited	10	74 01 423	74 01 423	200	200
				10 892	11 056
Associate Companies					
Unquoted, fully paid-up					
Ammolite Holdings Limited (₹ 45 332 (Previous year ₹ 45 332))	\$ 1	1 000	1 000	-	-
Reliance Asset Reconstruction Company Limited	10	4 90 00 000	4 90 00 000	49	49
				49	49
Sub-total (B)				12 466	11 541
(C) Investments in preference shares (valued at cost unless stated otherwise)					
Unquoted, fully paid-up					
0% Non-Convertible Redeemable Preference Shares of Nationwide Communication Private Limited*	10	-	29 00 000	-	2
0% Compulsory Convertible Preference Shares of Reliance Value Services Private Limited	10	20 60 000	20 60 000	206	206
0% Non-Convertible Redeemable Preference Shares of Reliance Alpha Services Private Limited	10	85 000	85 000	9	9
Scalable Display Technologies, Inc. Series A-1 Preferred Stock	\$0.001	1 50 846	1 50 846	2	2
				217	219
Subsidiary Companies*					
Unquoted, fully paid-up					
9% Non-Cumulative Non-Convertible Redeemable Preference Shares of Quant Broking Private Limited [₹ 1 00 000 (Previous year ₹ 1 00 000)]	10	10 000	10 000	-	-
0% Non-Convertible Redeemable Preference Shares of Reliance Commercial Finance Limited	10	40 00 00 000	40 00 00 000	400	400
0% Optionally Convertible Redeemable Preference Shares of Reliance Money Solutions Private Limited [₹ 35 00 000 (Previous year ₹ 35 00 000)]	10	35 000	35 000	-	-
10% Non-Convertible Cumulative Redeemable Preference Shares of Reliance Securities Limited	10	-	12 50 00 000	-	125
12% Cumulative Redeemable Preference Shares of Reliance Securities Limited	10	-	2 50 00 000	-	25
12% Non-Cumulative Non-Convertible Redeemable Preference Shares of Reliance Money Precious Metals Private Limited**	10	1 70 00 000	1 70 00 000	-	17
11% Non-Cumulative Non-Convertible Redeemable Preference Shares of Reliance Money Solutions Private Limited	10	-	2 50 00 000	-	25
12% Non-Convertible Cumulative Redeemable Preference Shares of Reliance Financial Limited	10	1 61 05 225	-	16	-
				416	592
Sub-total (C)				633	811
(D) Investments in Government or Trust Securities (valued at cost unless stated otherwise)					
Unquoted					
Government					
National Saving Certificates [₹ 45 000 (Previous year ₹ 45 000)] (Deposited with sales tax department)		-	-	-	-
				-	-
Pass Through Certificates & Security Receipts					
Reliance ARC-SBI-Maan Sarovar Trust Security Receipt	1000	79 537	79 537	8	8
Sub-total (D)				8	8

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2018

(₹ in crore)

	Face Value / Issue Price ₹	Quantity As at March 31, 2018	Quantity As at March 31, 2017	Value As at March 31, 2018	Value As at March 31, 2017
(E) Investments in debentures or bonds (valued at cost unless stated otherwise)					
Associate Company *					
Unquoted, fully paid-up					
Series DDB I - Non Secured Redeemable Non Interest Bearing Non Convertible Deep Discount Bonds - Ammolite Holdings Limited	\$ 961	7 524	7 524	29	29
				29	29
Others					
Unquoted, fully paid-up					
Khandagiri Finance and Trading Private Limited 21.94% NCD 02Sep2017**	1 00 000	-	500	-	-
11% Compulsory Convertible Debentures of Business Broadcast News Holding Limited	1 000	23 00 000	-	230	-
11% Compulsory Convertible Debentures of Reliance DigiTech Limited	1 000	80 00 000	80 00 000	800	800
11% Compulsory Convertible Debentures of Reliance Land Private Limited	1 000	2 16 00 000	94 00 000	2 160	940
11% Compulsory Convertible Debentures of Reliance Alpha Services Private Limited	1 000	1 01 00 000	1 01 00 000	1 010	1 010
11% Compulsory Convertible Debentures of Reliance Unicorn Enterprises Private Limited	1 000	88 00 000	88 00 000	880	880
11% Compulsory Convertible Debentures of Reliance Value Services Private Limited	1 000	92 00 000	92 00 000	920	920
11% Compulsory Convertible Debentures of Reliance Venture Asset Management Private Limited	1 000	90 00 000	90 00 000	900	900
11% Compulsory Convertible Debentures of Crest Logistics and Engineers Private Limited	1 000	80 00 000	80 00 000	800	800
				7 700	6 250
Sub-total (E)				7 729	6 279
(F) Other non-current investments (valued at cost unless stated otherwise)					
Investment in units of fund - unquoted, fully paid-up					
Class B units of Reliance Alternative Investments Fund [₹ 46 20 729 (Previous year ₹ 46 20 729)]	0.01	46 20 72 909	46 20 72 909	-	-
India Seed Investment Trust	1 00 00	-	500	-	-
Reliance Yield Maximiser AIF - Scheme I	-	-	-	3	6
Reliance Yield Maximiser AIF - Scheme II	-	-	-	5	5
Reliance Yield Maximiser AIF - Scheme III	-	-	-	5	4
Reliance Yield Opportunities Fund AIF - Scheme I	10 000	-	-	5	2
Class A units of Reliance Alternative Investments Fund	10	7 77 96 044	14 02 78 694	78	140
Reliance Equity Opportunites AIF Scheme I	10 000	-	-	3	-
				99	157
Warrants - unquoted, partly paid-up					
Textrade International Limited (Refer Note No. 4 below)	-	60 985	60 985	-	-
				-	-
Sub-total (F)				99	157
Total long-term investments (A+B+C+D+E+F)				21 108	18 972

* Related Party

** Value Written Off

Notes:

	As at March 31, 2018		As at March 31, 2017	
	Book Value	Market value	Book Value	Market value
1. Aggregate value of investments				
Quoted investments	1 443	8 101	337	333
Unquoted investments	19 492	-	18 459	-
Investment in properties	173	-	176	-
Total	<u>21 108</u>	<u>8 101</u>	<u>18 972</u>	<u>333</u>

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2018

2. Land and Building representing investment in property are acquired against the settlement of loans.
3. Investment in 38,85,24,405 (Previous year 38,85,24,405) equity shares of Reliance Nippon Life Insurance Company Limited and 9,000 (Previous year 9,000) equity shares of Reliance DigiTech Limited are carried at fair value i.e. at amount transferred under the Scheme of Amalgamation.
4. The Company has been allotted warrants without paying any consideration at the time of allotment.

(₹ in crore)

	As at March 31, 2018	As at March 31, 2017	
16 Long-term loans and advances			
(a) Capital advances			
Secured, considered good	160	160	
Unsecured, considered good	125	158	
Unsecured, considered doubtful	15	-	318
(b) Security deposits – Unsecured			
Considered good	15	15	
Considered doubtful	4	4	19
(c) Loans			
Considered doubtful			
Related party–Unsecured (Refer Note No. 34)	-	6	
Others–Secured	-	4	
Considered good			
Related party (Refer Note No. 34)			
–Secured	-	302	
–Unsecured	121	905	
Others			
–Secured	5 228	5 430	
–Unsecured	1 205	1 242	7 889
(d) Advances			
Considered doubtful			
Secured (Previous year ₹ 31 72 660)	-	-	
Considered good			
Related party–Unsecured (Refer Note No. 34)	-	-	
(Previous year ₹ 16 15 790)			
Others–Unsecured	57	59	59
(e) Other loans and advances			
–VAT / Service tax & Goods and service tax credit available	10	6	
–Advance income tax & TDS deducted [net of provision of ₹ 471 crore (Previous year ₹ 367 crore)]	44	30	36
	6 984	8 321	
17 Other non-current assets			
(a) Other bank balances			
– In fixed deposit accounts (Refer Note below)			
–Under lien (Previous year ₹ 25 33 932)	25	-	
(b) Unamortised expenditures			
Unamortised DSA commission	-	64	
Add: Incurred during the year	-	-	
Less: Transferred under Demerger	-	64	
Less: Amortised during the year	-	-	
Unamortised brokerage on borrowings	122	86	
Add: Incurred during the year	73	60	
Less: Transferred under Demerger	-	1	
Less: Amortised during the year	33	23	
	162	122	
Less: To be amortised during the next year	2	21	
	160	101	101
(c) Repossessed assets	-	2	
Less: Provision for repossessed assets	-	1	1
	185	102	

Note:

In respect of balances with scheduled banks in fixed deposit accounts, ₹ 5,33,932 (Previous year ₹ 5,33,932) is kept as deposit with sales tax authority, ₹ 20,00,000 (Previous year ₹ 20,00,000) is kept as deposit with the Pension Fund Regulatory and Development Authority (PFRDA) and ₹ 25 crore (Previous year ₹ Nil) is kept as deposit with Stock Exchanges for margins.

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2018

						(₹ in crore)	
	Face Value/ Issue Price ₹	Quantity		As at March 31, 2018	As at March 31, 2017	Value	
		As at March 31, 2018	As at March 31, 2017			As at March 31, 2018	As at March 31, 2017
18 Current investments							
Investments in preference shares (current portion of long-term investments)							
Unquoted, fully paid-up							
12% Non-Convertible Cumulative Redeemable Preference Shares of Reliance Financial Limited*	10	-	1 60 00 000	-		16	
Sub-total (A)						<u>16</u>	
Investment in Mutual Fund - **Quoted (valued at cost or market value whichever is lower)							
Canara Robeco MF Capi.Port.Orie.Fund 23Oct2017	10	-	10 00 000	-		1	
Reliance Japan Equity Fund	10	-	50 00 000	-		5	
Sub-total (B)						<u>6</u>	
Total current investments (A+B)						<u>22</u>	

* Related Party **For Mutual fund net asset value (NAV) is taken as market value.

Note:

Aggregate value of Investment

	As at March 31, 2018		As at March 31, 2017	
	Book Value	Market Value	Book Value	Market Value
Quoted investments	-	-	6	6
Unquoted investments	-	-	16	-
	<u>-</u>	<u>-</u>	<u>22</u>	<u>6</u>

(₹ in crore)

	As at March 31, 2018		As at March 31, 2017	
19 Trade receivables				
Unsecured, considered good valued unless stated otherwise				
Doubtful debts outstanding for a period exceeding six months from the due date	-		-	
Less: Provision for doubtful debts	-		-	
	<u>-</u>		<u>-</u>	
Other debts-unsecured considered good	4		-	
	<u>4</u>		<u>-</u>	
20 Cash and bank balances				
(a) Cash and cash equivalents				
Balances with banks				
-In current accounts	2 941		2 515	
(b) Other bank balances				
-Fixed deposits under lien (less than 3 months)*	20		1 677	
-Unclaimed dividend accounts	21		19	
	<u>2 982</u>		<u>4 211</u>	

* In respect of balances with scheduled banks in fixed deposit accounts ₹ 20 crore (Previous Year ₹ 177 crore) is kept as deposit for margin with Stock Exchanges and ₹ Nil (Previous Year ₹ 1,500 crore) is kept as deposit with bank for issuing of bank guarantee for third party.

Notes to the Standalone Financial Statement for the year ended March 31, 2018

	As at March 31, 2018	As at March 31, 2017
21 Short-term loans and advances		
Unsecured, considered good		
(a) Loans		
Considered good		
Related party (Refer Note No. 34)		
-Secured	-	-
-Unsecured	1 055	750
Others		
-Secured	1 652	109
-Unsecured	<u>633</u>	<u>668</u>
(b) Advances		
Considered good		
Related party-unsecured (Refer Note No. 34)	2	3
Others		
-Secured [₹ Nil (Previous year ₹ 13 59 116)]	-	-
-Unsecured	<u>6</u>	<u>3</u>
(c) Prepaid expenses		
	<u>2</u>	<u>4</u>
	<u><u>3 350</u></u>	<u><u>1 537</u></u>
22 Other current assets		
(a) Accrued interest / finance income		
-Investments	623	7
-Loans	<u>1 023</u>	<u>114</u>
(b) Unamortised brokerage on borrowings		
	<u>2</u>	<u>21</u>
	<u><u>1 648</u></u>	<u><u>142</u></u>

(₹ in crore)

(₹ in crore)

2016-2017

Interest and finance income on				
-Long-term investments	782		63	
-Loans	1 330		1 451	
-Fixed deposits and others	86	2 198	7	1 521
Profit on sale of (net)				
-Long-term investments	736		217	
-Current investments	38	774	36	253
Dividends on investments				
-Subsidiary	149		126	
-Long-term	133	282	3	129
Lease rental income		10		16
Processing fees *[₹ 1 95 652 (Previous year ₹ 13 23 713)]		*		*
Bad debts recovered		11		35
Other operating income		*		*
*[₹ 11 71 878 (Previous year ₹ 24 73 339)]				
		3 275		1 954

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2018

	(₹ in crore)	
	2017-2018	2016-2017
24 Other income		
Management fee	36	30
Profit on sale of fixed assets (net)	-	12
Miscellaneous income	4	75
	<u>40</u>	<u>117</u>
25 Employee benefit expense (including managerial remuneration)		
Salaries and wages	80	62
Contribution to provident and other funds	2	6
Staff welfare expenses	3	4
	<u>85</u>	<u>72</u>
26 Finance cost		
Interest expense		
-Debentures	1 677	1 153
-Bank loans / financial institutions (long-term and short-term)	26	-
-Bank loans (cash credit) (Previous year ₹ 40 26 062)	-	-
-Others	-	1
Other borrowing costs		
-Discount on commercial papers	99	183
-Amortised brokerage on borrowings (Refer Note No. 17)	33	23
	<u>1 835</u>	<u>1 360</u>
27 Other expenses		
Bank charges [₹ 3 88 217 (Previous year ₹ 1 90 504)]	-	-
Rent	17	13
Rates and taxes	2	4
Repairs and maintenance		
-Buildings [₹ 34 72 500 (Previous year ₹ 6 59 157)]	-	-
-Others	4	7
Electricity [₹ 26 37 790 (Previous year ₹ 18 67 994)]	-	-
Insurance	1	1
Travelling and conveyance	2	3
Postage, telegram and telephone	1	1
Legal & professional fees	68	58
Auditors' remuneration (Refer Note No. 30)	1	2
Sales and marketing expenses	3	15
Employee seminar and training (Previous year ₹ 32 50 528)	1	-
Donation [₹ 2 76 000 (Previous year ₹ 3 01 000)]	-	-
Corporate social responsibility expenditure	13	13
Directors' sitting fees [₹ 49 49 400 (Previous year ₹ 43 03 500)]	-	-
Directors' commission	1	1
Loss on sale of fixed assets	3	-
Provision for NPA, doubtful debts and balances written off *	25	34
Provision and loss on repossessed stock # (Previous year ₹ 45 89 307)	-	-
Provision / (Reversal) for diminution in the value investments / written off **	173	(61)
Loss share in partnership firm (Previous year ₹ 39 13 466)	-	-
Miscellaneous expenses	5	4
	<u>320</u>	<u>95</u>

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2018

		(₹ in crore)
	2017-2018	2016-2017
Notes:		
* Breakup of provision for NPA, doubtful debts and bad debts written off		
Provision for NPA and doubtful debts	9	(5)
Provision for standard assets	16	23
Bad debts written off	-	16
	<u>25</u>	<u>34</u>
# Breakup of provision and loss on repossessed stock		
Provision for repossessed stock (Previous year ₹ 45 89 307)	-	-
Loss on sale of repossessed stock	-	-
	<u>-</u>	<u>-</u>
** Breakup of provision / (reversal) for diminution in the value of investments / written off		
Reversal for diminution in the value of investments	139	(33)
Investments written off / (recovery)	34	(28)
	<u>173</u>	<u>(61)</u>

28 Security clause / maturity profiles in respect to Secured Loans from banks / debentures

- (i) Non-convertible debentures (NCDs) are redeemable at par, in one or more installments, on various dates:
- (a) NCDs amounting to ₹ 3,549 crore (Previous year ₹ 4,039 crore) are secured by way of first *pari passu* legal mortgage and charge over the premises situated at Avdesh House, near Pritam Nagar, Ellisbridge, Ahmedabad and additional first *pari passu* charge by way of hypothecation on present and future book debts / business receivables of the Company. Business receivables includes Fixed Asset, Current Assets, Investments and any other assets, against security not exceeding ₹ 3,799 crore (Previous year ₹ 4,289 crore).
- (b) NCDs amounting to ₹ 14,778 crore (Previous year ₹ 9,790 crore) are secured by way of first *pari passu* legal mortgage and charge over the premises situated at Avdesh House, near Pritam Nagar, Ellisbridge, Ahmedabad and additional first *pari passu* charge by way of hypothecation on present and future book debts / business receivables of the Company (except security towards securing Outstanding Term Loan and Cash Credit Limits). Business receivables includes Current Assets and Investments, against security not exceeding ₹ 15,503 crore (Previous year ₹ 9,915 crore).
- (c) Unsecured NCDs amounting to ₹ 1,423 crore (Previous year ₹ 1,423 crore) are in respect to Tier II subordinate debts.
- (d) Maturity profile and Rate of interest of NCDs are as set out below:

	(₹ in crore)									
Rate of Interest	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	Total
#	155	450	-	-	-	-	-	-	-	605
8.20%	75	-	-	-	-	-	-	-	-	75
8.23%	20	-	-	-	-	-	-	-	-	20
8.25%	620	350	-	-	-	-	-	-	-	970
8.28%	235	-	-	-	-	-	-	-	-	235
8.32%	-	400	-	-	-	-	-	-	-	400
8.42%	-	-	14	-	-	-	-	-	-	14
8.47%	-	-	25	-	-	-	-	-	-	25
8.50%	-	-	480	-	-	-	-	-	-	480
8.65%	-	-	20	-	-	-	-	-	-	20
8.75%	100	15	245	170	191	-	-	-	-	721
8.80%	-	-	-	-	300	-	-	-	-	300
8.83%	-	-	-	1,000	-	-	-	-	-	1,000
8.85%	-	-	200	-	-	-	-	1,500	-	1,700
8.90%	-	-	500	-	-	-	-	-	-	500
8.93%	-	-	-	-	-	-	-	-	900	900
9.00%	-	-	-	-	-	-	-	1,500	-	1,500
9.05%	-	-	-	-	-	-	-	-	1,500	1,500

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2018

(₹ in crore)										
Rate of Interest	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	Total
9.10%	75	-	-	-	-	-	-	-	-	75
9.12%	-	15	-	-	-	-	-	-	-	15
9.25%	-	-	-	-	6	-	-	-	-	6
9.32%	-	-	-	-	-	20	-	-	-	20
9.40%	-	-	-	-	1,500	-	-	-	-	1,500
9.42%	-	-	-	-	-	40	-	-	-	40
9.50%	-	-	-	-	5	-	-	-	-	5
9.65%	-	-	-	-	-	250	-	-	-	250
9.70%	15	-	-	-	-	-	-	-	-	15
9.75%	5	-	-	-	-	-	-	-	-	5
9.80%	-	-	-	500	-	-	-	-	-	500
9.85%	-	-	-	45	-	-	-	-	-	45
9.90%	-	500	-	75	-	-	-	-	-	575
9.95%	-	-	-	85	-	-	-	-	-	85
10.00%	-	-	-	10	-	-	-	-	-	10
10.05%	-	-	-	7	-	-	-	-	-	7
10.10%	-	-	-	10	-	1,070	-	-	-	1,080
10.15%	-	-	-	-	-	-	8	-	-	8
10.19%	-	-	-	-	155	-	-	-	-	155
10.20%	-	-	-	82	-	-	-	-	-	82
10.24%	500	-	-	-	-	-	-	-	-	500
10.25%	-	-	-	40	-	-	-	-	-	40
10.28%	15	-	-	-	-	-	-	-	-	15
10.35%	-	155	-	5	-	-	-	-	-	160
10.40%	5	-	-	350	-	-	-	-	-	355
10.50%	-	-	25	20	15	-	-	-	-	60
10.60%	-	-	83	51	-	-	-	-	-	134
10.75%	-	-	367	-	-	-	-	-	-	367
MLD	170	120	133	6	-	-	-	-	-	429
Total	1 990	2 005	2 092	2 456	2 172	1 380	8	3 000	2 400	17 503

Zero coupon deep discount non-convertible debentures

(ii) (a) Term loans from banks / financial institution includes ₹ 615 crore (Previous year ₹ Nil) are secured by *pari passu* first charge on all present and future book debts, receivables, bills, claims and loan assets of the Company and one of its subsidiary.

(b) Maturity profile of term loans from banks are as set out below:

(₹ in crore)							
Rate of Interest	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total
8.25%	19	19	19	19	19	15	110
9.30%	-	100	100	100	100	100	500
Total	19	119	119	119	119	115	610

29 Auditors' remuneration includes

(₹ in crore)		
	2017-18	2016-17
i) Audit fees	1	1
ii) Tax audit fees [₹ 1 07 500 (Previous year ₹ 1 07 500)]	-	-
iii) Certification charges and other reimbursement	-	1
Total	1	2

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2018

30 Tax on proposed dividend

In view of Section 115-O of the Income Tax Act, 1961, the Company has reduced its dividend tax liabilities to the extent dividend received from its subsidiary company:

(₹ in crore)

	2017-18	2016-17
Company dividend		
Company proposed dividend	265	Nil
Less: Dividend received from subsidiary	145	Nil
Dividend for distribution tax	120	Nil
Dividend distribution tax thereon	25	Nil

31 Employees Stock Option Plans

- a) The Company operated two Employee Stock Option Plans; ESOS Plan A and ESOS Plan B introduced in the financial year 2009-10. All options granted under the ESOS Plan A and ESOS Plan B have been surrendered and lapsed in the earlier year. The Company managed the ESOS Plan A and ESOS Plan B through a Trust. Advance of ₹ 57 crore (net of written off ₹ 64 crore) Previous year ₹ 59 crore (net of written off ₹ 64 crore) has been granted to Trust. Out of the said advance, Trust has purchased 16,00,000 equity shares for the above purpose.
- b) The Company introduced ESOS 2015 which covers eligible employees of the Company and its subsidiaries. The vesting of the options is from expiry of one year till five years as per Plan. Each Option entitles the holder thereof to apply for and be allotted / transferred one Equity Share of the Company upon payment of the exercise price during the exercise period.

Details of ESOS 2015:

	ESOS 2015
Date of Grant	October 15, 2015
Price of Underlying Stock (₹)*	396
Exercise / Strike Price (₹)*	296

* In terms of the provisions of the ESOS, exercise price of ₹ 396 has been adjusted to ₹ 296, on account of corporate action for demerger of Real Estate Lending Business of the Company, in line with the difference in the volume weighted average price of the Equity Shares of the Company on the National Stock Exchange of India Limited on pre and post demerger date.

The fair value of the options granted was estimated on the date of grant using the Black Scholes Model with the following assumptions:

Risk Free Interest Rate	7.51% - 7.56%
Expected Dividend Yield	2.28%
Expected Life (years)	4.51 to 6.51
Expected Volatility	44.61% to 46.39%
Weighted Average Fair Value (₹)	565

The information covering stock options granted, exercised, forfeited and outstanding at the year end is as follows:
(As certified by the management)

	No. of Stock Options	
	March 31, 2018	March 31, 2017
Outstanding at the beginning of the year	5 26 780	6 42 560
Granted	-	-
Exercised	71 882	Nil
Lapsed / Forfeited / Surrendered	2 14 276	1 15 780
Outstanding at the end of the year	2 40 622	5 26 780
Exercisable at end of the year	69 514	1 05 356

- c) The Company introduced ESOS 2017 which covers eligible employees of the Company and its subsidiaries. The vesting of the options is from expiry of one year till four years as per Plan. Each Option entitles the holder thereof to apply for and be allotted / transferred one Equity Share of the Company upon payment of the exercise price during the exercise period.

Notes to the Standalone Financial Statement for the year ended March 31, 2018

Details of ESOS 2017:

	ESOS 2017		
	July 27, 2017	February 08, 2018	March 28, 2018
Date of Grant			
Price of Underlying Stock (₹)	556	442	429
Exercise / Strike Price (₹)	556	442	429

The fair value of the options granted was estimated on the date of grant using the Black Scholes Model with the following assumptions:

Risk Free Interest Rate	6.25% - 6.59%	6.89% - 7.46%	7.13% - 7.34%
Expected Dividend Yield	1.59%	2.38%	2.45%
Expected Life (years)	2.50 to 5.51	2.50 to 5.51	4.01 to 5.51
Expected Volatility	39.58% to 41.92%	42.75% to 42.03%	42.69% to 41.93%
Weighted Average Fair Value (₹)	829	597	593

The information covering stock options granted, exercised, forfeited and outstanding at the year end is as follows:
(As certified by the management)

	No. of Stock Options as at March 31, 2018		
Outstanding at the beginning of the year	-	-	-
Granted	9 21 000	81 100	1 18 000
Exercised	-	-	-
Lapsed / Forfeited / Surrendered	31 000	-	-
Outstanding at the end of the year	8 90 000	81 100	1 18 000

The Company has chosen to account for the Plan by the Intrinsic Value Method. The total expense recognised for the period arising from stock option plan as per Intrinsic Value Method is ₹ Nil (Previous year ₹ Nil). Had the Company adopted fair value method the net results for the year would have been lower by ₹ 5 crore (Previous year ₹ 25 lakh) [net of tax saving ₹ 4 crore (Previous year ₹ 20 lakh)] and accordingly EPS (both Basic and Diluted) would have been lower by 0.16 (Previous year Nil).

32 Employee benefits

a) Defined contribution plan

Contribution to defined contribution plans, recognised as expense for the year is as under: (₹ in crore)

	2017-18	2016-17
Employer's contribution to provident fund	2	2
Employer's contribution to superannuation fund [₹ 8 17 003 (Previous year ₹ 12 24 018)]	-	-
Employer's contribution to pension scheme	1	1
	3	3

b) Defined benefit plans

The following tables summarise the components of the net employee benefit expenses recognised in the Statement of Profit and Loss, the fund status and amount recognised in the balance sheet for the gratuity benefit plan and leave encashment plan.

Particulars	(₹ in crore)			
	Gratuity benefit (funded)		Leave Encashment Benefit (Unfunded)	
	2017-18	2016-17	2017-18	2016-17
I. Table showing change in				
Liability at the beginning of the period	3.94	10.13	2.35	3.39
Transfer under demerger	-	(6.54)	0.00	(1.16)
Interest cost	0.84	0.82	0.18	0.18
Current service cost	0.61	0.33	0.16	0.14
Benefit paid	(3.05)	(4.16)	(1.04)	(0.13)
Actuarial (gain)/ loss on obligations	(0.79)	3.36	0.03	(0.07)
Liability at the end of the period	(4.60)	3.94	1.68	2.35

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2018

(₹ in crore)					
Particulars	Gratuity benefit (funded)		Leave Encashment Benefit (Unfunded)		
	2017-18	2016-17	2017-18	2016-17	
II. Changes in the fair value of Plan Assets and the reconciliation thereof					
Fair value of Plan Assets at the beginning of the period	7.54	9.28	-	-	
Expected return on Plan Assets	0.55	0.75	-	-	
Contributions	5.28	1.51	1.04	0.13	
Benefit paid	(3.05)	(4.16)	(1.04)	(0.13)	
Actuarial gain / (loss) on Plan Assets	(0.22)	0.16	0.00	0.00	
Fair value of Plan Assets at the end of the period	4.73	7.54	0.00	0.00	
Total actuarial gain / (loss) to be recognised	0.57	(3.20)	(0.03)	0.07	
III. Actual return on Plan Assets					
Expected return on Plan Assets	0.55	0.75	-	-	
Actuarial gain / (loss) on Plan Assets	(0.22)	0.16	-	-	
Actual return on Plan Assets	0.33	0.91	-	-	
IV. Amount recognised in the Balance Sheet					
Liability at the end of the period	(0.13)	11.49	1.68	2.35	
Fair value of Plan Assets at the end of the period	4.74	7.54	0.00	0.00	
Difference funded status	4.86	(3.95)	(1.68)	(2.35)	
Unrecognised actual gain / (loss)	-	-	-	-	
Transfer under demerger	-	(2.52)	-	0.00	
Amount recognised in the Balance Sheet (liability)	4.86	(1.43)	(1.68)	(2.35)	
V. Expenses recognised in the Statement of Profit and Loss					
Current service cost	0.61	0.33	0.16	0.14	
Interest cost	0.29	0.82	0.18	0.18	
Expected return on Plan Assets	(0.55)	(0.75)	0.00	0.00	
Net Actuarial (gain) / loss to be recognised	(0.22)	3.20	0.03	(0.11)	
Expense recognised in the Statement of Profit and Loss	0.00	3.60	0.37	0.21	
VI. Amount recognised in the Balance Sheet					
Opening net liability	0.42	0.85	2.35	3.39	
Transfer under demerger	-	(2.52)	0.00	(1.16)	
Expense as above	0.00	3.60	0.37	0.21	
Employers contribution paid	(1.26)	(1.51)	(1.04)	(0.13)	
Closing net liability / (assets)	(0.84)	0.42	1.68	2.31	
VII. Assumptions					
Discount rate	8.08%	7.34%	8.08%	7.52%	
Rate of return on Plan Assets	8.08%	7.34%	-	-	
Salary escalation rate	6.00%	6.00%	6.00%	6.00%	
VIII. Particulars of the amounts for the year and previous years					
	Gratuity for the year ended March 31				
	2018	2017	2016	2015	2014
Present value of benefit obligation	(0.13)	8.97	10.13	9.55	4.60
Fair value of Plan Assets	4.74	7.54	9.28	5.80	5.99
Excess of obligation over Plan Assets	(4.86)	1.43	0.85	3.75	(1.39)
IX. Experience adjustment					
Experience adjustment on Plan Assets gain / (loss)	(0.22)	0.16	(0.05)	0.13	(0.07)
Experience adjustment on Plan Liabilities (gain) / loss	0.54	2.54	0.08	(0.69)	(0.77)
c) Other employee benefits					
Phantom Stock Option Scheme:					
As a long-term incentive plan to employees, the Company has initiated Phantom Stock Option Plan on October 15, 2015 which are cash settlement rights where the employees are entitled to get cash compensation based on a agreed formulae					

Notes to the Standalone Financial Statement for the year ended March 31, 2018

linked to market value of subsidiary company shares upon exercise of phantom stock options over notional or hypothetical shares.

Liability towards the Scheme is accounted for on the basis of an independent actuarial valuation done at the year end. The valuation of the shares is done considering the Projected Unit Credit Method and the progression of share price up to the exercise of the option. Fair value of Phantom Stock Options was estimated on the date of grant on the assumptions of Discount Rate of 6.77% and Expected Life of 4 years.

Vested Phantom Options can be exercised on continuation of employment any time upto 3 years from the date of last vesting and upon cessation of employment as per the terms of the Scheme. Settlement of Phantom Option is done in cash within 90 days from the date of exercise. For the current year the Company has created provision of ₹ 3 crore (Previous year ₹ 2 crore).

Notes:

- i) The above figures are shown in rupees in crore with two decimals to be more representative.
- ii) The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.
- iii) General descriptions of significant defined plans:
 - a) Gratuity plan
Gratuity is payable to all eligible employees of the Company on superannuation, death and permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972 or as per the Company's Scheme whichever is more beneficial.
 - b) Leave plan
Encashment of leave can be availed by the employee for balance in the earned account as on January 1, 2009. All carry forward earned leaves with a maximum limit of 10 days, are available for availment but not for encashment.

33 Segment reporting

As per paragraph 4 of Accounting Standard (AS) 17, on "Segment Reporting" notified by the Companies (Accounts) Rules, 2014, where a single financial report contains both consolidated financial statements and the separate financial statements of the holding company, segment reporting needs to be presented only on the basis of consolidated financial statements. In view of this, segment information has been presented at Note No. 46 of the consolidated financial statements.

34 Related party disclosures

A. List of Related Parties and their relationship:

- i) **Major investing party**
Reliance Inceptum Private Limited
- ii) **Individual Promoter**
Mr. Anil D. Ambani, the person having control upto October 3, 2017 and significant influence w.e.f. October 3, 2017.
- iii) **Subsidiaries**

1	Reliance Capital Pension Fund Limited (RCPFL)	13	Reliance Financial Limited (RFL)
2	Reliance Capital Trustee Co. Limited (RCTC)	14	Reliance Money Precious Metals Private Limited (RMPMPL)
3	Reliance Capital AIF Trustee Company Private Limited (RCATCPL)	15	Reliance Money Solutions Private Limited (RMSPL)
4	Reliance General Insurance Company Limited (RGICL)	16	Reliance Wealth Management Limited (RWML)
5	Reliance Nippon Life Insurance Company Limited (RNLICL)	17	Quant Capital Private Limited (QCPL)
6	Reliance Health Insurance Limited (RHIL)	18	Quant Broking Private Limited (QBPL)
7	Reliance Home Finance Limited (RHFL)	19	Quant Investment Services Private Limited (QISPL)
8	Reliance Exchangenext Limited (RNext)	20	Quant Securities Private Limited (QSPL)
9	Reliance Corporate Advisory Services Limited (RCASL)	21	Reliance Nippon Life Asset Management Limited (RNLAML) [#]
10	Reliance Securities Limited (RSL)	22	Reliance Asset Management (Mauritius) Limited (RAMML) [#]
11	Reliance Commercial Finance Limited (RCFL)	23	Reliance Asset Management (Singapore) Pte. Limited (RAMSL) [#]
12	Reliance Commodities Limited (RCOL)	24	Reliance AIF Management Company Limited (RAMCL) [#]

[#] (ceased w.e.f. July 3 2017)

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2018

iv) Associates

1	Reliance Nippon Life Asset Management Limited (RNLAML) (w.e.f. July 3, 2017)	4	Ammolite Holdings Limited (AHL)
2	Reliance Asset Reconstruction Company Limited (RARCL)	5	Quant Commodity Broking Private Limited (QCBPL) (ceased w.e.f. November 29, 2017)
3	Indian Commodity Exchange Limited (ICEX)		

v) Key Managerial Personnel

1	Mr. Jai Anmol Ambani – Executive Director
2	Mr. Amit Bapna – Chief Financial Officer
3	Mr. Atul Tandon – Company Secretary & Compliance Officer

B. Other related parties with whom transactions have taken place during the year:

Enterprise over which individual described in clause A (ii) above has control

1	Reliance Communications Limited (RCL)	5	Reliance Infratel Limited (RIL)
2	Reliance Big Entertainment Private Limited (RBEPL)	6	Globalcom IDC Limited (GIDC)
3	Reliance Communications Infrastructure Limited (RCIL)	7	Reliance Webstore Limited (RWL)
4	Reliance Realty Limited (RRL)	8	Nationwide Communication Private Limited (NCPL)

C. Transactions during the year and balance outstanding with related parties:

(₹ in crore)					
Particulars	Subsidiaries	Others (B above)	Associates	Partnership Firm	Total
Debentures (Borrowings)					
a) Redeemed during the year	302 (246)	- (-)	- (-)	- (-)	302 (246)
b) Balance as at March 31, 2018	223 (247)	- (-)	- (-)	- (-)	223 (247)
c) Accrued interest on debentures as at March 31, 2018	10 (14)	- (-)	- (-)	- (-)	10 (14)
Fixed Assets					
a) Sold during the year (* ₹ 73 603)	* (-)	- (-)	- (-)	- (-)	* (-)
Investments					
a) Subscribed / purchased during the year	994 (3 680)	2 (3)	- (-)	- (-)	996 (3 683)
b) Redeemed / sold during the year	166 (1 099)	- (-)	- (-)	- (-)	166 (1 099)
c) Balance as at March 31, 2018 [Net of provision ₹ 257 crore (Previous year ₹ 142 crore)]	12 203 (11 664)	64 (182)	265 (49)	- (-)	12 532 (11 895)
Partnership Current Accounts					
a) Withdrawal during the year (Net)	- (-)	- (-)	- (-)	- (76)	- (76)
b) (Loss) / profit of partnership firm during the year (* Loss ₹ 39 13 466)	- (-)	- (-)	- (-)	- (*)	- (*)
Loans Given					
a) Given during the year	64 (1 169)	128 (1 656)	- (-)	- (-)	192 (2 825)
b) Returned / adjusted during the year	474 (872)	612 (570)	- (-)	- (-)	1 086 (1 442)
c) Balance as at March 31, 2018 [Net of provision ₹ Nil (Previous year ₹ 6 crore)]	6 (302)	1 170 (1 655)	- (-)	- (-)	1 176 (1 957)
d) Interest accrued on loans (* 41 39 556)	* (-)	173 (9)	- (-)	- (-)	173 (9)

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2018

(₹ in crore)					
Particulars	Subsidiaries	Others (B above)	Associates	Partnership Firm	Total
Advances					
Balance as at March 31, 2018 [₹ 30 65 599 (Previous year ₹ 5 42 167)]	2 (3)	- (-)	* (*)	- (-)	2 (3)
Income					
a) Interest & finance income	22 (4)	169 (33)	- (-)	- (-)	191 (37)
b) Rent [₹ 2 25 000 (₹ 9 00 000)]	- (-)	* (*)	- (-)	- (-)	* (*)
c) Dividend income	149 (126)	- (-)	133 (1)	- (-)	282 (127)
d) Reimbursement of expenditure [* ₹ 4 18 215 (Previous year ₹ 4 93 380)] (** ₹ 7 20 996)	15 (22)	* (*)	3 (**)	- (-)	18 (22)
e) Management fees	30 (27)	- (-)	6 (-)	- (-)	36 (27)
f) Income transferred as per Business Transfer Agreement	- (1)	- (-)	- (-)	- (-)	- (1)
g) Other operating income **[₹ 4 00 000 (Previous year ₹ 5 20 000)]	- (-)	- (-)	** (**)	- (-)	** (**)
Expenditure					
a) Finance cost paid	66 (86)	- (-)	- (-)	- (-)	66 (86)
b) Insurance	1 (3)	- (-)	- (-)	- (-)	1 (3)
c) Rent	- (-)	- (-)	- (-)	- (-)	- (-)
d) Brokerage paid during the year	1 (1)	- (-)	- (-)	- (-)	1 (1)
e) Expenses transferred as per Business Transfer Agreement	- (1)	- (-)	- (-)	- (-)	- (1)
f) Reimbursement of expenditure (* ₹ 3 54 000)	* (1)	- (-)	8 (-)	- (-)	8 (1)
g) Provision / (Reversal) for diminution in value of investments	- (-3)	116 (40)	- (-)	- (-)	116 (37)
h) Investments written off	17 (-)	- (-)	- (-)	- (-)	17 (-)
Contingent liability					
Guarantees to banks and financial institutions on behalf of third parties.	200 (-)	483 (836)	- (-)	- (-)	683 (836)

Employee Benefit expenses ₹ 5 crore (Previous year ₹ 4 crore)

D. The nature and volume of material transactions for the year with above related parties are as follows:

Debentures (Borrowings)

Debentures redeemed during the year include ₹ 190 crore (Previous year ₹ 167 crore) to RSL, ₹ 60 crore (Previous year ₹ 40 crore) to RGICL and ₹ 52 crore (Previous year ₹ 39 crore) to RFL. Debentures balance as at March 31, 2018 includes ₹ 4 crore (Previous year ₹ 9 crore) to RSL, ₹ 196 crore (Previous year ₹ 225 crore) to RGICL, ₹ 16 crore (Previous year ₹ 12 crore) to RFL and ₹ 5 crore (Previous year ₹ Nil) to RCoL. Accrued Interest on debentures as at March 31, 2018 include ₹ 10 crore (Previous year ₹ 14 crore) to RGICL.

Fixed Assets

Fixed assets sold during the year include ₹ 67,206 (Previous year ₹ Nil) to RSL and ₹ Nil (Previous year ₹ 3,28,811) to Mr. V. R. Mohan.

Investments

Investments Subscribed / Purchased during the year include ₹ 400 crore (Previous year ₹ 2,150 crore) from RCFL, ₹ 16 crore (Previous year ₹ Nil) from RFL, ₹ 160 crore (Previous year ₹ Nil) from RSL, ₹ Nil (Previous year ₹ 1,218 crore) from RCASL, ₹ 373 crore (Previous year ₹ 200 crore) from RHFL, ₹ 5 crore (Previous year ₹ Nil) from RNLAML and includes ₹ 2 crore (Previous year ₹ 3 crore) from NCPL. Investments Redeemed / Sold during the year include ₹ Nil (Previous year ₹ 113 crore) to RNLICL,

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2018

₹ Nil (Previous year ₹ 126 crore) to RHFL, ₹ Nil (Previous year ₹ 859 crore) to RCASL and includes ₹ 150 crore (Previous year ₹ Nil) to RSL. Investments balance as at March 31, 2018 includes ₹ 1,837 crore (Previous year ₹ 1,837 crore) of RGICL, ₹ 894 crore (Previous year ₹ 521 crore) to RHFL, ₹ 185 crore (Previous year ₹ 175 crore) of RSL, ₹ 200 crore (Previous year ₹ 200 crore) of QCPL, ₹ 35 crore (Previous year ₹ 35 crore) of RNext [Net of written off ₹ 69 crore (Previous year ₹ 69 crore)], ₹ 5,077 crore (Previous year ₹ 5,077 crore) of RNLICL, ₹ 216 crore (Previous year ₹ 247 crore) of RNLAM and ₹ 1,218 crore (Previous year ₹ 1,218 crore) of RCASL, ₹ 2,613 crore (Previous year ₹ 2,213 crore) from RCFL, ₹ 64 crore (Previous year ₹ 180 crore) of RCL [Net of provision of ₹ 228 crore (Previous year ₹ 113 crore)], ₹ 49 crore (Previous year ₹ 49 crore) of RARC, ₹ Nil (Previous year ₹ Nil) of AHL [Net of Provision ₹ 29 crore (Previous year ₹ 29 crore)].

Partnership Current Accounts

Withdrawal during the year (Net) include ₹ Nil (Previous year ₹ 76 crore) from RCP. Profit / (loss) of Partnership firm during the year include ₹ Nil (Previous year loss ₹ 39,13,466) from RCP.

Loans Given

Loans given during the year includes ₹ Nil (Previous year ₹ 5 crore) to RFL, ₹ 11 crore (Previous year ₹ Nil) to RNext, ₹ 33 crore (Previous year ₹ 1,104) to RCASL, ₹ 20 crore (Previous year ₹ 60 crore) to RSL, ₹ Nil (Previous year ₹ 824 crore) to RCL, ₹ 100 crore (Previous year ₹ 300 crore) to RCIL, ₹ 28 crore (Previous year ₹ 155 crore) to RBEPL, ₹ Nil (Previous year ₹ 377 crore) to RIL. Loan Returned / Adjusted during the year include ₹ Nil (Previous year ₹ 10 crore) from RFL, ₹ 107 crore (Previous year ₹ Nil) from RCFL, ₹ 335 crore (Previous year ₹ 802 crore) from RCASL, ₹ 20 crore (Previous year ₹ 60 crore) to RSL, ₹ 600 crore (Previous year ₹ Nil) to RCL, ₹ 12 crore (Previous year ₹ 569 crore) from RBEPL and ₹ Nil (Previous year ₹ 1 crore) from RIL. Loan given balance as at March 31, 2018 include ₹ 6 crore (Previous year ₹ Nil) to RNext [Net of provision of ₹ Nil (Previous year ₹ 6 crore)], ₹ Nil (Previous year ₹ 302 crore) to RCASL, ₹ 376 crore (Previous year ₹ 376 crore) to RIL, ₹ 224 crore (Previous year ₹ 824 crore) to RCL, ₹ 400 crore (Previous year ₹ 300 crore) to RCIL, ₹ 171 crore (Previous year ₹ 155 crore) to RBEPL, Accrued Interest on loans as at March 31, 2018 includes ₹ 21 crore (Previous year ₹ 4 crore) from RBEPL, ₹ 51 crore (Previous year ₹ 1 crore) to RIL, ₹ 50 crore (Previous year ₹ 10 27 397) to RCIL and ₹ 51 crore (Previous year ₹ 3 crore) to RCL.

Advances

Advance balance as at March 31, 2018 includes ₹ 28,44,523 (Previous year ₹ 1 crore) to RGICL, ₹ 2 crore (Previous year ₹ 2 crore) to RSL and ₹ 1,72,222 (Previous year ₹ 5,42,167) to RARC.

Income

Interest & Finance Income includes ₹ 4,36,986 (Previous year ₹ 1 crore) from RSL, ₹ 45,99,507 (Previous year ₹ Nil) from RNext, ₹ 9 crore (Previous year ₹ 3 crore) from RCASL, ₹ 13 crore (Previous year ₹ Nil) from RCFL, ₹ 48 crore (Previous year ₹ 3 crore) from RCL, ₹ 22 crore (Previous year ₹ 28 crore) from RBEPL, ₹ 49 crore (Previous year ₹ 1 crore) from RIL and ₹ 50 crore (Previous year ₹ 10,27,397) from RCIL. Rent income include ₹ 2,25,000 (Previous year ₹ 9,00,000) from RCIL. Dividend Income includes ₹ 258 crore (Previous year ₹ 126 crore) from RNLAM, ₹ 6 crore (Previous year ₹ Nil) from RGICL, ₹ 6 crore (Previous year ₹ Nil) from RCFL, ₹ 6 crore (Previous year ₹ Nil) from RHFL and ₹ 1 crore (Previous year ₹ 1 crore) from RARC. Reimbursement of expenditure include ₹ 4 crore (Previous year ₹ 7 crore) from RGICL, ₹ 3 crore (Previous year ₹ 3 crore) from RNLAM, ₹ 2 crore (Previous year ₹ 2 crore) from RSL, ₹ 2 crore (Previous year ₹ 14,51,114) from RHFL, ₹ 3 crore (Previous year ₹ Nil) from RCFL, ₹ 5 crore (Previous year ₹ 9 crore) from RNLICL, ₹ 3,85,819 (Previous year ₹ 4,93,380) from RCIL and ₹ 2,53,845 (Previous year ₹ 7,20,996) from RARC. Management fees include ₹ 6 crore (Previous year ₹ 6 crore) from RGICL, ₹ 6 crore (Previous year ₹ 6 crore) from RNLAM, ₹ 6 crore (Previous year ₹ 6 crore) from RCFL, ₹ 6 crore (Previous year ₹ 6 crore) from RSL, ₹ 6 crore (Previous year ₹ 3 crore) from RHFL and ₹ 6 crore (Previous year ₹ 6 crore) from RNLICL. Income transferred as per Business Transfer Agreement includes ₹ Nil (Previous year ₹ 1 crore) to RHFL. Other operating incomes includes ₹ 4,00,000 (Previous year ₹ 5,20,000) from RARC.

Expenditure

Finance cost paid include ₹ 20 crore (Previous year ₹ 24 crore) to RGICL, ₹ 9 crore (Previous year ₹ 10 crore) to RFL and ₹ 36 crore (Previous year ₹ 52 crore) to RSL. Insurance include ₹ 1 crore (Previous year ₹ 3 crore) to RGICL and ₹ 15,40,000 (Previous year ₹ 22,78,125) to RNLICL. Brokerage paid during the year ₹ 1 crore (Previous year ₹ 1 crore) to RSL. Expense transferred as per Business Transfer Agreement include ₹ Nil (Previous year ₹ 1 crore) to RHFL. Reimbursement of expenditure include ₹ 3,54,000 (Previous year ₹ Nil) to RCFL, ₹ Nil (Previous year ₹ 1 crore) to RSL and ₹ 8 crore (Previous year ₹ Nil) to RNLAM. Provision / (Reversal) for diminution in value of investments include reversal of ₹ Nil (Previous year ₹ 3 crore) of RCFL, ₹ 116 crore (Previous year ₹ 40 crore) of RCL. Investments written off include ₹ 17 crore (Previous year ₹ Nil) of RMPMPL. Employee benefit expenses include ₹ 1 crore (Previous year ₹ 1 crore) to Mr. Jai Anmol Ambani, ₹ 3 crore (Previous year ₹ 3 crore) to Mr. Amit Bapna and ₹ 1 crore (Previous year ₹ 9,88,038) to Mr. Atul Tandon.

Contingent Liability

Guarantees to Banks and Financial Institutions on behalf of third parties include ₹ 200 crore (Previous year ₹ Nil) for RCFL, ₹ 50 crore (Previous year ₹ 50 crore) for RBEPL, ₹ 433 crore (Previous year ₹ 550 crore) for RIL, ₹ Nil (Previous year ₹ 118 crore) to RCL and ₹ Nil (Previous year ₹ 118 crore) to RCIL.

Notes to the Standalone Financial Statement for the year ended March 31, 2018

Notes :

- i) Figures in bracket indicate previous year figures.
- ii) Expenses incurred towards public utilities services such as communication and electricity charges have not been considered for related party transaction.
- iii) The above discloses transactions entered during the period of existence of related party relationship. The balances and transactions are not disclosed before existence of related party relationship and after cessation of related party relationship (Refer note no. 42).
- iv) In regard to transactions with Reliance Home Finance Limited (Previous year Reliance Commercial Finance Limited) till effective date of demerger Refer note no. 37.
- v) In addition to the above Director sitting fees of ₹ 2,80,000 (Previous year ₹ 2,40,000) has been paid to Mr. Anil D. Ambani, an individual having control upto October 3, 2017 and significant influence w.e.f. October 3, 2017.
- vi) The Company has provided security amounting to ₹ 707 crore for the Listed Secured Non-Convertible Debentures of its subsidiary viz. Reliance Home Finance Limited by way of first *pari passu* hypothecation charge on all present and future book debts and business receivables of the Company (except security created / to be created towards securing term loans and cash credit limits). Business receivables includes current assets and investments.
- vii) Mr. Jai Anmol Ambani was paid sitting fees of ₹ 40,000 for attending the board meeting held on September 13, 2016, prior to his appointment as Executive Director w.e.f. September 27, 2016.
- viii) The Company hold investment ₹ 3 crore (Previous year ₹ 3 crore) of Reliance Power Limited.

35 Leases

The Company has given assets on operating lease (Refer Note No. 14). Disclosure as per Accounting Standard (AS-19) on "Leases" notified by the Companies (Accounts) Rules, 2014:

	(₹ in crore)	
Particulars	2017-18	2016-17
Within one year of the balance sheet date	8	10
Due in a period between one year and five years	8	11
Due after five years	-	-

36 Basic and diluted earnings per share

The computation of basic earnings per share is set out below:

	(₹ in crore)	
Particulars	2017-18	2016-17
a) Amounts used as the numerators		
Net profit after tax	828	419
Net profit attributable to equity shareholders	828	419
b) Weighted average number of equity shares (Nos.)	25 26 73 801	25 26 32 800
c) Basic earnings per share of face value ₹ 10 each (₹)	32.76	16.60

The computation of diluted earnings per share is set out below:

	(₹ in crore)	
Particulars	2017-18	2016-17
a) Amounts used as the numerators		
Net profit after tax	828	419
Net profit attributable to equity shareholders	828	419
b) Weighted average number of equity shares (Nos.)	25 31 08 768	25 27 14 591
c) Diluted earnings per share of face value ₹ 10 each (₹)	32.71	16.60

37 a) Scheme of Arrangement (Demerger) between the Company and Reliance Home Finance Limited

The Board of Directors of the Company at their meeting held on October 28, 2016 had approved a Scheme of Arrangement ('Scheme') for demerger of Real Estate Lending Business of the Company into its wholly owned subsidiary viz. Reliance Home Finance Limited (RHFL) with effect from April 1, 2017, the Appointed Date. The Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 (the 'Scheme') for demerger of Real Estate Lending Business of the Company to its wholly owned subsidiary viz. Reliance Home Finance Limited has been sanctioned by the National Company Law Tribunal, Mumbai Bench. The Scheme has become effective on September 5, 2017 on filing with the Registrar of Companies, Maharashtra at Mumbai with effect from April 1, 2017 i.e. Appointed Date.

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Notes to the Standalone Financial Statement for the year ended March 31, 2018

Hence, in accordance with the Scheme:

- i On Scheme becoming effective with effect from Appointed Date, the Company has transferred all the assets aggregating to ₹ 663 crore and liabilities aggregating to ₹ 590 crore as appearing in the books of Company related to real estate lending business at their respective book value as on Appointed Date. The net assets Demerged are as under:

(₹ in crore)

Assets / Liabilities Taken Over

Assets

Fixed Assets – property, plant & equipment (Net of accumulated depreciation ₹ 2 crore)	7
Loans & advances	649
Other Non-current assets	1
Other current assets	6
Total Assets	663

Liabilities

Short-term borrowings	590
Total Liabilities	590

Net Assets demerged

73

- ii The Assets and Liabilities of ₹ 663 crore and ₹ 590 crore, respectively, were transferred as on the Appointed Date and the excess of net assets transferred have been debited to capital reserve account.
 - iii As per the Scheme approved by the National Company Law Tribunal, Mumbai Bench with effect from the Appointed Date and upto and including the effective date, the Company shall be deemed to have been carrying on all business and activities relating to Real Estate Lending Business for and on account of and in trust of real estate lending business. All profits accruing to Real Estate Lending Business or losses arising or incurred by the Company in relation to the Real Estate Lending Business for the period commencing from the Appointed Date to the Effective Date shall, for all purposes, be treated as the profits or losses, as the case may be, of real estate lending business.
 - iv During the period from the Appointed Date to the Effective Date, the Company received the inter division balance amounting to ₹ 515 crore (average balance during the year ₹ 251 crore) on which the Company has received interest of ₹ 12 crore from Reliance Home Finance Limited.
- b) **Scheme of Arrangement (Demerger) between the Company and Reliance Commercial Finance Limited**
The Board of Directors of the Company at its meeting held on February 25, 2016 had considered and approved a Scheme of Arrangement (Demerger) between the Company and its wholly owned subsidiary viz. Reliance Commercial Finance Limited. The Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 (the 'Scheme') for demerger of Commercial Finance Business of the Company to its wholly owned subsidiary viz. Reliance Commercial Finance Limited has been approved by the Hon'ble High Court of Judicature at Bombay. The Scheme has become effective on March 24, 2017 upon filing with the Registrar of Companies, Maharashtra at Mumbai with effect from April 1, 2016 i.e. Appointed Date. During the previous period, from the Appointed Date to the Effective Date, the Company received the inter division balance amounting to ₹ 2,874 crore (average balance during the year ₹ 829 crore) on which the Company has received interest of ₹ 91 crore from Reliance Commercial Finance Limited. During the previous period, the Company has also received reimbursement of expenses amounting to ₹ 2 crore and management fees amounting to ₹ 3 crore.

38 Core Investment Company ('CIC')

- (i) The Company, in terms of Para 5 of Chapter III of Master Direction – Core Investment Companies (Reserve Bank) Directions, 2016, made an application to the Reserve Bank of India for registering itself as Systemically Important Core Investment Company (CIC-ND-SI). The Company is awaiting Certificate of Registration ('CoR') as CIC-ND-SI and continues to position itself as CIC-ND-SI and complies with the prudential norms applicable to CIC-ND-SI.
- (ii) Compliance Ratios :

Sr. No.	Particulars	2017-18	2016-17
(a)	Investments & loans to group companies as a proportion of Net Assets (%)	97%	94%
(b)	Investments in equity shares and compulsory convertible instruments of group Companies as a proportion of Net Assets (%)	61%	61%
(c)	Capital Adequacy Ratio (%) [Adjusted Net worth / Risk Weighted Assets]	47%	38%
(d)	Leverage Ratio (Times) [Outside Liabilities / Adjusted Network]	1.48	1.78

Notes to the Standalone Financial Statement for the year ended March 31, 2018

39 Disclosure of loans / advances and investments in its own shares pursuant to Regulation 53 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Particulars	Outstanding Balance		Maximum Balance outstanding	
	March 31, 2018	March 31, 2017	2017-18	2016-17
i) Loans and advances in the nature of loans to subsidiaries				
a) Reliance Securities Limited	-	-	-	35
b) Reliance Financial Limited	-	-	-	5
c) Reliance Corporate Advisory Services Limited	-	302	302	933
d) Reliance Exchangenext Limited (Previous year Net of Provision of ₹ 6 crore)	6	-	6	-
ii) Loans and advances in the nature of loans to associates	-	-	-	-
iii) Loans and advances in nature of loans to firms / companies in which directors are interested.	-	-	-	-
iv) Investments by loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.	No. of shares		Amount in ₹	
	-	-	-	-

Loans and advances does not include Bonds and Debentures

40 Disclosure of details as required by Para 21 of Core Investment Companies (Reserve Bank) Directions, 2016 (RBI CIC Directions)

Liabilities side:

Particulars	Amount Outstanding		Amount Overdue	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
(1) Loans and advances availed by CIC inclusive of interest accrued thereon but not paid:				
(a) Debentures				
(Other than falling within the meaning of public deposits)				
i) Secured [inclusive of ₹ 835 crore (Previous year ₹ 644 crore) interest accrued thereon]	19 162	14 473	-	-
ii) Unsecured [inclusive of ₹ 61 crore (Previous year ₹ 61 crore) interest accrued thereon]	1 484	1 484	-	-
(b) Deferred credits	-	-	-	-
(c) Term loans	615	-	-	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial papers	342	3 423	-	-
(f) Other loans				

Assets side:

Particulars	Amount Outstanding	
	March 31, 2018	March 31, 2017
(2) Break up of loans and advances including bills receivable other than those included in (3) below (Gross Amount) (Refer Note (b) below)		
(a) Secured	6 880	5 845
(b) Unsecured	3 079	3 636
Total	9 959	9 481

Notes:

- Housing loans / loans against property and construction finance granted are secured by equitable registered mortgage of property and / or undertaking to create a security and other loans and advances are secured by way of hypothecation and / or pledging of the underlying asset.
- In case of loans & advances given in para (2) above, provision of NPA & Doubtful Debts is ₹ Nil (Previous year ₹ 7 crore).
- Break up of leased assets and stock on hire and other assets counting towards AFC activities
 - Lease assets including lease rentals under sundry debtors:
 - Financial lease (net of depreciation and lease adjustment) -
 - Operating lease (net of depreciation) 22 37

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2018

Assets side:		(₹ in crore)	
Particulars		Amount Outstanding	
		March 31, 2018	March 31, 2017
(4) Break up of investments			
Current investments			
1. Quoted			
(i) Shares			
(a) Equity (stock-in-trade)		-	-
(b) Preference		-	-
(ii) Units of mutual fund		-	6
2. Unquoted			
(i) Others			
- Preference shares		-	16
- Pass Through Certificates		-	-
- Reliance Capital Partners		-	-
Long-term investments			
1. Quoted			
(i) Shares			
(a) Equity		1 443	337
(b) Preference		-	-
(ii) Debentures and bonds		-	-
(iii) Government securities		-	-
2. Unquoted			
(i) Shares			
(a) Equity		11 023	11 204
(b) Preference		633	811
(ii) Debentures and bonds		7 729	6 279
(iii) Units of mutual funds		-	-
(iv) Government securities		-	-
[₹ 45 000 (Previous year ₹ 45 000)]			
(v) Others			
(a) Pass Through Certificates & Security Receipts		8	8
(b) Units of Private Equity / Seed Fund		99	157
(c) Investments in properties		173	176
Total		21 108	18 994

(5) Borrower group-wise classification of assets financed as in (2) and (3) above:

		(₹ in crore)				
Category		Secured		Unsecured		Total
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018
1. Related parties						
(1) Subsidiaries		-	302	8	8	8
(2) Companies in the same group - Associates		-	-	-	-	-
(3) Other related parties		-	-	1 170	1 655	1 170
2. Companies in the same group - as per CIC		6 880	5 308	1 895	1 302	8 775
3. Other than related parties		22	272	6	671	28
Total		6 902	5 882	3 079	3 636	9 981

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2018

- (6) **Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted excluding stock-in-trade)**

(₹ in crore)

Category	Market Value / Fair Value or NAV		Book Value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
1. Related parties				
(a) Subsidiaries	12 708	11 664	12 203	11 664
(b) Companies in the same group – Associates	6 570	78	294	78
(c) Other related parties	65	114	293	293
2. Companies in the same group – as per CIC	8 015	6 592	8 000	6 571
3. Other than related parties	235	366	145	214
Total	27 593	18 814	20 935	18 818

- (7) **Other information**

(₹ in crore)

Particulars	March 31, 2018	March 31, 2017
a Gross Non-Performing Assets		
1) Related parties	29	36
2) Other than related parties	-	4
b Net Non-Performing Assets		
1) Related parties	-	-
2) Other than related parties	-	3
3) Assets acquired in satisfaction of debt [Net of provision ₹ Nil (Previous year ₹ 1 crore)]	-	1

Notes:

- a) In case of unquoted investments, in the absence of market value book value has been considered.
b) Investments are classified between non-current and current investments (including current portion of long-term investments) as required under revised Schedule III to the Act.
c) Gross Non-Performing Assets and Net Non-Performing Assets given above includes loans & advances and bonds & debentures.

41 Disclosure of details as required by Para 19 of Core Investment Companies (Reserve Bank) Directions, 2016 (RBI CIC Directions)

- (i) **Maturity pattern of asset and liabilities (At Book Values)**

(₹ in crore)

Particulars	1 day to 30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from bank / financial institution	- (-)	- (-)	- (-)	- (-)	5 (-)	138 (-)	238 (-)	234 (-)	615 (-)
Market Borrowings	458 (271)	758 (1 651)	116 (858)	673 (603)	584 (1 621)	3 995 (3 062)	4 548 (2 932)	8 960 (7 675)	20 092 (18 673)
Assets									
Loans / Advances / Security Deposit	415 (34)	140 (-)	25 (30)	- (20)	2 768 (1 449)	6 611 (7 917)	- (7)	19 (33)	9 978 (9 490)
Investments	1 443 (230)	- (-)	- (-)	- (-)	- (16)	78 (-)	- (748)	19 587 (17 840)	21 108 (18 834)

Notes:

- (a) All quoted investments have been included in 1 day to 30 / 31 days (one month) bucket considering its liquidity. All unquoted equity shares / warrants including investment in subsidiaries have been included in 'Over 5 years'. The maturity pattern has been prepared in line with various regulations issued by RBI from time to time, best practices & based upon best estimate of the management with regard to the timing of various cashflows.

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Notes to the Standalone Financial Statement for the year ended March 31, 2018

- (b) The classification of Assets and Liabilities into current and non-current is carried out based on their residual maturity profile as per requirement of Schedule III to the Companies Act, 2013. The above maturity pattern of assets and liabilities has been prepared by the Company after taking into consideration guidelines for assets-liabilities management (ALM) system as per CIC Directions issued by RBI, best practices and best estimate of the Assets-Liability Committee / management with regard to the timing of various cash flows, which has been relied upon by the Auditors.
- (c) Assets does not include Cash and Bank Balances amounting to ₹ 2,982 crore (Previous year ₹ 4,211 crore).

(ii) Exposure to Real Estate

Category	2017-18	2016-17
(₹ in crore)		
a) Direct Exposure		
i) Residential Mortgages	-	35
ii) Commercial Real Estate	-	615
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
a. Residential	-	-
b. Commercial	-	-
b) Indirect Exposure		
Fund based and Non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	894	1 231
Total Exposure to real estate sector	894	1 881

Notes:

- i) For the exposure to real estate only loans secured by way of mortgage / hypothecation of housing properties, commercial properties and land are considered.
- ii) In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the Auditors.

(iii) Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss

Particulars	March 31, 2018	March 31, 2017
(₹ in crore)		
(a) Provisions for depreciation / (appreciation) on investment / written off	173	(61)
(b) Provision / (reversal) towards NPA & doubtful debts	9	(5)
(c) Provision made towards Income tax	226	98
(d) Provision for standard assets	16	22
(e) Provision for repossessed stock (Previous year ₹ 45 89 307)	-	-

- 42 In the opinion of management, based on security value, borrowers resolution plans and / or letters of comfort all the assets other than fixed assets and non-current investments are approximately of the value stated if realised in the ordinary course of business.

43 Contingent Liabilities and Commitments (As Certified by the Management)

Particulars	March 31, 2018	March 31, 2017
(₹ in crore)		
a) Contingent Liabilities		
i) Guarantees to banks and financial institutions on behalf of third parties	4 960	4 497
ii) Claims against the Company not acknowledge as debt	2	2
b) Commitments		
i) Estimated amount of contracts remaining to be executed on capital account (net of advances)	61	61
ii) Uncalled amount of investments	11	7

44 Expenditure in foreign currency

Particulars	2017-18	2016-17
(₹ in crore)		
i) Travelling expenses [₹ 67 309 (Previous year ₹ 19 06 964)]	-	-
ii) Legal & professional fees	8	5
iii) Sales & marketing [₹ 23 30 460 (Previous year ₹ 48 55 140)]	-	-
iv) Software maintenance and others [₹ 40 35 478 (Previous year ₹ 9 44 728)]	-	-
Total	8	5

Notes to the Standalone Financial Statement for the year ended March 31, 2018

45 Outstanding Futures & Options as on March 31, 2018

Name of Option	No. of contracts	Units	
		Long	Short
Call option	7 941 (10 220)	5 28 750 (7 59 000)	9 900 (7 500)
Put option	14 537 (11 528)	86 175 (-)	5 96 475 (8 64 575)
Futures	3 185 (5 891)	11 93 760 (43 53 740)	3 60 750 (37 47 925)

Figures in bracket indicate previous year figures.

46 Corporate Social Responsibility Expenditure

As per Section 135 of the Act, the Company is under obligation to incur ₹ 13 crore (Previous year ₹ 13 crore) and has incurred the same in cash, being 2% of the average net profit during the three immediately preceding financial years, calculated in the manner as stated in the Act towards Corporate Social Responsibility through a non-profit centre engaged in the provision of health care for the purpose other than construction / acquisition of asset.

47 Remittance in foreign currency on account of dividend

The Company has paid dividend in respect of shares held by non-residents on repatriation basis. This, *inter-alia* includes portfolio investment, where the amount is also credited to Non-Resident External Account (NRE A/c). The total amount remittable in this respect is specified below:

Particulars	2017-18	2016-17
Dividend		
a) Number of Non-Resident Shareholders	450	460
b) Number of Equity shares held by them	24 109	25 340
c) i) Amount of Dividend paid (gross) (amount in ₹)	2 53 145	2 53 400
ii) Year to which Dividend relates	2016-17	2015-16

48 During the current & previous year, the Company had no specified bank notes or no other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017 and there were no transaction during the period from November 8, 2016 to December 30, 2016.

49 The Company has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards has been made in the books of account and there are no foreseeable losses on such long-term contracts (including derivative contracts).

As per our report of even date attached

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

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration No.: 304026E / E-300009
Chartered Accountants

Parimal Kumar Jha
Partner
Membership No.: 124262

Mumbai
Dated: April 26, 2018

Vivek Prasad
Partner
Membership No.: 104941

For and on behalf of the Board

Chairman
Vice Chairman

Directors

Executive Director
Chief Financial Officer
Company Secretary & Compliance Officer
Mumbai
Dated: April 26, 2018

Anil D. Ambani
Amitabh Jhunjhunwala
Rajendra P. Chitale
Dr. Bidhubhusan Samal
V. N. Kaul
Chhaya Virani
Jai Anmol Ambani
Amit Bapna
Atul Tandon

Reliance Capital Limited

Independent Auditors' Report on the Consolidated Financial Statement

To,

The Members

Reliance Capital Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Reliance Capital Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate companies, comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and its associates in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with relevant rules of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial 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, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those

Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 9, 10, 11 and 12 of the Other Matters paragraph below, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 12 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and its associates as at March 31, 2018 and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

8. We draw attention to Note No. 55 to the consolidated financial statements which describes that the Holding Company has made an application to Reserve Bank of India ('RBI') for obtaining Certificate of Registration as a Core Investment Company ('CIC') and has taken necessary measures to comply with the prudential norms applicable to a CIC.

Our opinion is not modified in respect of this matter.

Other Matters

9. We did not audit the financial statements of thirteen subsidiaries whose financial statements reflect total assets of ₹ 1,509 crore, net assets of ₹ 1,476 crore as at March 31, 2018, total revenue of ₹ 246 crore, net loss of ₹ 58 crore and net cash outflows amounting to ₹ 38 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 288 crore for the year ended March 31, 2018

Independent Auditors' Report on the Consolidated Financial Statement

as considered in the consolidated financial statements, in respect of three associate companies whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and associate companies and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

10. We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of ₹ 30,117 crore, net assets of ₹ 2,666 crore as at March 31, 2018, total revenue of ₹ 12,140 crore, net profit of ₹ 166 crore and net cash inflows amounting to ₹ 285 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by one of the joint auditors of the Holding Company along with other auditors as joint auditors. In respect of such subsidiaries, one of the joint auditors of Holding Company has placed reliance on reports of the other auditors.
11. We did not audit the financial statements of nine subsidiaries whose financial statements reflect total assets of ₹ 32,994 crore, net assets of ₹ 5,381 crore as at March 31, 2018, total revenue of ₹ 4,165 crore, net profit of ₹ 406 crore and net cash inflows amounting to ₹ 88 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 4 crore for the year ended March 31, 2018 as considered in the consolidated financial statements, in respect of one associate company whose financial statements have not been audited by us. These financial statements have been audited by one of the joint auditors of the Holding Company. In respect of such subsidiaries and associate company, one of the joint auditors of Holding Company has placed reliance on reports of the other auditors.
12. We did not audit the financial statements of one associate company included in the consolidated financial statements, which include the Group's share of net loss of ₹ 6 crore for the year ended March 31, 2018. These financial statements are unaudited and have been furnished to us by the Management and approved by respective company's Board of Directors, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this associate company and our report in terms of sub-sections (3) and (11) of Section 143 of the Act insofar as it relates to the aforesaid associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.
Our opinion is not modified in respect of matters in paragraph 9, 10, 11 & 12 above.
13. The auditors of Reliance General Insurance Company Limited ('RGICL'), a subsidiary of the Company, have included the following other matter paragraph in their audit report:

The actuarial valuation of liabilities in respect of Claims Incurred But Not Reported (IBNR) and Claims Incurred But Not Enough Reported (IBNER) is the responsibility of the Company's Appointed Actuary. The actuarial valuation of these liabilities as at March 31, 2018 has been duly certified by the Appointed Actuary and the Mentor to the Appointed Actuary. The Appointed Actuary and the Mentor to the Appointed Actuary have also certified that in their opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by IRDAI and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon the Company's Appointed Actuary and Mentor to the Appointed Actuary's certificate in this regard for forming our opinion on the financial statements of the Company.

Our opinion is not modified in respect of this matter.

14. The auditors of Reliance Nippon Life Insurance Company Limited ('RNLICL'), a subsidiary of the Company, have included the following other matter paragraph in their audit report:

The appointed actuary had resigned with effect from November 23, 2017. The Company has appointed Penal Actuary as per the IRDAI guideline on Transitory Provisions under (Appointed Actuary) Regulations, 2017.

The actuarial valuation of liabilities for life policies in-force and policies where premium is discontinued is the responsibility of the Company's Penal Actuary (the "Appointed Penal Actuary"). The actuarial valuation of these liabilities as at March 31, 2018 has been duly certified by the Penal Actuary and in his opinion, the assumptions for such valuation are in accordance with the generally accepted actuarial principles and practices requirements of the Insurance Act, regulations notified by the IRDAI and Actuarial Practice Standards issued by the Institute of Actuaries of India in concurrence with the IRDAI. We have relied upon the Penal Actuary's certificate in this regard for forming our opinion on the financial statements of the Company.

Our opinion is not modified in respect of this matter.

15. The Consolidated Financial Statements of the Group and its associate companies for the year ended March 31, 2017 were audited by the then Joint Statutory Auditor, M/s. B S R & Co. LLP, Chartered Accountants and the present Joint Statutory Auditor, M/s. Pathak H.D. & Associates, Chartered Accountants who issued an unmodified opinion vide their report dated April 27, 2017.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

16. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;
 - (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group and associate companies incorporated in India including relevant records relating to preparation of the aforesaid

Reliance Capital Limited

Independent Auditors' Report on the Consolidated Financial Statement

- consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group and associate companies incorporated in India including relevant records relating to the preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A and;
- (g) With respect to the other matters to be included in the Auditors' 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:

- The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2018 on the consolidated financial position of the Group and its associates – Refer Note No. 52 to the consolidated financial statements;
- Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2018 – Refer Note No. 57 to the consolidated financial statements;
- There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associate companies during the year ended March 31, 2018;
- The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group and its associate companies for the year ended March 31, 2018 – Refer Note No. 45 to the consolidated financial statements.

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

For **Price Waterhouse & Co**
Chartered Accountants LLP
Firm Registration No.: 304026E/
E-300009
Chartered Accountants

Parimal Kumar Jha
Partner
Membership No.: 124262

Vivek Prasad
Partner
Membership No.: 104941

Mumbai
April 26, 2018

Mumbai
April 26, 2018

Annexure A to the Independent Auditors' Report on the Consolidated Financial Statement

Referred to in paragraph 16(f) of the Independent Auditors' Report of even date to the members of Reliance Capital Limited on the consolidated financial statements for the year ended March 31, 2018

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

- In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Reliance Capital Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is not applicable to one subsidiary company incorporated in India namely Reliance Capital AIF Trustee Company Private Limited, pursuant to MCA notification GSR 583(E) dated June 13, 2017.

Management's Responsibility for Internal Financial Controls

- The respective Board of Directors of the Holding Company, its subsidiary companies and its associate companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the

Annexure A to the Independent Auditors' Report on the Consolidated Financial Statement

accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to twenty subsidiary companies (including one subsidiary company that ceased to be a subsidiary during the year) and four associate companies (including one associate company that ceased to be an associate during the year), incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.
Our opinion is not modified in respect of this matter.

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

Parimal Kumar Jha
Partner
Membership No.: 124262

Mumbai
April 26, 2018

For **Price Waterhouse & Co**
Chartered Accountants LLP
Firm Registration No.: 304026E/
E-300009
Chartered Accountants

Vivek Prasad
Partner
Membership No.: 104941

Mumbai
April 26, 2018

Reliance Capital Limited

Consolidated Balance Sheet as at March 31, 2018

				As at		(₹ in crore)
		Note No.	As at March 31, 2018	As at March 31, 2017		
I	EQUITY AND LIABILITIES					
	(1) Shareholders' funds					
	(a) Share capital	4	253	253		
	(b) Reserves and surplus	5	14 954	15 207	15 081	15 334
	(2) Minority interest			1 754		1 631
	(3) Non-current liabilities					
	(a) Long-term borrowings	6	34 929	26 906		
	(b) Other long-term liabilities	7	19 308	16 718		
	(c) Long-term provisions	8	691	54 928	537	44 161
	(4) Current liabilities					
	(a) Short-term borrowings	9	3 458	6 153		
	(b) Trade payables	10				
	– Micro, small and medium enterprises		-	-		
	[₹ 13 21 000 Previous year ₹ 2 57 823]]					
	– Others		1 150	818		
	(c) Other current liabilities	11	15 905	13 391		
	(d) Short-term provisions	12	1 449	21 962	1 113	21 475
	TOTAL		93 851	93 851		82 601
II	ASSETS					
	(1) Non-current assets					
	(a) Fixed assets	13				
	(i) Tangible assets		348	240		
	(ii) Intangible assets		5 333	5 505		
	(iii) Intangible assets under development		32	3		
			5 713	5 748		
	(b) Non-current investments	14	34 327	30 010		
	(c) Deferred tax assets (net)	15	57	202		
	(d) Long-term loans and advances	16	27 468	24 955		
	(e) Other non-current assets	17	564	68 129	717	61 632
	(2) Current assets					
	(a) Current investments	18	4 491	4 642		
	(b) Inventories	19	3	40		
	(c) Trade receivables	20	1 076	910		
	(d) Cash and bank balances	21	4 833	5 725		
	(e) Short-term loans and advances	22	12 470	8 518		
	(f) Other current assets	23	2 849	25 722	1 134	20 969
	TOTAL		93 851	93 851		82 601

The accompanying notes (1-57) are integral part of these consolidated financial statements

As per our report of even date attached

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

Parimal Kumar Jha
Partner
Membership No.: 124262

Mumbai
Dated: April 26, 2018

For **Price Waterhouse & Co**
Chartered Accountants LLP
Firm Registration No.: 304026E / E-300009
Chartered Accountants

Vivek Prasad
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Membership No.: 104941

For and on behalf of the Board

Chairman
Vice Chairman

Directors

Executive Director
Chief Financial Officer
Company Secretary & Compliance Officer
Mumbai
Dated: April 26, 2018

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Rajendra P. Chitale
Dr. Bidhubhusan Samal
V. N. Kaul
Chhaya Virani
Jai Anmol Ambani
Amit Bapna
Atul Tandon

Reliance Capital Limited

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

(₹ in crore)

	Note No.	2017-18	2016-17
REVENUE			
I Revenue from operations	24	19 864	17 507
II Other income	25	34	133
III Total revenue (I+II)		19 898	17 640
IV EXPENSES			
Cost of Materials Consumed	26	213	367
Employee benefit expense	27	1 401	1 337
Finance costs	28	4 026	3 068
Depreciation and amortisation expense	13	143	116
Other expenses	29	12 443	11 213
Total expenses		18 226	16 101
V Profit before tax (III-IV)		1 672	1 539
VI Tax expense			
(1) Current taxation		410	373
Less: MAT credit availed		(88)	(29)
(2) Taxation for earlier years		(27)	7
(3) Deferred tax		143	(58)
VII Profit after tax (V-VI)		1 234	1 246
VIII Less: Share of minority shareholders		103	162
IX Profit after minority interest (VII-VIII)		1 131	1 084
X Add: Net Share of profit / (loss) in associates		178	2
XI Profit after share of profit / (loss) in associates (IX+X)		1 309	1 086
XII Add: Profit / (loss) on sale of subsidiaries and associates (Refer Note No. 31) [₹ Nil (Previous year ₹ 42 02 488)]		-	-
XIII Net profit after tax (XI+XII)		1 309	1 086
XIV Earnings per equity share of ₹ 10 each fully paid-up			
(1) Basic (₹)	50	51.81	42.99
(2) Diluted (₹)	50	51.72	42.99

The accompanying notes (1-57) are integral part of these consolidated financial statements

As per our report of even date attached

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

Parimal Kumar Jha
Partner
Membership No.: 124262

Mumbai
Dated: April 26, 2018

For **Price Waterhouse & Co**
Chartered Accountants LLP
Firm Registration No.: 304026E / E-300009
Chartered Accountants

Vivek Prasad
Partner
Membership No.: 104941

For and on behalf of the Board

Chairman
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Dated: April 26, 2018

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Jai Anmol Ambani
Amit Bapna
Atul Tandon

Reliance Capital Limited

Consolidated Cash Flow Statement for the year ended March 31, 2018

	(₹ in crore)	
	2017-18	2016-17
A. Cash flows from operating activities		
Profit before tax	1 672	1 539
Adjusted for		
Depreciation & Amortisation	143	116
Provision for NPA, doubtful debts and balances written off	470	271
Provision for diminution in the value investments / written off	165	(138)
Provision and loss on repossessed stock	5	70
Provision for gratuity / leave encashment	(19)	17
Excess provision / credit balance written back	(2)	(10)
Bad debts recovered	(15)	(58)
(Profit) / loss on sale of fixed assets	3	(11)
Reserve for unexpired risk provided	308	140
Amortised DSA commission	131	72
Interest income on investments	(2 330)	(1 448)
Dividend income on investments	(208)	(73)
(Profit) / loss on sale of investment (Net)	(1 814)	(1 264)
Amortised brokerage on borrowing	42	26
Discount on commercial papers	287	320
Interest expenses	3 698	2 722
	864	752
Operating profit before working capital changes	2 536	2 291
Adjusted for		
Inventories	37	22
Deferred expenses	(254)	(174)
Interest paid	(3 329)	(2 502)
Trade receivables & Loans and advances	(7 141)	(5 534)
Trade payables and Liabilities	3 390	2 602
	(7 297)	(5 586)
Cash used in operations	(4 761)	(3 295)
Taxes paid	(304)	(328)
Net cash used in operating activities	(5 065)	(3 623)
B. Cash flows from investing activities		
Purchase of fixed assets (including capital advances)	(407)	(474)
Sale of fixed assets	26	33
Purchase of investments	(24 671)	(34 103)
Proceed from sale of Investments	21 465	27 129
Proceed from sale of current investments (net)	889	(169)
Interest received	1 714	1 452
Dividend received	208	73
Net cash used in investing activities	(776)	(6 059)

Reliance Capital Limited

Consolidated Cash Flow Statement for the year ended March 31, 2018

		(₹ in crore)
	2017-18	2016-17
C. Cash flows from financing activities		
Dividends paid (including dividend tax thereon)	(293)	(369)
Proceeds from / (repayment of) short-term borrowings (Net)	(2 981)	1 078
Proceeds from Long-term borrowings	16 460	15 826
Repayment of Long-term borrowings	(6 627)	(6 000)
Share capital issued during the year	3	-
Net cash from financing activities	6 562	10 535
Net increase in cash and cash equivalents (A + B + C)	721	853
Opening balance of cash and cash equivalents	3 599	2 746
Less: Sale of subsidiary (Refer Note c below)	17	-
	3 582	2 746
Closing balance of cash and cash equivalents (Refer Note No. 21)	4 303	3 599

Notes:

- The previous year's figures have been regrouped and reclassified wherever necessary.
- Cash and cash equivalents include cash on hand, cheques on hand and bank balances.
- During the year, Reliance Nippon Life Asset Management Limited has ceased to be a subsidiary of the Company and hence has not been considered for Cash Flow Statement.

As per our report of even date attached

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

Parimal Kumar Jha
Partner
Membership No.: 124262

Mumbai
Dated: April 26, 2018

For **Price Waterhouse & Co**
Chartered Accountants LLP
Firm Registration No.: 304026E / E-300009
Chartered Accountants

Vivek Prasad
Partner
Membership No.: 104941

For and on behalf of the Board

Chairman
Vice Chairman

Directors

Executive Director
Chief Financial Officer
Company Secretary & Compliance Officer
Mumbai
Dated: April 26, 2018

Anil D. Ambani
Amitabh Jhunjhunwala
Rajendra P. Chitale
Dr. Bidhubhusan Samal
V. N. Kaul
Chhaya Virani
Jai Anmol Ambani
Amit Bapna
Atul Tandon

Reliance Capital Limited

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

1 Background

Reliance Capital Limited ('The Holding Company') is registered as Non-Banking Financial Company (NBFC) as defined under Section 45-IA of the Reserve Bank of India Act, 1934 (RBI). The Company has positioned itself as a Core Investment Company ('CIC') in terms of the Core Investment Companies (Reserve Bank) Directions, 2016 (RBI CIC Directions). As a CIC, the Company is primarily a Holding Company, holding investments in its subsidiaries, associates and other group companies. The Company's subsidiaries and associates are engaged in a wide array of businesses in the financial service sector.

2 Significant Accounting Policies

a Principles of Consolidation

The consolidated financial statement relate to Reliance Capital Limited ('Holding Company'), its subsidiaries and its associates (collectively referred to as "Group"). The consolidated financial statement has been prepared on the following basis:

- i) The Standalone financial statements of the Holding Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.
- ii) The consolidated financial statement have been prepared using uniform accounting policies for transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Holding Company's standalone financial statement.
- iii) The difference between the costs of investment in the subsidiaries over the net assets as on the date of acquiring control is recognised in the consolidated financial statement as Goodwill or Capital Reserve as the case may be.
- iv) The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated statement of profit and loss as the profit or loss on disposal of investment in subsidiary as the case may be.
- v) Minority interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Company.
- vi) Minority interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- vii) Minority interests in the net assets consist of:
 - (i) the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
 - (ii) the minorities' share of movements in equity since the date the parent-subsidiary relationship came in existence.
- viii) The standalone financial statements of the Holding Company and its associates have been combined on the basis of equity method, whereby the investment is initially recorded at cost, identifying any goodwill / capital reserve arising at the time of acquiring control. The carrying amount of the investment is adjusted thereafter for post acquisition change in the Holding Company's share of net assets of the associates. Unrealised profits and losses resulting from transactions between the Holding Company and the associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are not eliminated if and to the extent the cost of the transferred asset cannot be recovered. The consolidated statement of profit and loss reflects the Holding Company's share of operations of the associates.
- ix) In case of foreign subsidiaries and companies controlled by the Holding Company, in translating the financial statement of non-integral foreign subsidiaries for consolidation, the following procedures have been followed:
 - a) The assets and liabilities both monetary and non-monetary, of the non-integral foreign operations are translated at the closing rate;
 - b) Income and expenses items of the non-integral foreign operations are translated at the average rate; and
 - c) All resulting exchange differences (if any) are accumulated in foreign currency translation reserve.

b Basis of Preparation of the Consolidated Financial statement

The consolidated financial statement are prepared and presented under the historical cost convention, on the accrual basis of accounting unless otherwise stated in accordance with the Generally Accepted Accounting Principles (GAAP) in India and comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 (The Act), read with relevant rules of the Companies (Accounts) Rules, 2014 and relevant provisions of the Act. The Company complies with the prudential norms relating to income recognition, asset classification and provisioning for non-performing assets and other matters as applicable to CIC. In case of Reliance General Insurance Company Limited (RGICL) and Reliance Nippon Life Insurance Company Limited (RNLICL), the financial statements are drawn up in accordance with the Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory and Development Authority (Preparation of Financial Statement and Auditors Report of Insurance Companies) Regulations, 2002 and orders and directions issued by Insurance Regulatory and Development Authority of India (IRDAI) in this behalf and the regulations framed thereunder read with relevant provisions of the Insurance Act, 1938 as amended in Insurance (Law) Amendment Act, 2015 and the Companies Act, 2013. In case of Reliance Home Finance Limited (RHFL), the financial statement are drawn up in accordance with the National Housing Bank (NHB) Act, 1987. In case of Reliance Commercial Finance Limited (RCFL), the financial statement are drawn up in accordance with the Reserve Bank of India Act, 1934. These consolidated financial statement are presented in Indian rupees rounded to the nearest crore except otherwise stated.

c Use of Estimates

The preparation of consolidated financial statement 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 consolidated financial statement and

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

d Revenue Recognition

i) Interest income:

Interest income is recognised as it accrues on a time proportion basis taking into account the amount outstanding and the rate applicable except in the case of Non-Performing Assets ("NPAs") where it is recognised, upon realisation. Accretion of discount and amortisation of premium relating to debt securities is recognised over the holding / maturity period on constant yield to maturity method, in accordance with policy of Reliance General Insurance Company Limited.

ii) Dividend income:

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

iii) Discount on investments:

The difference between the acquisition cost and face value of debt instruments is recognised as interest income over the tenor of the instrument on straight-line basis.

iv) Redemption premium on investments:

Redemption premium on investments is recognised as finance income over the tenor of the investment.

v) Investment management fees:

Investment management fees are recognised on an accrual basis in accordance with Investment Management Agreement and SEBI (Mutual Fund) Regulations, 1996 based on average Assets Under Management (AUM) of Reliance Mutual Fund Schemes.

vi) Portfolio management fees:

Portfolio management fees are recognised on an accrual basis in accordance with Portfolio Management Agreement entered with respective clients except in case of Reliance Securities Limited which is 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.
- d) 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.

vii) Online access fees:

Online access fees is recognised on straight-line basis, based on the agreement with the clients.

viii) Infrastructure and resource management fees:

Infrastructure and resource management service fees are recognised on accrual basis as per agreements with the clients.

ix) Advisory service fee:

Fee for Advisory services is accounted in accordance with the terms and contracts into with the respective clients / investment managers / advisor.

x) Trusteeship fee:

Trusteeship fee income is recognised on the basis of the agreements entered into between the Settlor and the Trustee.

xi) Loan / other processing fee:

Loan processing fee is accounted for upfront upon processing of loans, as and when it becomes due.

xii) Management fee:

Management fee towards support services is accounted as and when services are rendered and it becomes due on contractual terms with the parties.

xiii) Income from investments:

Profit earned from sale of securities is recognised on trade date basis. The cost of securities is computed based on weighted average basis.

xiv) Income from assignment / securitisation and servicing fee:

In case of assignment / securitisation of loans, the assets are derecognised when all the rights, title, future receivables and interest thereof along with all the risks and rewards of ownership are transferred to the purchasers of assigned / securitised loans in accordance with Reserve Bank of India / National Housing Bank Guidelines if any. The profit if any, as reduced by the estimated provision for loss / expenses and incidental expenses related to the transaction, is recognised as gain or loss arising on assignment / securitisation. Loss arising from these transactions if any, are recognised immediately in the Statement of Profit and Loss. Servicing fees received is accounted for based on the underlying deal structure of the transaction as per the agreement.

xv) Income from trading in securities and derivatives:

The initial margin and the additional margin paid for entering into contracts for equity futures and options are disclosed under the head Loans and Advances in the Balance Sheet.

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Notes to the Consolidated Financial Statement for the year ended March 31, 2018

Income from trading in securities and derivatives comprises of Profit / (loss) on hedged positions in securities and futures. All the hedged positions in securities and securities futures are marked to market and difference between the transaction price and settlement price is recognised as gains or losses.

The Brokerage, Securities Transaction Tax (STT) and other payments made in connection with the acquisition of securities are added to the cost of acquisition. The amount shown under sale of securities is net of brokerage and STT.

xvi) Income from exchange traded derivatives:

In respect of exchange traded derivatives undertaken, net gain / loss arising from settlement of such transactions during the year or loss from restatement of such transactions that are pending settlement at the year end are recognised in the Statement of Profit and Loss for the year.

xvii) Income from trading in commodities:

The initial margin and the additional margin paid for entering into contracts for commodity futures and options are disclosed under the head Short-term Loans and Advances in the Balance Sheet.

Income from trading in commodities comprises of Profit / (loss) on hedged positions in commodity stocks and futures. All the hedged positions in commodity and commodity futures are marked to market and difference between the transaction price and settlement price is recognised as gains or losses.

The Brokerage and other payments made in connection with the acquisition of commodities are added to the cost of acquisition. The amount shown under sale of commodities is net of Brokerage.

xviii) Income from trading in currency derivatives:

The initial margin and the additional margin paid for entering into contracts for currency futures and options are disclosed under the head Loans and Advances in the Balance Sheet.

Income from trading in currency comprises of Profit / (loss) on currency futures. All the positions in currency and currency futures are marked to market and difference between the transaction price and settlement price is recognised as gains or losses.

The Brokerage and other payments made in connection with the acquisition of currency derivatives are added to the cost of acquisition. The amount shown under sale of currency derivatives is net of brokerage.

xix) Income from lease:

Lease rental income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

xx) Revenue on money changer:

Revenue on foreign exchange transactions is recognised at the time of sale. The income arising from selling of foreign currencies represents the margin earned on sale of foreign currencies.

xxi) Premium:

In case of Reliance Nippon Life Insurance Company Limited (RNLI), premium on non linked insurance policies is recognised when due except on policies with explicit charging structure and variable insurance policies, which are recognised when policy account is credited. Premium on unit linked insurance policies is recognised when associated units are created. Premium on lapsed insurance policies is recognised as income when such policies are reinstated. Top-up premium is considered as single premium.

In case of Reliance General Insurance Company Limited (RGICL), premium (net of service tax / GST) is recognised as income over the contract period or the period of risk whichever is appropriate. Any subsequent revisions to or cancellations of premium are recognised in the year in which they occur. In respect of Government Schemes being implemented by the RGICL for crop and weather insurance, premium is recognised (including share of Central Government and respective State Government) upon remittance of farmer's share received from the Nodal Banks out of such premium collected by them subject to acceptance of proposal / declaration by the RGICL.

xxii) Commission:

- i) Profit commission under reinsurance treaties, wherever applicable, is recognised on accrual. Any subsequent revisions of profit commission are recognised for the year in which final determination of the profits is intimated by reinsurer.

xxiii) Reinsurance ceded:

- i) Commission income on reinsurance ceded is recognised as income in the period in which reinsurance premium is ceded.
- ii) Profit commission under reinsurance treaties, wherever applicable, is recognised on accrual basis. Any subsequent revisions of profit commission are recognised in the year in which final determination of the profits are intimated by reinsurer.

xxiv) Reinsurance premium:

- i) Insurance premium ceded is accounted in the year in which the risk commences and recognised over the contract period. Any subsequent revision to refunds & cancellation of policies are recognised in the year in which they occur.
- ii) Reinsurance inward is accounted to the extent of the returns received from the reinsurer.

xxv) Premium received in advance:

Premium received in advance represents premium received in respect of policies issued during the year, where the risk commences subsequent to the balance sheet date.

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

- xxvi) Sales & services:
Revenue from sale is recognised on transfer of all significant risks and rewards of ownership as per terms of contracts with the customers (net of sales return, Service Tax / Goods and Service Tax (GST) and trade discount).
- xxvii) Brokerage income:
Brokerage income is recognised net of Service Tax / Goods and Service Tax on the date of transaction.
- e **Fixed assets – Property, Plant & Equipment**
- i) Tangible assets
– Leased assets
All assets given on operating lease are shown as fixed assets net of depreciation and impairment loss, if any. Initial direct costs in respect of leases are expensed in the year in which such costs are incurred.
– Own assets
Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost includes all expenses incidental to the acquisition of the fixed assets.
- ii) Intangible assets
Intangible assets are recognised where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortisation.
Expenditure incurred on acquisition / development of intangible assets which are not put / ready to use at the reporting date is disclosed under intangible assets under development.
- iii) Goodwill
Goodwill represents the difference between the cost of acquisition and the Company's share in the net worth of a subsidiary at each stage of making the investment in the subsidiary. Goodwill on consolidation is not amortised. Assessment is done at each balance sheet date as to whether there is any indication that goodwill may be impaired. If any such indication exists, an estimate of the recoverable amount is made and goodwill whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Goodwill arising pursuant to the Scheme of Arrangement is amortised on straight-line basis over the tenure of 5 to 10 years.
- f **Depreciation / Amortisation**
- i) Tangible assets
The Company has provided for depreciation over the useful life of the assets as prescribed under part C of Schedule II to the Companies Act, 2013 as per straight-line method except Plant & Machinery and data processing machineries given on lease where useful life is considered 8 years and 5 years, respectively based on management's assessments of useful life in respect of these assets. Lease hold improvements are amortised over the primary period of the lease on straight-line basis.
- ii) Intangible assets
The Company has amortized intangible asset on straight-line basis over the useful life of the asset up to a maximum of 5 years commencing from the month in which such asset is first installed.
The Company provides pro-rata depreciation from the day the asset is put to use and for any asset sold, till the date of sale.
- g **Impairment of assets**
The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.
- h **Investments**
Investments are classified as long-term or current based on intention of the management at the time of purchase. Current investments are valued, scrip wise at cost or fair value, whichever is lower. Long-term investments are carried at carrying cost less diminution in value which is other than temporary, determined separately for each individual investment scrip wise. In case of insurance companies, investments have been valued in accordance with the provisions of the Insurance Act, 1938 as amended in Insurance Laws (Amendment) Act, 2015 and the Regulations and / or orders / directions / circulars / guidelines issued by the IRDAI in this behalf, except in case of RNLICL where investments are valued as follows:
- i) Non-linked policyholders' investments, non-unit reserve and shareholders' investments
All debt securities held by RNLICL are considered as 'held to maturity' and measured at historical cost subject to amortisation of the premium / discount over the remaining period to maturity of these securities on straight-line basis.
In respect of listed equities, Exchange Traded Fund (ETF) and mutual funds, the unrealised gains / losses between the cost price and the fair value price are accounted in the "Fair Value Change" account in the balance sheet.
Mutual fund units are valued at the previous day's net asset value of the respective fund.
- ii) Linked business
Securities issued by Government of India (except Treasury Bills) and State Government securities are valued at prices released by Credit Rating Information Services of India Limited (CRISIL).

Reliance Capital Limited

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

Bonds and debentures including asset backed securities are valued on the basis of CRISIL Bond Valuer.

Money market instruments including treasury bills are valued at historical cost, subject to amortisation of premium or accretion of discount on straight-line basis over the remaining period to maturity of these securities.

Listed equities and ETF are measured at fair value, being the quoted closing prices on the National Stock Exchange of India Limited (NSE) (in case it is not traded on the NSE then quoted closing price on the BSE Limited is used) on the last trading day of the financial year.

Mutual fund units are valued at the previous day's net asset value of the respective fund.

iii) **Transfer of investments**

Any transfer of investments from shareholders to policyholders is carried out at amortised cost or market value whichever is lower.

In case of linked funds, inter fund transfer of debt securities is carried out at latest available price and equities at the prevailing market price during market hours.

An investment property is accounted for in accordance with cost model. The cost of any shares in a co-operative society or a company, the holding of which is directly related to the right to hold the investment property, is added to the carrying amount of the investment property.

i) **Inventories**

- Securities held as inventories are valued scrip wise at weighted average cost or fair value, whichever is lower.
- Commodities held as inventories are valued at weighted average cost or realisable value, whichever is lower.
- Stock of foreign currencies have been valued at weighted average cost or realisable value, whichever is lower.
- Stock of gold has been valued at weighted average cost or realisable value, whichever is lower.
- Stock of paintings are of such nature that the market value of which cannot be easily available, hence valued at cost.

j) **Reposessed assets**

Assets reposessed against the settlement of loans are carried in the balance sheet at outstanding loan amount. The classification and provision is based on the underlying Days Past Due (DPD) for these loans.

k) **Provisions for Non-Performing Assets (NPA) and Doubtful Debts**

NPA including loans and advances, receivables are identified as bad / doubtful based on the duration of the delinquency. The duration is set at appropriate levels for each product. NPA provisions are made based on the management's assessment of the degree of impairment of loan assets and the level of provisioning which meets the RBI CIC Directions / NBFC / NHB prudential norms prescribed by Reserve Bank of India / National Housing Bank.

l) **Provisions for Standard Assets**

Provisions on standard assets are made as per para 13 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, para 18 of RBI CIC Directions as prescribed by the Reserve Bank of India and prudential norms as per Housing Finance Companies (NHB) Directions, 2010.

m) **Security of loans given**

Housing loans / loans against property granted are secured by equitable registered mortgage of property and / or undertaking to create a security. Other secured loans are secured against hypothecation of respective assets.

n) **Foreign currency transactions**

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction. Exchange differences, if any, arising out of transactions settled during the year are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies at the year end are restated at year end rates. Non-monetary foreign currency items are carried at cost.

o) **Employee benefits**

i) **Provident fund:**

Contributions payable to the recognised provident fund, which is a defined contribution scheme, are charged to the Statement of Profit and Loss.

ii) **Gratuity:**

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

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

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

- iii) Leave encashment:
Leave encashment which is a defined benefit, is accrued for based on an actuarial valuation at the balance sheet date carried out by an independent actuary.
The employees of the group are entitled to compensated absence. The employees can carry forward a portion of the unutilised accrued leave balance and utilise it in future periods. The group records an obligation for compensated absences in the period in which the employee renders the service that increases the entitlement. The Company measures the expected cost of compensated absence as the amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.
- iv) Phantom Shares:
As a long-term incentive plan to employees, the Company has initiated Phantom Stock Option Plan which are cash settlement rights where the employees are entitled to get cash compensation based on agreed formulae linked to market value of shares upon exercise of Phantom Stock Options over notional or hypothetical shares, whereby instead of becoming entitled to buy the actual shares on vesting, they become entitled to cash payment equivalent to appreciation in the value over defined base price of shares. The present value of the obligation under such plan is determined based on actuarial valuation.
- p **Employee Stock Option Scheme ("ESOS")**
The employees of the Company and its subsidiaries are entitled for grant of stock options (equity shares), based on the eligibility criteria set in ESOS plan of the Company. The employee compensation expenses are accounted on the basis of "intrinsic value method" as prescribed by the Guidance Note on Employee share based payments issued by the Institute of Chartered Accountants of India as required by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The excess, if any, of quoted market price over the exercise price on the date of grant would be recognised as compensation cost over the vesting period. The Company recognises compensation cost on the basis of estimated number of stock options expected to vest.
For the listed shares, the fair market price is the latest closing price, immediately prior to the date of the Board of Directors meeting in which the options are granted, on the stock exchange on which the shares of the group are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date is considered. If the shares are unlisted, then the fair value of options granted is estimated on the date of grant using the Black Scholes Model.
- q **Loan origination / acquisition cost**
The direct commission cost incurred for the loan origination is written off over the average tenure of the loan.
- r **Discount on Commercial Paper**
The difference between the issue price and the redemption value of commercial papers is apportioned on time basis and recognised as discounting expense.
- s **New fund offer expenses of schemes**
Expenses relating to new fund offer of mutual fund and Portfolio Management Scheme (PMS) schemes are charged in the Statement of Profit and Loss in the year in which such expenses are incurred except for closed ended schemes which are recognised over the duration of the scheme.
- t **Expenses of management**
Expense relating to insurance business is allocated on the basis of net premium written to the Revenue Account(s).
Expenses relating to investment activities are charged to the Statement of Profit and Loss.
- u **Financial derivatives and commodity hedging transactions**
Financial derivatives and commodity hedging transaction are accounted for on a mark to market basis. Payments of margin requirements on this contract are recognised on the Balance Sheet.
- v **Claims incurred**
Claims incurred comprises of claims paid (net of salvage and other recoveries), change in estimated liability for outstanding claims made following a loss occurrence reported and change in estimated liability for claims Incurred But Not Reported ('IBNR') and claims Incurred But Not Enough Reported ('IBNER'). Further, claims incurred also include specific claim settlement costs such as survey / legal fees and other directly attributable costs.
Salvaged assets are recognised on realisation basis.
Claims (net of amounts receivable from reinsurers / co-insurers) are recognised on the date of intimation on management estimates of ultimate amounts likely to be paid on each claim based on the past experience. These estimates are progressively revalidated on availability of further information.
IBNR represents that amount of claims that may have been incurred during the accounting period but have not been reported or claimed. The IBNR provision also includes provision, if any, required for claims IBNER. Estimated liability for claims IBNR and IBNER is certified jointly by the Appointed Actuary and the Mentor to the Appointed Actuary of RGICL for the year ended March 31, 2018.
- w **Reserve for unexpired risk**
Reserve for unexpired risk is made on the amount representing that part of the net premium written which is attributable to and to be allocated to the succeeding accounting period using 1/365 method for all lines of business other than Marine Hull. In case of Marine Hull business 100% of the Net Written Premium during the preceding twelve month is recognised as reserve for unexpired risk.

Reliance Capital Limited

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

x Premium deficiency

Premium deficiency is recognised if the cost of expected net claim cost, related expenses and maintenance cost exceeds the sum of related premium carried forward to subsequent accounting period as the reserve for unexpired risk. Premium deficiency is recognised at RGICL level. The RGICL considers maintenance cost as relevant cost incurred for ensuring claim handling operations. The expected claim cost is required to be calculated and duly certified jointly by the Appointed Actuary and the Mentor to the Appointed Actuary of RGICL.

y Acquisition cost

Acquisition cost are cost that vary with and are primarily related to acquisition of insurance contracts / policies and are expensed in the period in which they are incurred.

z Fund expenses

Expenses incurred on behalf of schemes of Reliance Mutual Fund are recognised in the Statement of Profit and Loss under advertisement / brokerage expenses unless considered recoverable from the schemes in accordance with the provisions of SEBI (Mutual Fund) Regulations, 1996.

Expenses directly incurred for the schemes of Reliance Mutual Fund are charged to the Statement of Profit and Loss under respective heads. Distribution cost is recognised over the duration or clawback period of the scheme for close ended and open ended schemes respectively.

aa Actuarial liability valuation

Appointed actuary of Reliance Nippon Life Insurance Company Limited (RNLICL) has resigned on November 23, 2017. Consequently, as per the Insurance Act, 1938, the IRDAI Act, 1999, transitory provision under IRDAI (Appointed Actuary) regulation 2017 read with IRDAI guidelines IRDA/ACT/GDL/MISC/194/08/2017 dated August 17, 2017 and IRDAI circular IRDA/ACT/MISC/MISC/039/02/2017 dated February 15, 2017, RNLICL has appointed Panel Actuary and actuarial liability valuation is certified by the Panel Actuary.

A brief methodology used for the various line of business is as given below:

- i) Liabilities on life insurance policies are determined by the Panel Actuary by using generally accepted actuarial practice in accordance with the actuarial practice standards and guidance notes issued by the Institute of Actuaries of India, the requirements of the Insurance Act, 1938 and the relevant regulations issued by the IRDAI.
- ii) The liabilities under Non- Linked individual policies are calculated by the prospective Gross Premium Valuation (GPV) method. The liabilities are calculated so that together with the estimated future premium payments and investment income, the assets of the RNLICL are expected to be sufficient to meet future claims (including bonus entitlements to policyholders, if any) and expenses.
- iii) The liabilities for Linked individual comprises of unit and non-unit reserves. The unit reserve is determined as number of units, as on valuation date multiplied by the unit prices at the valuation date. The non-unit reserve is calculated using the cash flow method by ensuring that at each point of time in future projection there is flooring at zero. The non-unit reserve is calculated on gross premium valuation on prospective basis. No credit is given to the positive profits after the month of last negative profit.
- iv) The liabilities for one year renewable group protection business are calculated by using the Unearned Premium Reserve (UPR) approach. The reserve is further compared with the reserve computed as per the Gross Premium Valuation (GPV) method and the reserve has been kept as the higher of the two. For more than one year renewable group business, the liabilities are calculated using gross premium valuation method.
- v) For the Fund based Group (linked business and non-linked) business with explicit charging structure, the liabilities are taken as the sum of the policyholder's account balances plus additional reserve for expenses (considered only for policies with greater than 1 year policy term) and mortality calculated using the projection method. Further for non-linked fund based products (Individual and Group), where the funds earmarked are higher than the policy account plus non-unit reserve / additional reserve and others adjustments (provisions), the excess is held as a global reserve.
- vi) For some liabilities, the Appointed Panel Actuary has used a method of valuation other than the Gross Premium Method as appropriate, in accordance with IRDAI (Assets, Liabilities and Solvency Margins of Life Insurance Business) Regulations, 2016, Section 2.8 of Schedule II.
- vii) The Riders are valued at higher of Gross Premium Valuation (GPV) and Unearned Premium Reserve (UPR).

ab Amortisation of premium on debt securities

During the previous year ended March 31, 2017, the basis of amortisation of premium or accretion of discount on debt securities has been changed from Straight-line Method to Yield to Maturity (effective interest rate method) over the remaining period to maturity for traditional policyholders and shareholder funds. The Company has applied the change in accounting policy with retrospective effect. With this change, Company's accounting statements more closely reflect the economic value of the securities held.

ac Benefits paid

Benefits paid comprise of policy benefits, claims and claim settlement costs, if any. Death benefit, rider benefits and surrender claims are accounted for on receipt of intimation. Survival benefit claims and maturity claims are accounted when due.

Withdrawals and surrenders for unit linked policies are accounted in the respective schemes when the associated units are cancelled, for variable insurance policies and policies with explicit charge structures are accounted when the policy accounts are debited. Surrender includes amount payable on lapsed insurance policies which are recognised when the revival period of such policies is over and on discontinued policies which are recognised after expiry of lock-in period. Withdrawals and surrenders are disclosed at net of recovered charges. Interest payment, if any, to policyholder is accounted on payment basis.

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

Reinsurance recoveries on claims are accounted in the same period as the related claims and netted off against claim expenses incurred.

ad **Market Linked Debentures (MLDs)**

The Group has issued certain non-convertible debentures, the rate of interest on which is linked to performance of specified indices over the period of the debentures. The Group hedges its interest rate risk on MLD by taking positions in future & options based on specified indices. Any gain / loss on these hedge positions are netted against with interest expense on MLD and resultant 'net loss / gain' is recognised in Statement of Profit and Loss.

ae **Borrowing cost**

Borrowing cost, which are directly attributable to the acquisition / construction of fixed assets, till the time such assets are ready for intended use, are capitalised as part of the cost of the assets. Other borrowing costs are recognised as an expense in the year in which they are incurred. Brokerage costs directly attributable to borrowing are expensed over the tenure of the borrowing.

af **Leases**

i) **Operating leases**

Lease payments for assets taken on an operating lease are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

ii) **Hire purchase**

Assets held under hire purchase arrangements are classified as finance leases and are recognised as assets of Reliance Nippon Life Asset Management Limited (RNLAML) at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a hire purchase liability. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with RNLAML general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

ag **Earnings per share**

The basic earnings per share is computed by dividing the net profit / (loss) after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share, is computed by dividing the net profit / (loss) after tax by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

In computing dilutive earnings per share, only potential equity shares that are dilutive and that reduce profit / (loss) per share are included.

ah **Taxation**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit entitlement is recognised where there is convincing evidence that the same can be realised in future.

Deferred taxation:

The deferred tax charge or benefit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

ai **Provisions, contingent liabilities and contingent assets**

The Company creates a provision when there is a present obligation as a result of past events and it is probable that there will be outflow of resources and a reliable estimate of the obligation can be made of the amount of the obligation. Contingent liabilities are not recognised but are disclosed in the notes to the financial statement. A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

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

aj **Cash & cash equivalents**

In the cash flow statement, cash & cash equivalents includes cash in hand, balance in banks and fixed deposits without lien with original maturities of three months or less.

3 Previous year figures have been rearranged and reclassified wherever necessary.

Reliance Capital Limited

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

		As at March 31, 2018		(₹ in crore) As at March 31, 2017	
4 Share capital					
(a) Authorised:					
30 00 00 000 Equity shares of ₹ 10 each (Previous year 30 00 00 000)		300		300	
10 00 00 000 Preference shares of ₹ 10 each (Previous year 10 00 00 000)		100		100	
		400		400	
(b) Issued & Subscribed:					
25 40 48 888 Equity shares of ₹ 10 each fully paid-up (Previous year 25 39 77 006)		254		254	
		254		254	
(c) Paid-up:					
25 27 04 682 Equity shares of ₹ 10 each fully paid-up (Previous year 25 26 32 800)		252		252	
Add: Forfeited shares 13 44 206 Equity shares of ₹ 10 each (Previous year 13 44 206)		1		1	
		253		253	
(d) Equity shares in the Company held by each shareholder holding more than 5 per cent:					
Name of the holder	As at March 31, 2018		As at March 31, 2017		
	%	Qty.	%	Qty.	
Reliance Inceptum Private Limited	38.67	9 77 14 206	38.68	9 77 14 206	
Reliance Infrastructure Consulting & Engineers Private Limited	11.07	2 79 75 633	11.07	2 79 75 633	
(e) The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholder.					
The Board of Directors have recommended a dividend of 110 per cent [₹ 11 (Previous year ₹ 10.50) per equity share] for the year subject to the approval of the members of the Company at the ensuing Annual General Meeting. In terms of revised Accounting Standard (AS) 4 'Contingencies and Events Occurring After the Balance Sheet Date' as notified by the Ministry of Corporate Affairs through Amendments to the Companies (Accounting Standards) Amendment Rules, 2016 dated March 30, 2016, the Company has not accounted for proposed dividend as a liability as at March 31, 2018. Accordingly, the proposed dividend of ₹ 278 crore and tax thereon ₹ 52 crore (net of dividend distribution tax setoff receivable from subsidiaries) are not recognised as liability in the financial statements for the year ended March 31, 2018.					
(f) Reconciliation of number of shares outstanding:					
	As at March 31, 2018		As at March 31, 2017		
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)	
Equity shares					
Opening Balance	25 26 32 800	252	25 26 32 800	252	
Addition during the year (₹ 7 18 820)	71 882	-	-	-	
Closing Balance	25 27 04 682	252	25 26 32 800	252	
(g) As on March 31, 2018, 11,58,711 equity shares (Previous year 14,76,167 equity shares) are held by custodian against which depository receipts have been issued.					
(h) For employee stock options scheme refer Note No. 34.					

Reliance Capital Limited

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

		(₹ in crore)	
	As at March 31, 2018	As at March 31, 2017	
5 Reserves & surplus			
Capital reserve*			
As per last balance sheet	172	172	
Less: utilised during the year	(73)	-	172
Capital redemption reserve			
As per last balance sheet	24	24	
Less: cessation of subsidiary (₹ 22 47 519 (Previous year ₹ Nil))	-	-	24
Debenture Redemption Reserve**			
As per last balance sheet	49	-	
Add: Amount transferred from Statement of Profit and Loss	207	49	
Less: Minority share adjustments	126	-	49
Securities premium account			
As per last balance sheet	4 044	4 035	
Add: Issued during the year	3	-	
Less: cessation of subsidiary	283	-	
Add: Minority share adjustments	344	9	4 044
General reserve***			
As per last balance sheet	5 580	5 579	
Less: cessation of subsidiary	65	-	
Less: Minority share adjustments	-	(1)	5 580
Statutory reserve fund#			
As per last balance sheet	1 743	1 601	
Add: Amount transferred from Statement of Profit and Loss	209	143	
Less: Minority share adjustments	(1)	1	1 743
Special reserve##			
As per last balance sheet	95	59	
Add: Amount transferred from Statement of Profit and Loss	37	36	
Less: Minority share adjustments	69	-	95
Foreign currency translation reserve			
As per last balance sheet	19	20	
Add: Addition during the year	-	(2)	
Less: cessation of subsidiary	19	-	
Less: Minority share adjustments	-	(1)	19
Settlement guarantee fund			
As per last balance sheet [₹ 4 65 000 (Previous year ₹ 4 65 000)]	-	-	-
Surplus in Statement of Profit & Loss			
As per last balance sheet	3 355	2 400	
Add: Amount transferred from Statement of Profit and Loss	1 309	1 086	
Add: Pursuant to Scheme of Arrangement (Refer Note No. 43(a))	-	106	
Less: Dividend	265	-	
Less: Tax on dividend	29	-	
Less: Transfer to special reserve	37	36	
Less: Transfer to statutory reserve fund	209	143	
Less: Transfer to debenture reserve fund	207	49	
Less: Minority share adjustments	165	9	3 355
	14 954	15 081	

* Includes ₹ 93 crore (Previous year ₹ 166 crore) created pursuant to the Scheme of Amalgamation approved by High Court which shall for all regulatory and accounting purposes be considered to be part of the owned funds / net worth of the Company.

** Created pursuant to the Companies (Share Capital and Debentures) Rules, 2014.

*** Includes ₹ 3,837 crore (Previous year ₹ 3,837) created pursuant to Schemes of Amalgamation approved by High Court.

Created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934.

Created pursuant to Section 29C of the National Housing Bank Act, 1987.

Reliance Capital Limited

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

	(₹ in crore)	
	As at March 31, 2018	As at March 31, 2017
6 Long-term borrowings		
Non convertible debentures		
-Secured (Refer Note No. 30)		
Others	23 741	15 953
-Unsecured		
Others	2 634	18 293
Term loans from banks / financial institutions		
-Secured (Refer Note No. 30)	8 554	8 613
	<u>34 929</u>	<u>26 906</u>
7 Other long-term liabilities		
Interest accrued but not due on debentures	109	22
Credit / (Debit) Fair value change account	156	127
Policy liabilities	10 140	8 202
Provision for linked liabilities	6 439	6 558
Funds for future appropriation-Non linked	200	65
Claim outstanding	2 145	1 638
Security deposits / Collateral deposits from customers	119	106
	<u>19 308</u>	<u>16 718</u>
8 Long-term provisions		
Provision for employee benefits		
-Leave encashment	3	17
-Gratuity	5	2
Others		
-Provision for doubtful loans & investments	539	392
-Contingent provision against standard assets	144	126
	<u>691</u>	<u>537</u>
9 Short-term borrowings		
Secured Non-Convertible Debentures (Refer Note No. 30)	125	-
Loans from banks / financial institutions		
-Secured		
Cash credit (Refer Note a and b below)	1 972	573
Overdrafts from banks (Refer Note c, d & e below)	42	35
Short-term (Refer Note f below)	95	70
-Unsecured	150	-
Loan against shares (Refer Note g below)	25	-
Inter corporate deposits - Unsecured	26	12
Commercial paper - Unsecured (Refer Note h below)	1 023	5 463
	<u>3 458</u>	<u>6 153</u>

Notes:

- Cash Credits facilities amounting to ₹ 1,405 crore (Previous year ₹ 523 crore) referred above are secured by *pari passu* first charge on all present and future book debts (only performing assets), receivables, bills, claims & loan assets of Reliance Commercial Finance Limited.
- Cash Credit facility of ₹ 567 crore (Previous year ₹ 50 crore), secured by *pari passu* first charge in favor of the lender on all the standard book debts, outstanding moneys, receivable claims of the Reliance Home Finance Limited, except for those book debts / receivables to be charged in favor of National Housing Bank for refinance availed / to be availed, if any, from them, against security not exceeding ₹ 574 crore (Previous year ₹ 55 crore).

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

- c. Overdraft from banks amounting to ₹ 38 crore (Previous year ₹ 20 crore) referred above are secured by book debt of Reliance Securities Limited.
- d. Overdraft from banks amounting to ₹ Nil (Previous year ₹ 15 crore) referred above are secured by fixed deposits pledged with Bank.
- e. Overdraft from banks amounting to ₹ 4 crore (Previous year ₹ Nil) referred above are secured by fixed deposits of Reliance Commodities Limited.
- f. Short-term loan amounting to ₹ 95 crore (Previous year ₹ 70 crore) referred above are secured by fixed deposit of Reliance Securities Limited.
- g. Loan against shares (LAS) of ₹ 25 crore (Previous Year ₹ Nil) is secured against shares of clients who have debit balances due to the Reliance Securities Limited.
- h. In respect of commercial papers maximum amount outstanding during the year was ₹ 8,485 crore (Previous year ₹ 8,811 crore).

(₹ in crore)

	As at March 31, 2018	As at March 31, 2017
10 Trade payables		
-Due to micro, small and medium enterprises [(Refer Note below) (₹ 13 21 000 Previous Year ₹ 2 57 823)]	-	-
- Due to others	1 150	818
	<u>1 150</u>	<u>818</u>

Note:

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises as at March 31, 2018 are as under:

(Amount in ₹)

Particulars	2017-18	2016-17
The principal amount remaining unpaid to supplier as at the end of the year	10 77 000	1 48 823
The interest due thereon remaining unpaid to supplier as at the end of the year	2 44 000	1 09 000
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	Nil	Nil
The amount of interest accrued during the year and remaining unpaid at the end of the year	2 44 000	1 09 000

Reliance Capital Limited

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

(₹ in crore)

	As at March 31, 2018	As at March 31, 2017
11 Other current liabilities		
Current maturities of long-term debt		
Non convertible debentures		
-Secured (Refer Note No. 30)	3 537	1 695
-Unsecured	23	-
Term loans from banks / financial institutions		
-Secured (Refer Note No. 30)	4 453	4 197
-Unsecured	-	310
Interest accrued but not due on debentures	1 098	817
Income received in advance	99	53
Advance from customers	232	114
Temporary book overdraft balance of banks	49	225
Claims outstanding	4 497	4 333
Trading margins from clients	298	302
Other payables *	1 598	1 326
Investor education and protection fund		
-Unclaimed dividend #	21	19
	15 905	13 391

Notes:

* Includes provision for expenses, statutory dues payable, securitisation / assignment payables and other payables.

Does not include any amounts, due and outstanding, to be transferred to the Investor Education and Protection Fund created pursuant to Section 125 of the Companies Act, 2013.

12 Short-term provisions

Provision for employee benefits		
-Leave encashment	5	13
-Gratuity	6	6
Others		
-Contingent provision against standard assets	67	31
-Provision for unexpired risk	1 371	1 063
	1 449	1 113

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

13 Fixed assets

Description	Gross Carrying Amount			Accumulated Depreciation / Amortisation			Net Carrying Amount	
	As at April 1, 2017	Addition / adjustment during the year	Deduction / adjustment during the year	As at March 31, 2018	Upto April 1, 2017	Addition / adjustment during the year	Upto March 31, 2018	As at March 31, 2017
(₹ in crore)								
(i) Tangible Assets								
Lease assets								
Plant and equipments	65	-	22	43	30	7	21	35
Vehicles	4	-	-	4	2	-(i)	2	2
Data processing machineries	23	-	-	23	22	-(ii)	22	1
Sub - total - A	92	-	22	70	54	7	45	38
Previous Year	90	9	7	92	47	12	54	38
Own assets								
Freehold Land	-	84	-	84	-	-	-	-
Buildings	127	73	21	179	13	6	18	114
Furniture and fixtures	47	4	6	45	32	8	34	15
Office equipments	74	9	18	65	52	8	44	21
Data processing machineries	174	27	28	173	140	32	145	22
Vehicles	10	4	3	11	7	1	6	3
Leasehold improvement	48	9	26	31	34	6	18	14
Sub - total - B	480	210	102	588	278	61	265	202
Previous Year	476	51	47	480	257	53	278	202
Total (A+B)	572	210	124	658	332	68	310	240
Previous Year	566	60	54	572	304	65	332	240
(ii) Intangible Assets								
Computer software / licensing cost	238	199	7	430	183	51	222	55
Goodwill on business acquisition	32	179	-	211	6	24	30	26
Membership Rights / Asset Management Rights	251	-	250	1	11	-	1	240
Goodwill on consolidation	5 184	1	241	4 944	-	-	-	5 184
Total	5 705	379	498	5 586	200	75	253	5 505
Previous Year	5 426	308	29	5 705	176	49	200	5 505

Notes:

- (i) ₹ 34,04,927 (ii) ₹ 32,37,560
- Depreciation and amortisation as shown in Statement of Profit and Loss includes ₹ 3 crore (Previous year ₹ 2 crore) on account of depreciation on investments in building shown under Non-Current Investments.
- Buildings acquired during the year includes ₹ Nil (Previous year ₹ 2 crore) against settlement of Income from Brokerage Commission on Property Solution.

Reliance Capital Limited

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

	(₹ in crore)	
	As at March 31, 2018	As at March 31, 2017
14 Non-current investments (valued at cost unless stated otherwise)		
Investment in properties		
-Land	29	29
-Buildings	144	147
Investments in equity shares		
-Quoted	5 834	6 301
-Unquoted	189	526
Investments in associate companies		
-Equity shares (carrying cost)	940	168
-Deep Discount Bonds	29	29
Investments in preference shares		
-Unquoted	536	514
Investments in government or trust securities		
-Quoted	11 321	8 736
-Pass through certificates & security receipts	487	161
Investments in debentures or bonds		
-Quoted	5 784	5 560
-Unquoted	8 573	7 122
Investments in mutual funds		
-Quoted	-	148
-Unquoted	25	260
Other non-current investments		
-Units of seed / equity fund - unquoted, fully paid-up	296	169
-Units of fund - unquoted, fully paid-up	140	140
	34 327	30 010
15 Deferred tax assets		
Deferred tax assets included in the balance sheet comprise the following:		
(a) Deferred tax assets		
Provision for non performing assets / diminution in the value of assets & investments	157	125
Straight lining of lease rentals	-	1
Unabsorbed depreciation and carried forward losses as per the Income Tax Act, 1961	52	116
Depreciation on fixed assets	-	9
Employee compensation / leave encashment	6	17
Total (a)	215	268
(b) Deferred tax liabilities		
Reserve for unexpired risk & others	19	14
Unamortised expenditure	123	52
Depreciation on fixed assets	16	-
Total (b)	158	66
Net deferred tax assets [(a)-(b)]	57	202

Reliance Capital Limited

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

(₹ in crore)

	As at March 31, 2018	As at March 31, 2017	
16 Long-term loans and advances			
(a) Capital advances			
Secured, considered good	160	160	
Unsecured, considered good	165	196	356
(b) Security deposits			
Unsecured, considered good	104	102	
Unsecured, considered doubtful	4	4	106
(c) Loans			
Considered doubtful			
-Secured	544	648	
-Unsecured	6	52	
Considered good			
Related party (Refer Note No. 47)			
-Unsecured	116	905	
Others			
-Secured	24 180	20 434	
-Unsecured	1 751	2 133	24 172
(d) Advances			
Considered doubtful			
-Secured [₹ Nil (Previous year ₹ 31 72 660)]	-	-	
Considered good - others			
-Secured	8		
-Unsecured	71	62	62
(e) Other loans and advances			
-VAT / Service Tax & Goods & Service Tax credit available	13	8	
-Advance income tax & TDS deducted (net of income tax provision)	334	190	198
(f) Prepaid expenses			
	12	61	
	27 468	24 955	
Note:			
In the opinion of the management, loans and advances, other than doubtful, are considered as good and fully recoverable.			
17 Other non-current assets			
(a) Other bank balances			
- In fixed deposit accounts			
-Under lien (Refer Note below)	138	274	
-Other	39	72	346
(b) Unamortised expenditures			
Unamortised DSA commission	101	99	
Add: Incurred during the year	126	72	
Less: Amortised during the year	123	70	
	104	101	
Less: To be amortised during the next year	19	21	
	85	80	
Unamortised brokerage on borrowings	167	94	
Add: Incurred during the year	128	101	
Less: Amortised during the year	47	28	
	248	167	
Less: To be amortised during the next year	21	32	
	227	135	
Unamortised mortgage guarantee fees	4	5	
Add: Incurred during the year	-	1	
Less: Amortised during the year	1	1	
	3	5	
Less: To be amortised during the next year	1	1	
	2	4	219
(c) Repossessed assets / Asset under SARFAESI Act			
	73	152	
	564	717	

Reliance Capital Limited

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

	(₹ in crore)	
	As at March 31, 2018	As at March 31, 2017
Note:		
In respect of balances with Scheduled Banks in Fixed Deposit accounts above includes:		
(a) ₹ 54 crore (Previous year ₹ 192 crore) kept as credit enhancement towards securitisation / assignment transaction.		
(b) ₹ 5,33,932 (Previous year ₹ 5,33,932) kept as deposit with sales tax authority..		
(c) ₹ 20,00,000 (Previous year ₹ 20,00,000) kept as deposit with Pension Fund Regulatory and Development Authority (PFRDA).		
(d) ₹ 22 crore (Previous year ₹ 6 crore) kept as deposit with Bank & Financial institutions for issuing bank guarantee		
(e) ₹ 41 crore (Previous year ₹ 17 crore) pledged towards collateral security deposit in favour of National Stock Exchange of India Limited and BSE Limited.		
(f) ₹ 21 crore (Previous year ₹ 15 crore) pledged towards margin money given for clearing houses.		
(g) ₹ Nil (Previous year ₹ 44 crore) kept for bank guarantee and for unclaimed amount pertaining to policy holder.		
18 Current investments		
Investments in Equity shares		
-Unquoted	27	-
Investments in government or trust securities		
-Unquoted	742	889
Investments in debentures or bonds		
-Quoted	1 796	1 263
-Unquoted	1 772	1 269
Investments in mutual funds		
-Quoted	60	27
-Unquoted	94	1 190
Pass through certificates & security receipts (₹ 7 56 634)	-	4
	<u>4 491</u>	<u>4 642</u>
19 Inventories		
Securities	3	40
	<u>3</u>	<u>40</u>
20 Trade receivables		
Doubtful unsecured		
Debts outstanding for a period exceeding six months	55	42
Less: Provision for doubtful debts	-	-
	<u>55</u>	<u>42</u>
Other debts-unsecured, considered good	1 019	868
	<u>1 076</u>	<u>910</u>
21 Cash & bank balances		
(a) Cash & cash equivalents		
Balances with banks		
-In current accounts	4 211	3 372
-Fixed deposits (less than 3 months)	2	58
Cheques on hand	64	130
Cash on hand	<u>26</u>	<u>39</u>
	4 303	3 599
(b) Other bank balances		
-Unclaimed dividend accounts	21	19
-In fixed deposit accounts		
-Under lien (Refer Note given below)	245	1 735
-Under margin (Refer Note given below)	260	351
-Others	<u>4</u>	<u>21</u>
	509	2 107
	<u>4 833</u>	<u>5 725</u>

Reliance Capital Limited

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

(₹ in crore)

	As at March 31, 2018	As at March 31, 2017
Note:		
In respect of balances with Banks in Fixed Deposit accounts above includes:		
(a) ₹ 79 crore (Previous year ₹ 42 crore) kept as credit enhancement towards securitisation transaction.		
(b) ₹ 243 crore (Previous year ₹ 328 crore) as collateral security deposit in favour of National Stock Exchange of India Limited and BSE Limited and ₹ 6 crore (Previous Year ₹ 23 crore) placed as margin for the issue of bank guarantee favouring National Securities Clearing Corporation Limited.		
(c) ₹ 11 crore (Previous year ₹ Nil) kept as margin money deposits for Market Linked Debentures.		
(d) ₹ 155 crore (Previous year ₹ 1,676 crore) kept as deposit with bank for issuing of Bank Guarantee & Term Loan.		
(e) ₹ 10 crore (Previous year ₹ 10 crore) are lien against bank overdraft facility.		
(f) ₹ Nil (Previous year ₹ 5 crore) kept for bank guarantee and for unclaimed amount pertaining to policy holder.		
(g) ₹ 4,58,397 (Previous year ₹ 1 crore) kept as deposit with Sales Tax Authority.		
(h) ₹ 1 crore (Previous year ₹ 1 crore) kept as deposit with Directorate of Enforcement.		
22 Short-term loans and advances		
(a) Loans		
Considered good		
Related party (Refer Note No. 47)		
-Unsecured	1 054	750
Others		
-Secured	10 274	5 742
-Unsecured	731	1 595
(b) Advances		
Considered doubtful	9	-
Considered good		
Related Party-unsecured (₹ 30 65 599 (Previous year ₹ 5 42 167)) (Refer Note No. 47)	-	-
Others		
-Secured (₹ Nil (Previous year ₹ 13 59 116))	-	-
-Unsecured	300	188
(c) Other loans and advances		
-VAT / service tax & goods & service tax credit available	47	51
-Advance income tax & TDS deducted (net of provision)	10	13
(d) Prepaid expenses	45	179
	12 470	8 518
23 Other current assets		
(a) Accrued interest / finance income		
-Loans	2 185	929
-Investments	623	7
(b) Investment Sale to be received	-	144
(c) Unamortised DSA commission	19	21
(d) Unamortised brokerage on borrowings	21	32
(e) Unamortised mortgage guarantee fees	1	1
	2 849	1 134

Reliance Capital Limited

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

	(₹ in crore)	
	2017-2018	2016-2017
24 Revenue from operations		
Interest and finance income on		
-Long-term investments	2 330	1 448
-Loans	4 677	4 039
-Fixed deposits & others	178	99
Lease rental income	17	16
Processing fees	298	235
Servicing fees on assignment	-	45
Profit / (loss) on sale of (Net)		
-Long-term investments	661	248
-Current investments	1 153	1 016
Investment management and advisory fees	383	1 310
Trustee / portfolio management fees	30	50
Commission and brokerage earned	494	417
Premium & commission earned	9 175	8 020
Dividends on investments	208	73
Profit on sale of securities / commodities	31	37
Premium on loan assignment and securitisation	-	22
Sale of gold	213	368
Bad debts recovered	15	58
Other operating income	1	6
	19 864	17 507
25 Other income		
Exchange difference / margin on sale of foreign currency (Net) [₹ - 28 42 117 (Previous year ₹ 26 07 189)]	(-)	-
Credit balance / excess provision written back	2	10
Profit on sale of fixed assets	-	11
Miscellaneous income	32	112
	34	133
26 Cost of Materials Consumed - Gold		
Opening stock [₹ Nil (Previous year ₹ 29 10 030)]	-	-
Add: Purchases during the year	213	367
Add: Making charges [₹ Nil (Previous year ₹ 14 94 641)]	-	-
Less: Closing stock	-	-
	213	367

Reliance Capital Limited

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

	(₹ in crore)	
	2017-2018	2016-2017
27 Employee benefit expense (including managerial remuneration)		
Salary and wages	1 269	1 180
Contribution to provident fund & other funds	65	73
Staff welfare expenses	67	84
	<u>1 401</u>	<u>1 337</u>
28 Finance cost		
Interest expense		
-Debentures	2 252	1 376
-Bank loans / financial institutions	1 211	1 300
-Bank loans (cash credit)	164	41
-Inter corporate deposits	59	3
-Others	11	2
Other borrowing costs		
-Discount on commercial papers	287	320
-Amortised brokerage on borrowings (Refer Note No. 17)	42	26
	<u>4 026</u>	<u>3 068</u>
29 Other expenses		
Bank charges	21	16
Rental	150	156
Rates and taxes	14	10
Repairs and maintenance		
-Buildings (₹ 34 72 500 (Previous year ₹ 6 59 157))	-	-
-Others	143	140
Electricity	4	8
Insurance	2	2
Travelling and conveyance	57	64
Claims incurred (Net)	7 337	6 620
Premium paid on reinsurance ceded	1 988	1 803
Reserve for unexpired risk	308	140
Postage, telegram and telephone	45	68
Legal & professional fees	233	214
Commission and brokerage paid	431	331
Auditors' remuneration (Refer Note No. 48)	3	5
Sales and marketing expenses	625	862
Employee seminar and training	22	9
Donation (₹ 9 20 324 (Previous year ₹ 12 53 000))	-	-
Corporate Social Responsibility expenditure (Refer Note No. 32)	23	26
Directors' sitting fees	2	2
Amortised DSA commission (Refer Note No. 17)	123	69
Amortised Mortgage guarantee fees (Refer Note No. 17)	1	1
Amortised public issue NCD expenses	7	2
Provision for / (reversal of) NPA, doubtful debts and balances written off*	470	271
Provision for / (reversal of) diminution in the value investments / written off ** / (recovery)	165	(138)
Provision and loss on repossessed stock #	5	70
Loss on sale of fixed assets / written off	3	-
Miscellaneous expenses	261	462
	<u>12 443</u>	<u>11 213</u>

Reliance Capital Limited

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

	(₹ in crore)	
	2017-2018	2016-2017
Notes:		
* Breakup of provision for / (reversal of) NPA, doubtful debts and balances written off		
Provision for NPA and doubtful debts	20	70
Provision for standard debts	54	53
Bad debts written off	233	148
Loss on Loans sold to Asset Reconstruction Company	163	-
	<u>470</u>	<u>271</u>
# Breakup of provision and loss on repossessed stock		
Provision for repossessed stock	(12)	23
Loss on sale of repossessed stock	17	47
	<u>5</u>	<u>70</u>
** Breakup of provision for / (reversal of) diminution in the value investments / written off / (recovery)		
Provision for / (reversal of) diminution in value of investments	143	(80)
Investments written off / recovery	22	(58)
	<u>165</u>	<u>(138)</u>

30 Security clause in respect to Secured Loans / Debentures:

- (i) Non convertible debentures (NCDs) referred above are redeemable at par, in one or more installments, on various dates.
- (a) NCDs amounting to ₹ 3,499 crore (Previous year ₹ 3,957 crore) are secured by way of first *pari passu* legal mortgage and charge over the premises situated at Avdesh House, near Pritam Nagar, Ellisbridge, Ahmedabad and additional first *pari passu* charge by way of hypothecation on present and future book debts / business receivables of the Company. Business receivables includes Fixed Asset, Current Assets, Investments and any other assets, against security not exceeding ₹ 3,749 crore (Previous year ₹ 4,207 crore).
- (b) NCDs amounting to ₹ 14,655 crore (Previous year ₹ 9,675 crore) are secured by way of first *pari passu* legal mortgage and charge over the premises situated at Avdesh House, near Pritam Nagar, Ellisbridge, Ahmedabad and additional first *pari passu* charge by way of hypothecation on present and future book debts / business receivables of the Company (except security towards securing Outstanding Term Loan and Cash Credit Limits). Business receivables includes Current Assets and Investments, against security not exceeding ₹ 15,380 crore (Previous year ₹ 9,800 crore).
- (c) NCDs amounting to ₹ 2,824 crore (Previous year ₹ Nil) are secured by way of a first charge & mortgage over the Reliance Commercial Finance Limited Gujarat Immovable Property and first *pari passu* charge on all present and future book debts, business receivables, current assets, investments and all other assets of the Reliance Commercial Finance Limited.
- (d) NCDs amounting to ₹ 6,149 crore (Previous year ₹ 3,793 crore) are secured by way of first *pari passu* legal mortgage and charge over the premises situated at Bharuch and additional *pari passu* charge by way of hypothecation on the present and future book debts / receivables, outstanding money (loan book), receivable claims of the Reliance Home Finance Limited with other secured lenders for an amount of ₹ 5,509 crore, except those book debts and receivables charged / to be charged in favour of National Housing Bank for refinance availed / to be availed from them, of Home Finance Business subject to maintenance of minimum asset coverage of 100% of issue amount and security amounting to ₹ 707 crore is provided by way of first *pari passu* hypothecation charge on all present and future book debts and business receivables of holding company (except security created / to be created towards securing term loans and cash credit limits). Business receivables includes current assets and investments.
- (e) NCDs amounting to ₹ 26 crore (Previous year ₹ Nil) are secured by way of first ranking mortgage over the Reliance Securities Limited Immovable property and second charge on the present and future book debts and receivables hypothecated in favour to Banks towards Working Capital facility of the Reliance Securities Limited as specifically mentioned in the Trust deed and the asset cover thereof exceeds hundred per cent of the principal amount of the said debentures.
- (f) NCDs amounting to ₹ 287 crore (Previous year ₹ 223 crore) are secured by way of first ranking mortgage and charge over the Reliance Financial Limited Immovable property situated at Gujarat and on all present and future book debts / business receivable of the company as specifically mentioned in the Trust deed.
- (g) NCDs amounting to ₹ 1,423 crore (Previous year ₹ 2,110 crore) are in respect to Tier II subordinate debts.

Reliance Capital Limited

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

(h) Maturity profile and Rate of interest of NCDs are as set out below:

(₹ in crore)

Rate of Interest	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2031-32	Total
#	155	570	39	-	-	-	-	-	-	-	764
8.20%	75	-	-	-	-	-	-	-	-	-	75
8.23%	20	-	-	-	-	-	-	-	-	-	20
8.25%	620	370	-	-	-	-	-	-	-	-	990
8.28%	215	-	-	-	-	-	-	-	-	-	215
8.32%	-	400	-	-	-	-	-	-	-	-	400
8.35%	130	-	-	-	-	-	-	-	-	-	130
8.42%	-	-	14	-	-	-	-	-	-	-	14
8.47%	-	-	25	-	-	-	-	-	-	-	25
8.50%	-	-	480	-	-	-	-	-	20	-	500
8.52%	-	-	-	-	-	54	-	-	-	-	54
8.60%	-	-	-	30	-	-	-	-	-	-	30
8.64%	-	100	-	-	-	-	-	-	-	-	100
8.65%	-	-	20	-	-	-	-	-	-	-	20
8.66%	-	-	-	-	-	-	-	-	35	-	35
8.69%	-	-	-	-	-	-	-	-	32	-	32
8.70%	812	-	-	-	-	-	5	-	-	-	817
8.75%	100	15	265	170	191	-	-	5	-	-	746
8.80%	-	25	-	-	303	-	-	-	-	-	328
8.81%	20	-	25	-	70	-	-	-	-	-	115
8.82%	-	-	-	20	-	-	-	-	-	-	20
8.83%	-	-	-	1,000	40	-	-	-	-	-	1,040
8.85%	-	-	200	-	20	-	-	1,500	-	-	1,720
8.88%	-	-	-	-	-	500	-	-	-	-	500
8.90%	1,129	-	716	-	-	-	-	-	-	-	1,845
8.93%	-	-	-	-	-	-	-	-	1,700	-	1,700
8.95%	-	-	-	-	-	-	25	-	-	-	25
8.98%	-	-	-	-	-	-	-	-	500	-	500
9.00%	-	60	-	-	-	-	18	1,572	-	-	1,650
9.03%	-	-	-	400	-	-	-	-	-	-	400
9.05%	15	-	293	-	-	-	-	-	1,500	-	1,808
9.07%	-	-	-	-	-	-	-	-	6	-	6
9.09%	-	-	-	-	-	-	-	-	-	-	-
9.10%	475	-	-	-	-	-	-	230	-	-	705
9.12%	-	15	-	-	-	-	-	-	-	-	15
9.15%	535	-	20	-	-	-	15	239	-	-	809
9.23%	-	-	-	-	-	-	-	-	500	-	500
9.25%	-	-	-	-	6	-	27	-	-	250	283
9.32%	-	-	-	-	-	20	-	-	-	-	20
9.35%	-	-	-	-	30	-	-	-	-	-	30
9.40%	-	-	-	-	1,500	-	-	-	38	186	1,724
9.42%	-	-	-	-	-	40	-	-	-	-	40
9.45%	-	-	-	10	-	-	-	-	-	-	10
9.48%	-	-	-	-	-	-	1	-	-	-	1
9.50%	-	200	-	-	30	-	70	-	-	-	300

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Notes to the Consolidated Financial Statement for the year ended March 31, 2018

	(₹ in crore)										
Rate of Interest	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2031-32	Total
9.52%	-	-	-	-	15	-	-	-	-	-	15
9.65%	-	-	-	-	-	225	-	-	-	-	225
9.70%	15	-	-	-	-	-	-	-	-	-	15
9.75%	15	-	-	-	-	-	-	-	-	-	15
9.80%	15	-	-	500	-	15	-	-	-	-	530
9.85%	-	-	-	45	-	-	-	-	-	-	45
9.90%	-	500	-	75	2	-	-	-	-	-	577
9.95%	-	-	-	85	-	-	-	-	-	-	85
10.00%	-	-	-	26	-	-	-	-	-	-	26
10.05%	-	-	-	7	-	-	-	-	-	-	7
10.10%	-	-	-	10	-	1,045	-	-	-	-	1,055
10.15%	-	-	-	-	-	-	8	-	-	-	8
10.19%	-	-	-	-	155	-	-	-	-	-	155
10.20%	-	-	-	57	-	-	-	-	-	-	57
10.24%	500	-	-	-	-	-	-	-	-	-	500
10.25%	-	-	-	40	-	-	-	-	-	-	40
10.28%	15	-	-	-	-	-	-	-	-	-	15
10.33%	-	-	-	45	-	-	-	-	-	-	45
10.35%	-	155	-	5	-	-	-	-	-	-	160
10.40%	5	-	-	400	-	-	-	-	-	-	405
10.50%	-	-	25	20	15	-	-	-	-	-	60
10.60%	-	-	83	59	-	-	-	-	-	-	142
10.75%	-	-	342	-	-	-	-	-	-	-	342
MLD	348	260	162	6	-	24	-	-	41	-	841
TOTAL	5 214	2 670	2 709	3 010	2 377	1 923	169	3 546	4 372	436	26 426

Zero coupon non convertible debentures

(ii) Term loans from banks above includes :

- Term loans from banks / financial institution includes ₹ 615 crore (Previous year ₹ Nil) are secured by *pari passu* first charge on all present and future book debts, receivables, bills, claims and loan assets of the Company and one of its subsidiary.
- Term loans from banks includes ₹ 7,315 crore (Previous year ₹ 8,743 crore) are secured by *pari passu* first charge on all present and future book debts, receivables, bills, claims and loan assets of Reliance Commercial Finance Limited.
- Term loans from banks includes ₹ 5,077 crore (Previous year ₹ 4,067 crore) secured by *pari passu* first charge by hypothecation of all the standard book debts and receivable of Reliance Home Finance Limited, both present and future, except for those book debts and receivables charged / to be charged in favour of National Housing Bank for refinance availed / to be availed, if any, from them, against security not exceeding ₹ 5,585 crore (Previous year ₹ 4,491 crore).
- Maturity profile of Term loans from banks are as set out below:

	(₹ in crore)						
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total
Term loan from banks	3 544	2 399	1 407	771	219	214	8 554

31 Profit / (loss) on sale of subsidiaries & associates

	(₹ in crore)	
	2017-18	2016-2017
Profit on sale of subsidiaries [₹ Nil (Previous year ₹ 42 02 488)]	-	-
Profit on sale of associates	-	-
Total	-	-

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

32 Corporate Social Responsibility Expenditure

As per Section 135 of the Companies Act, 2013 (the "Act"), the Group is under obligation to incur ₹ 23 crore (Previous year ₹ 26 crore) and has incurred the same in cash, being 2% of the average net profit during the three immediately preceding financial years, calculated in the manner as stated in the Act towards Corporate Social Responsibility, *inter-alia*, through non-profit centres engaged in the provision of health care and education for the purpose other than construction / acquisition of asset.

33 Goodwill on Consolidation of Subsidiaries

On Consolidation, the Company has recognised the following goodwill:

	2017-18	2016-2017
Opening balance of Goodwill / (Capital Reserve) on consolidation of subsidiaries	5 184	5 184
Add: Goodwill / (Capital Reserve) on acquisition of subsidiaries	1	-
Less: Goodwill on sale / amalgamation of investments in subsidiaries	241	-
Closing balance of Goodwill / (Capital Reserve) on consolidation of subsidiaries	4 944	5 184

34 Employees Stock Option Plan:

Reliance Capital Limited

- The Company operated two Employee Stock Option Plans; ESOS Plan A and ESOS Plan B introduced in the financial year 2009-10. All options granted under the ESOS Plan A and ESOS Plan B have been surrendered and lapsed in the earlier year. The Company managed the ESOS Plan A and ESOS Plan B through a Trust. Advance of ₹ 57 crore (net of written off ₹ 64 crore) [Previous year ₹ 59 crore (net of written off ₹ 64 crore)] has been granted to Trust. Out of the said advance, Trust has purchased 16,00,000 equity shares for the above purpose.
- The Company introduced ESOP 2015 which covers eligible employees of the Company and its subsidiaries. The vesting of the options is from expiry of one year till five years as per Plan. Each Option entitles the holder thereof to apply for and be allotted / transferred one Equity Share of the Company upon payment of the exercise price during the exercise period.

Details of ESOS 2015:

	ESOS 2015
Date of Grant	October 15, 2015
Price of Underlying Stock (₹)*	396
Exercise / Strike Price (₹)*	296

* In terms of the provisions of the ESOS, exercise price of ₹ 396 has been adjusted to ₹ 296, on account of corporate action for demerger of Real Estate Lending Business of the Company, in line with the difference in the volume weighted average price of the Equity Shares of the Company on the National Stock Exchange of India Limited on pre and post demerger date. The fair value of the options granted was estimated on the date of grant using the Black Scholes Model with the following assumptions:

Risk Free Interest Rate	7.51% - 7.56%
Expected Dividend Yield	2.28%
Expected Life (years)	4.51 to 6.51
Expected Volatility	44.61% to 46.39%
Weighted Average Fair Value (₹)	565

The information covering stock options granted, exercised, forfeited and outstanding at the year end is as follows:
(As certified by the management)

	No. of Stock Options	
	March 31, 2018	March 31, 2017
Outstanding at the beginning of the year	5 26 780	6 42 560
Granted	-	-
Exercised	71 882	Nil
Lapsed / Forfeited / Surrendered	2 14 276	1 15 780
Outstanding at the end of the year	2 40 622	5 26 780
Exercisable at end of the year	69 514	1 05 356

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Notes to the Consolidated Financial Statement for the year ended March 31, 2018

- c) The Company introduced ESOS 2017 which covers eligible employees of the Company and its subsidiaries. The vesting of the options is from expiry of one year till four years as per Plan. Each Option entitles the holder thereof to apply for and be allotted / transferred one Equity Share of the Company upon payment of the exercise price during the exercise period.

Details of ESOS 2017:

	ESOS 2017		
	July 27, 2017	February 08, 2018	March 28, 2018
Date of Grant			
Price of Underlying Stock (₹)	556	442	429
Exercise / Strike Price (₹)	556	442	429

The fair value of the options granted was estimated on the date of grant using the Black Scholes Model with the following assumptions:

Risk Free Interest Rate	6.25% - 6.59%	6.89% - 7.46%	7.13% - 7.34%
Expected Dividend Yield	1.59%	2.38%	2.45%
Expected Life (years)	2.50 to 5.51	2.50 to 5.51	4.01 to 5.51
Expected Volatility	39.58% to 41.92%	42.75% to 42.03%	42.69% to 41.93%
Weighted Average Fair Value (₹)	829	597	593

The information covering stock options granted, exercised, forfeited and outstanding at the year end is as follows:
(As certified by the management)

	No. of Stock Options as at March 31, 2018		
Outstanding at the beginning of the year	-	-	-
Granted	9 21 000	81 100	1 18 000
Exercised	-	-	-
Lapsed / Forfeited / Surrendered	31 000	-	-
Outstanding at the end of the year	8 90 000	81 100	1 18 000

The Company has chosen to account for the Plan by the Intrinsic Value Method. The total expense recognised for the period arising from stock option plan as per Intrinsic Value Method is ₹ Nil (Previous year ₹ Nil). Had the Company adopted fair value method, the net results for the year would have been lower by ₹ 5 crore (Previous year ₹ 25 lakh) [net of tax saving ₹ 4 crore (Previous year ₹ 20 lakh)] and accordingly EPS (Both Basic and Diluted) would have been lower by 0.16 (Previous year Nil).

35 Phantom Stock Option Scheme

As a long-term incentive plan to employees, the group has initiated Phantom Stock Option Plan which are cash settlement rights where the employees are entitled to get cash compensation based on a formulae linked to market value of subsidiary company shares upon exercise of phantom stock options over notional or hypothetical shares.

Liability towards the Scheme is accounted for on the basis of an independent actuarial valuation done at the year end. The valuation of the shares is done considering the Project Unit Credit Method and the progression of share price up to the exercise of the option. Fair Value of Phantom Stock Options was estimated on the date of grant on the assumptions of Discount Rate of 7.72% and Expected Life of 5 years.

Phantom Options can be exercised on continuation of employment any time upto 3 years from the date of last vesting and upon cessation of employment as per the terms of the Scheme. Settlement of Phantom Option is done in cash within 90 days from the date of exercise. For the current year the Group has created provision of ₹ 13 crore.

36 In case of Reliance Securities Limited (RSL)

- (a) RSL has paid service tax under protest amounting to ₹ 10 crore in the financial year 2015-16 on account of order passed by Commissioner of Service tax - VI. The details of orders are as under:
- ₹ 4 crore paid under protest towards order dated December 30, 2016, on account reconciliation of income for period F.Y. 2008-09 to F.Y. 2011-12. The amount includes ₹ 2 crore and ₹ 29,24,475 towards interest and penalty, respectively.
 - ₹ 6 crore paid under protest towards order dated December 30, 2016 on account of wrong availment of CENVAT credit for period F.Y. 2008-09 to F.Y. 2011-12. The amount includes ₹ 3 crore and ₹ 1 crore towards interest and penalty, respectively.

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

37 In case of Reliance General Insurance Company Limited (RGICL)

(a) Terrorism pool

In accordance with the requirements of IRDAI, RGICL together with other insurance companies participates in the Terrorism Pool. This pool is managed by the General Insurance Corporation of India (GIC). Amount collected as terrorism premium in accordance with the requirements of the Tariff Advisory Committee (TAC) are ceded at 100% of the terrorism premium collected to the Terrorism Pool.

In accordance with the terms of the agreement, GIC retrocedes to RGICL, terrorism premium to the extent of RGICL's share in the risk which is recorded as reinsurance accepted. Such reinsurance accepted is recorded based on quarterly statements received from GIC. The reinsurance accepted on account of terrorism pool has been recorded in accordance with the last statement received from GIC.

RGICL has created liability to the extent of 50% of premium retroceded to RGICL through reserve for unexpired risks.

(b) Basis used by actuary for determining IBNR / IBNER.

The liability for IBNR and IBNER as at March 31, 2018 has been estimated by Appointed Actuary in consultation with Mentor to the Appointed Actuary as per the IRDA circular no. 11/IRDA/ACTL/IBNR/2005-06 dated June 08, 2005 and Insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2006.

For all lines of business, the estimation was carried out using past trends in the claims experience as indicated by paid claims chain ladder and incurred claims chain ladder approach. Bornhuetter – Ferguson method of estimation was also applied for some lines as considered appropriate by the Appointed Actuary in consultation with Mentor to the Appointed Actuary.

(c) Contribution to Environment Relief Fund

During the year, RGICL had collected ₹ 0.15 crore (Previous year ₹ 0.16 crore) towards Environment Relief Fund (ERF) for public liability policies, out of which an amount of ₹ 0.15 crore (Previous year ₹ 0.15 crore) was transferred to "United India Insurance RGICL Limited, Environment Fund Account" as per Notification of ERF scheme under the Public Liability Insurance Act, 1991 as amended, balance amount of ₹ 53,000 (Previous year ₹ 31,000) is shown under current liabilities.

(d) Contribution to Solatium Fund

In accordance with the requirements of the IRDAI circular dated March 18, 2003 and based on recommendations made at the General Insurance Council meeting held on February 4, 2005, RGICL has provided 0.1% of gross written premium on all motor third party policies (excluding reinsurance premium accepted on motor third party for commercial vehicles) towards contribution to the solatium fund.

(e) Debenture Redemption Reserve (DRR)

During the year, RGICL has created Debenture Redemption Reserve (DRR) in accordance with IRDA circular no. IRDA/F&A/OFC/01/2014-15/115 for ₹ 13 crore out of which ₹ 6 crore pertaining to F.Y. 2016-17.

38 In case of Quant Capital Private Limited (QCPL)

(a) Quant Transactional Services Private Limited (Plaintiffs) has filed a Suit in Hon'ble High Court against QCPL under section 6 of Specific Relief Act, 1963 and has claimed that QCPL and its subsidiaries has forcefully dispossessed the Plaintiffs from the Goregaon Premises and taken over the possession of the Fixed Assets. The interim relief claimed in Notice of Motion was repossession of the premises and inventory of the Fixed Assets. However, The Hon'ble High Court of Bombay has not granted any Interim Relief and Suit and Notice of Motion is pending for hearing and final disposal.

(b) Mr. Adil Patrawala has filed a Petition under Section 397 and 398 of Companies Act, 1956 against QCPL claiming mismanagement in the affairs of QCPL and oppression on the Minority Shareholder. The hearing of the said Petition is pending for the final disposal. There were certain Ad Interim reliefs claimed which were not granted by Hon'ble Company Law Board except one relief i.e. Mr. Adil Patrawala's holding in QCPL cannot be diluted.

(c) QCPL has filed Summary Suit against Quant Transactional Services Private Limited for recovery of outstanding dues amounting to ₹ 9 crore. The Notice of Motion was filed in the said Suit claiming Ad Interim Relief praying lien over the Assets of Quant Transactional Services Private Limited which High Court has denied. Both Notice of Motion and Suit are pending for hearing and final disposal.

(d) Subsidiary of QCPL has collected stamp duty on account of its statutory obligation towards transactions entered on various segments in the state of Tamilnadu. Subsidiary of QCPL has not deposited the same since in its opinion the same is not payable which is disputed by the state. The matter is pending with Hon'ble High Court, Tamilnadu. In the Interim, the amount so collected is reflected under statutory liability. The amount outstanding is to the tune of ₹ 12 crore (Previous year ₹ 13 crore)

(e) One of the former employee has filed petition under the Industrial Dispute Act, 1947 for reinstatement of the service against QCPL. QCPL has filed the rejoinder for the same as QCPL does not fall within the definition of Industry under the said Act and also the Applicant is not workmen within the definition, the same is pending for hearing.

(f) QCPL has recovery of ₹ 3 crore from Quant Transactional Services Private Limited (QTSPL) ₹ 0.3 crore as share application money and ₹ 3 crore as business advances. QCPL has filed suit against QTSPL for the recovery of the said amount and is confident of recovering the same.

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However, QCPL has made provision of ₹ 3 crore (100% of application money amount of ₹ 0.3 crore and 100% of ₹ 3 crore)

Further in respect of two subsidiary companies, QCPL had provided for ₹ 2 crore being 100% of ₹ 2 crore on account of legal case filed by the respective subsidiary companies against Quant Transactional Services Private Company.

- (g) In case of Quant Securities Private Limited, being subsidiary the management of QCPL has taken the conscious call of surrendering its broking licenses with BSE and NSE. BSE has accepted the request, however, NSE has not accepted the same and surrender request is still pending.

Further, QCPL and its subsidiaries vide their board meetings held during March 2018 have decided to discontinue its present business operations and would endeavour to explore other business opportunities.

The intention of the management is not to wind up the company and hence, the company is going concern.

- (h) The Board of Quant Broking Private Limited has approved write off of ICD along with interest thereon of ₹ 10 crore given to QOPPA Trading Private Limited which was sold under Slump sale with negative net worth in their meeting dated July 21, 2017. The board further approved to pass the write off entry in the financial results for the quarter ended June 2017. Also certain balances appearing post scheme of arrangement with Reliance Equities International Private Limited in the books are written off to the extent of ₹ 3 crore as these seems non-recoverable.
- (i) QCPL has sold its investment in the Equity Shares (1,35,000) of Quant Commodity Broking Private Limited to Mr. Sandeep Tandon for ₹ 1 crore. The company has made loss of ₹ 24,75,000. The transaction is done at the then book value of Quant Commodity Broking Private Limited. QCPL had sold its investment during previous year in the Equity Shares (3,81,000) of Quant Capital Finance and Investments Private Limited to Quant Capital Holdings Private Limited for ₹ 20 crore. The company had made profit of ₹ 2 crore. The transaction is done at the then book value of Quant Capital Finance and Investments Private Limited.

39 In case of Reliance Money Precious Metals Private Limited (RMPMPL)

- (a) Till July 2016 RMPMPL was running MY Gold Plan where in, pursuant to special resolution passed at extraordinary general meeting held on March 2, 2016 to transfer the business of 'Reliance My Gold Plan' (RMGP), RMPMPL has transferred its business on July 29, 2016 to Stock Holding Corporation of India Limited (SHCIL). Post which RMPMPL has discontinued RMGP.
- (b) The accounts of RMPMPL has been prepared on going concern basis on understanding that finance will continue to be available for working capital requirement by the Company.

40 In case of Reliance Nippon Life Insurance Company Limited (RNLICL)

- (a) Main Actuarial Assumptions for valuation of life policies in force:
- (i) Interest Rate – The valuation interest rate is determined based on the expected return on the existing assets, current asset mix and expected investment return on the future investment taking into consideration the asset classes mix and expected future mix. The interest rates used for the valuation vary according to the type of product and is in the range 5.30% p.a. to 6.25% p.a. (5.35% p.a. to 6.25% p.a. as at March 31, 2017).
- (ii) Expense Inflation Rate – The assumed rate of expense inflation is consistent with the investment returns assumed.
- (iii) Expense assumption – Policy related maintenance expenses are set on the basis of expense analysis performed by RNLICL. The expense assumption used for valuation is ₹ 655 for in force policies and ₹ 437 for paid-up, fully paid-up and single premium policies. (₹ 655 assumptions for in force and ₹ 437 for paid-up, fully paid-up and single premium policies as at March 31, 2017).
- (iv) Mortality basis – Mortality assumptions are set in accordance with Schedule 5(5) of Asset, Liability and Solvency Margin Regulations, 2000, in reference to published Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ultimate with adjustment to reflect expected experience and with an allowance for adverse deviation. The same is in the range of 30.5525% – 416.625% of IALM 2006-08. (30.5525% – 416.625% of IALM 2006-08 as at March 31, 2017).
- (v) Future bonuses – Based on supportable bonus rates with allowance for tax and shareholder distributions.
- (vi) Lapse and surrender – A prudent estimate of future lapses and surrenders has been assumed based on the current experience of RNLICL.
- (vii) Tax – The tax rate for valuation assumption is 14.56% p.a.
- (b) Shareholders' contribution
- During the year, RNLICL has contributed ₹ 163 crore (Previous year: ₹ 145 crore), to make good the accumulated deficit in the Policyholders Revenue Account. Any contribution made by the shareholder's to the policyholder's account is irreversible in nature and shall not be recouped to the shareholders at any point of time in future. The shareholders approval with regard to the contribution during the current year shall be obtained in the ensuing Annual General Meeting of RNLICL.
- (c) In accordance with the Investment Regulations, 2013 and IRDAI Circular IRDA/F&I/INV/Cir/062/03/2013 dated March 26, 2013, the RNLICL has declared March 31, 2018 as a business day and NAV for all ULIP funds were declared

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

on March 31, 2018. All application received till 3:00 P.M. on March 31, 2018 were processed with NAV of March 31, 2018. Applications received after this cut-off are taken into the next financial year.

- (d) Pursuant to the Hon'ble Bombay High Court Order dated January 08, 2016, RNLICL has reduced its Share Premium account from ₹ 2,198 crore to ₹ 303 crore and such reduction has been utilized towards writing off the deficit in Profit and Loss account of ₹ 1,895 crore as on March 31, 2015.

41 In case of Reliance Exchangnext Limited (RNext)

In case of Investment in equity shares of Indian Commodity Exchange Limited ('ICEX'):

As per share sale & purchase agreement dated October 13, 2010 between Indiabulls Financial Services Limited ("IBFSL") and Reliance Exchangnext Limited ('the subsidiary'), the subsidiary had acquired 5,20,00,000 equity shares of Indian Commodity Exchange Limited ('ICEX') from IBFSL, at a purchase price of ₹ 47 crore which represents 26% stake in ICEX on December 13, 2010.

Pursuant to ICEX application, Government of India and Forward Market Commission granted their approval vide their letters dated September 23, 2010 & October 04, 2010 respectively, for the said transfer by IBFSL to the subsidiary. The aforesaid approval from Government of India and Forward Markets Commissions are subject to the following conditions: -

- (a) that three years lock-in period condition shall apply to the subsidiary, anchor investor, the subsidiary afresh with effect from the date of Government approval i.e. September 23, 2010;
- (b) that in case of MMTC Limited, which now becomes co-anchor investor, exercises its right to stake a claim to 14% in the Exchange from IBFSL in pursuance to its right to first refusal, IBFSL will be bound to transfer its remaining 14% to MMTC Limited at the same price at which it has been offered to the subsidiary.

On October 21, 2011, MMTC Limited submitted a petition before the Company Law Board (CLB), New Delhi, in terms of Sections 397, 398, 402 and 403 of the Companies Act, 1956, seeking declaration of the aforesaid transfer of shares as void, injunction and investigation into the affairs of ICEX and appointment of Administrative Special Office, Auditor, etc.

Subsequently ICEX has submitted its response to the aforesaid petition before the Honourable Company Law Board on February 10, 2012 refusing and denying the purported allegations against it. Subsequently on February 11, 2014 MMTC has provided an Affidavit to CLB stating that they are contemplating withdrawal of the petition and taking required steps in that direction. The matter is under consideration by the Company Law Board. Any future impact on the financial statement is contingent upon the final order by the appropriate authority.

42 In case of Reliance Commercial Finance (RCF):

The Scheme of Arrangement ("the Scheme") under Sections 230-232 of the Companies Act, 2013 between the RCF and Reliance MediaWorks Limited (RMW) and their respective shareholders and creditors was sanctioned by the National Company Law Tribunal ('NCLT') vide Order dated October 24, 2017. The Scheme became effective on November 16, 2017 on filing with the Registrar of Companies (RoC) with effect from March 31, 2017 i.e. Appointed Date.

Pursuant to the Scheme, the Lease Rental Business (LR) of RMW has been transferred to RCF. Hence, in accordance with the Scheme:

- (a) On Scheme becoming effective with effect from Appointed Date, RCF has recorded all the assets aggregating to ₹ 485 crore and liabilities aggregating to ₹ 645 crore as appearing in the books of RMW related to Lease Rental Business at their respective book value as on Appointed Date. The assets & liabilities taken over include:

(₹ in crore)

Assets / Liabilities Taken Over	Amount
Assets	
Property, Plant and Equipment (Net of accumulated Depreciation ₹ 131 crore)	153
Loans & Advances	313
Other Current Assets	19
Total Assets	485
Liabilities	
Borrowings	642
Other current liabilities	3
Total Liabilities	645

- (b) Upon the Scheme becoming effective and in consideration of transfer and vesting of the undertaking of the RMW's entire Lease Rental Business, RCF will issue and allot, at par, to all equity shareholders of RMW, whose name appears in the register of members of RMW as on the effective date, 1 (One) Preference Share of ₹ 1 each fully paid-up of the RCF for every 200 (Two Hundred) Equity Shares of ₹ 5 each fully paid-up, held by the Equity shareholders in the RMW and 1 (One) Preference Share of ₹ 1 each fully paid-up of RCF for every 5,000 (Five Thousand) Preference Shares of ₹ 5 each fully paid-up, held by the Preference shareholders of RMW.

Reliance Capital Limited

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

Accordingly 13,79,857, 10% Non-Convertible, Non-Cumulative, Redeemable Preference Shares of ₹ 1 each fully paid-up at par has been allotted to the equity and preference share holders of RMW and 994 preference share of ₹ 1 each at par are pending for allotment to the RMW's foreign equity shareholders, subject to pending approval from the Reserve Bank of India and has been credited to Share Suspense Account.

- (c) There are no inter-RCF balances and transactions between RCF and RMW as on appointed date.
- (d) RCF has recognised deferred tax asset amounting to ₹ 106 crore on the unabsorbed business losses pertaining to demerged undertaking.
- (e) Pursuant to the Scheme approved by National Company Law Tribunal, the difference between value of assets and liabilities of RMW's entire lease rental business and the value of the shares allotted to the shareholders of RMW, amounting to ₹ 160 crore has been recorded as goodwill.
- (f) As the financial statements for previous year ended March 31, 2017 have been already approved by the shareholders of RCF, the previous year accounts have not been reopened and all the relevant accounting entries with respect to the Scheme have been accounted during the current financial year.

43 Scheme of Arrangement in Reliance Home Finance Limited (RHFL)

a) Scheme of Arrangement between the Reliance Home Finance Limited and India Debt Management Private Limited

The Board of Directors of the RHFL at their meeting held on June 20, 2016 had considered and approved a Scheme of Arrangement between the RHFL and India Debt Management Private Limited ("the Demerged company" or "IDMPL") and their Shareholders. The Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 ("the Scheme") for demerger of Credit Business of IDMPL into the RHFL has been sanctioned by the National Company Law Tribunal, Mumbai Bench vide Order dated April 5, 2017. The Scheme has become effective on April 21, 2017 upon filing with the Registrar of Companies, Maharashtra at Mumbai with effect from March 31, 2016 i.e. Appointed Date. Pursuant to the Scheme, RHFL has issued and allotted 3,10,35,980 8% Cumulative Non-Convertible Redeemable Preference Shares to the equity shareholders of IDMPL on August 9, 2017.

b) Scheme of Arrangement between the Company and Reliance Home Finance Limited

The Board of Directors of RHFL at their meeting held on October 28, 2016 had considered and approved a Scheme of Arrangement between RHFL and Reliance Capital Limited ("the Demerged RHFL" or Company") and their respective Shareholders and Creditors. The Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 (the 'Scheme') for demerger of Real Estate Lending Business of Company into RHFL has been sanctioned by the National Company Law Tribunal, Mumbai Bench vide Order dated August 10, 2017. The Scheme has become effective on September 5, 2017 upon filing with the Registrar of Companies, Maharashtra at Mumbai with effect from April 1, 2017 i.e. Appointed Date.

Pursuant to the Scheme, the Real Estate Lending Business of Company has been transferred to RHFL. Hence, in accordance with the Scheme:

- i) On Scheme becoming effective with effect from Appointed Date, RHFL has recorded all the assets and liabilities as appearing in the books of the Demerged Undertaking of Company related to Real Estate Lending Business at their respective book value as on Appointed Date. The following assets and liabilities pertaining to the Demerged Undertaking of Company were transferred to RHFL and shares of RHFL were issued to the shareholders of Company.

(₹ in crore)

Assets

Fixed Assets	8
Loans & Advances including accrued interest (Net of provision ₹ 1 crore)	655
Assets repossessed under SARFAESI Act (Net of provision ₹ 1 crore)	1

Total Assets

664

Liabilities

Short-term borrowings	590
Share Capital (Issue of 25 26 89 630 equity shares @ ₹ 10)	253

Total Liabilities

843

Goodwill on merger

179

- ii) RHFL has issued and allotted 11,65,49,188 equity shares of ₹ 10 each at a premium of ₹ 22 per equity share to Company on September 4, 2017 on rights basis.
- iii) RHFL has issued and allotted 25,26,89,630 equity shares of ₹ 10 each to the shareholders of Company in the ratio of 1:1 on September 7, 2017.
- iv) The Assets and Liabilities of ₹664 crore and ₹590 crore, respectively, were transferred as on the Appointed Date and have been recorded at their respective book values. The excess of consideration paid by RHFL over the net assets acquired by RHFL has been accounted as Goodwill, which is being amortised over a period of ten years.

Reliance Capital Limited

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

- 44** The accounts of Reliance Money Solutions Private Limited has been prepared on going concern basis on understanding that finance will continue to be available for working capital requirement by the Company.
- 45** The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018. The reporting on disclosures relating to Specified Bank Notes for the year ended March 31, 2017 is as follows:
Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016:

(₹ in crore)

Particulars	SBNs	Other denomination notes	Total
Closing Cash in hand as on 08.11.2016	21	2	23
+ permitted receipts	-	254	254
+ permitted payments	-	5	5
- Amount deposited in Banks	21	236	257
Closing Cash in hand as on 30.12.2016	-	15	15

- 46** The Group is organised into following reportable segments referred to in Accounting Standard (AS 17) "Segment Reporting"

(₹ in crore)

Particulars	Finance & Investments	Asset Management	General Insurance	Life Insurance	Commercial Finance	Home finance	Others	Elimination	Total
Revenue									
External	3 095 (1 947)	365 (1 308)	6 008 (4 879)	6 094 (5 776)	2 134 (1 953)	1 671 (1 114)	531 (663)	- (-)	19 898 (17 640)
Inter Segment	147 (137)	- (-)	35 (27)	3 (16)	- (-)	- (-)	20 (9)	205 (189)	- (-)
Total Revenue	3 242 (2 084)	365 (1 308)	6 043 (4 906)	6 097 (5 792)	2 134 (1 953)	1 671 (1 114)	551 (672)	205 (189)	19 898 (17 640)
Results									
Segment Results - Profit / (Loss) before Tax	849 (488)	121 (450)	145 (130)	1 (-61)	281 (343)	272 (138)	3 (55)	- (-)	1 672 (1 543)
Unallocated Expenses (* ₹ 31 08 378)									* (4)
Profit / (Loss) before Tax	849 (488)	121 (450)	145 (130)	1 (-61)	281 (343)	272 (138)	3 (55)	- (-)	1 672 (1 539)
Other information									
Segment Assets	38 232 (35 414)	- (612)	9 423 (7 700)	20 742 (18 450)	15 941 (13 651)	15 684 (11 305)	1 140 (2 674)	7 311 (7 205)	93 851 (82 601)
Unallocated Assets	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Total Asset	38 232 (35 414)	- (612)	9 423 (7 700)	20 742 (18 450)	15 941 (13 651)	15 684 (11 305)	1 140 (2 674)	7 311 (7 205)	93 851 (82 601)
Segment Liabilities	22 494 (20 158)	- (179)	7 997 (6 452)	19 501 (17 210)	12 835 (11 145)	13 755 (10 175)	730 (997)	422 (680)	76 890 (65 636)
Unallocated Liabilities	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Total Liabilities	22 494 (20 158)	- (179)	7 997 (6 452)	19 501 (17 210)	12 835 (11 145)	13 755 (10 175)	730 (997)	422 (680)	76 890 (65 636)

Reliance Capital Limited

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

(₹ in crore)

Particulars	Finance & Investments	Asset Management	General Insurance	Life Insurance	Commercial Finance	Home finance	Others	Elimination	Total
Capital Expenditure	2	-	17	20	343	195	13	-	588
	(22)	(257)	(16)	(30)	(11)	(4)	(10)	(-)	(350)
Depreciation	22	8	17	20	34	26	16	-	143
	(27)	(18)	(16)	(20)	(11)	(7)	(16)	(-)	(116)
Non Cash Expenses other than Depreciation	203	0	320	-	420	128	21	10	1 082
	(16)	(6)	(141)	(-)	(295)	(40)	-(58)	(-)	(440)

Figures in bracket indicate previous year figures.

Notes:

- As per Accounting Standard (AS-17) on "Segment Reporting", notified by the Companies (Accounting Standards) Rules 2014, the Group has reported segment information on the consolidated basis including business conducted through its subsidiaries.
- The reportable segments of the Reliance Capital Group are further described below:
 - Finance & Investment - This includes the corporate lending and investment activities.
 - Asset Management - This includes the asset management activities including Mutual Fund and Portfolio Management Services.
 - General Insurance - This includes the general insurance business.
 - Life Insurance - This includes the life insurance business.
 - Commercial Finance - This includes the commercial finance business.
 - Home Finance - This includes the home finance business.
 - Others - This includes other financial and allied services.
- Since all the operations of the Group are conducted largely within India, as such there is no separate reportable geographical segment.

47 Related party disclosures:

A. List of Related Parties and their relationship:

i) Major investing party

Reliance Inceptum Private Limited (RIPL)

ii) Individual Promoter

Mr. Anil D. Ambani, the person having control upto October 3, 2017 and significant influence w.e.f October 3, 2017.

iii) Associates

- Reliance Nippon Life Asset Management Limited (RNLAML) (w.e.f July 3, 2017)
- Reliance Asset Reconstruction Company Limited (RARCL)
- Indian Commodity Exchange Limited (ICEL)
- Ammolite Holdings Limited (AHL)
- Quant Commodity Broking Private Limited (ceased w.e.f. November 29, 2017)

iv) Key Managerial Personnel

- Mr. Jai Anmol Ambani - Executive Director
- Mr. Amit Bapna - Chief Financial Officer
- Mr. Atul Tandon - Company Secretary & Compliance Officer

B. Other related parties with whom transactions have taken place during the year:

i. Enterprise over which individual described in clause A (ii) above has control

- | | | | |
|---|---|----|--|
| 1 | Reliance Communications Limited (RCL) | 9 | Campion Properties Limited (CPL) |
| 2 | Reliance Big Entertainment Private Limited (RBEPL) | 10 | Reliance Webstore Limited (RWL) |
| 3 | Reliance Communications Infrastructure Limited (RCIL) | 11 | Zapak Digital Entertainment Limited (ZDEL) |

Reliance Capital Limited

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

4	Reliance Telecom Limited (RTL)	12	Nationwide Communications Private Limited (NCPL)
5	Big Animation (India) Private Limited (BAPL)	13	Reliance Globalcom Limited (RGL)
6	Reliance Realty Limited (RRL)	14	Zapak Mobile Games Private Limited (ZMGPL)
7	Reliance Infratel Limited (RIL)	15	Reliance Innoventures Private Limited (RIPL)
8	Globalcom IDC Limited (GIDC)		

C. Transactions during the year and balance outstanding with related parties:

(₹ in crore)			
Particulars	Others (B above)	Associates	Total
Fixed Assets			
a) Purchased during the year	- (2)	- (-)	- (2)
Investments			
a) Subscribed / Purchased during the year	2 (3)	5 (-)	7 (3)
b) Balance as at March 31, 2018 [Net of provision ₹ 258 crore (Previous year ₹ 142 crore)]	64 (180)	940 (167)	1,004 (347)
Loans Given			
a) Given during the year	128 (4,238)	- (0)	128 (4,238)
b) Returned / Adjusted during the year	612 (3,548)	- (-)	612 (3,548)
c) Balance as at March 31, 2018	1 170 (1,655)	- (-)	1,170 (1,655)
d) Interest accrued on Loans	173 (9)	- (-)	173 (9)
Advances			
a) Balance as at March 31, 2018 [* ₹ 30 65 599 (Previous year ** ₹ 5 42 167)]	- (-)	* (**)	* (**)
Income			
a) Interest & Finance Income	169 (134)	- (-)	169 (134)
b) Rent [* ₹ 2 25 000 (Previous year ** ₹ 9 00 000)]	* (**)	- (-)	* (**)
c) Dividend Income	- (-)	133 (1)	133 (1)
d) Reimbursement of expenditure [* ₹ 4 18 215 (Previous year ₹ 4 93 380)] (** Previous year ₹ 7 20 996) (***) Previous year ₹ 12 14 376)	* (*)	3 (**)	3 (***)
e) Management fees	- (-)	6 (-)	6 (-)
f) Other operating income [* ₹ 4 00 000 (Previous year ** ₹ 5 20 000)]	- (-)	* (**)	* (**)
g) Brokerage and Commission	- (2)	- (-)	- (2)
h) Premium Received	1 (1)	- (-)	1 (1)

Reliance Capital Limited

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

(₹ in crore)			
Particulars	Others (B above)	Associates	Total
Expenditure			
a) Rent (* ₹ 28 80 917)	*	-	*
	(1)	(-)	(1)
b) Provision / (Reversal) for Diminution in value of Investments	116	-	116
	(40)	(-)	(40)
c) Marketing expenses (* Previous year ₹ 37 84 404)	-	-	-
	(*)	(-)	(*)
d) Reimbursement paid	1	8	9
	(3)	(-)	(3)
Contingent liability			
a) Guarantees to Banks and Financial Institutions on behalf of third parties	483	-	483
	(836)	(-)	(836)

Employee Benefit expenses ₹ 5 crore (Previous year ₹ 4 crore)

D. The nature and volume of material transactions for the year with above related parties are as follows:

Fixed Assets

Fixed assets purchased during the year include ₹ Nil (Previous year ₹ 2 crore) from RCIL.

Investments

Investments subscribed / purchased during the year include ₹ 2 crore (Previous year ₹ 3 crore) from NCPL and ₹ 5 crore (Previous year ₹ Nil) from RNLAML. Investments Balance (at carrying cost) as at March 31, 2018 include ₹ 64 crore (Previous year ₹ 180 crore) of RCL [Net of provision of ₹ 228 crore (Previous year ₹ 113 crore)], ₹ 778 crore (Previous year ₹ Nil) of RNLAML, ₹ 80 crore (Previous year ₹ 76 crore) of RARC, ₹ 23 crore (Previous year ₹ 29 crore) of AHL [Net of Provision ₹ 29 crore (Previous year ₹ 29 crore)] and ₹ 59 crore (Previous year ₹ 62 crore) of ICEL.

Loans Given

Loans given during the year include ₹ Nil (Previous year ₹ 1,253 crore) to RIL, ₹ 28 crore (Previous year ₹ 295 crore) to RBEPL, ₹ Nil (Previous year ₹ 2,390 crore) to RCL and ₹ 100 crore (Previous year ₹ 300 crore) to RCIL. Loan Returned / Adjusted during the year include ₹ 12 crore (Previous year ₹ 850 crore) from RBEPL and ₹ Nil (Previous year ₹ 877 crore) from RIL, ₹ 600 crore (Previous year ₹ 1,821 crore) to RCL. Loans as at March 31, 2018 include ₹ 171 crore (Previous year ₹ 155 crore) to RBEPL, ₹ 376 crore (Previous year ₹ 376 crore) to RIL, ₹ 224 crore (Previous year ₹ 824 crore) to RCL, ₹ 400 crore (Previous year ₹ 300 crore) to RCIL. Interest accrued on loans as at March 31, 2018 include ₹ 21 crore (Previous year ₹ 4 crore) from RBEPL, ₹ 51 crore (Previous year ₹ 1 crore) to RIL, ₹ 50 crore (Previous year ₹ 10,27,397) to RCIL and ₹ 51 crore (Previous year ₹ 3 crore) to RCL.

Advances

Advances as at March 31, 2018 include ₹ 1,72,222 (Previous year ₹ 5,42,167) to RARC.

Income

Interest & Finance Income include ₹ 48 crore (Previous year ₹ 62 crore) from RCL, ₹ 22 crore (Previous year ₹ 47 crore) from RBEPL, ₹ 50 crore (Previous year ₹ Nil) from RCIL and ₹ 49 crore (Previous year ₹ 24 crore) from RIL. Rent income include ₹ 2,25,000 (Previous year ₹ 9,00,000) from RCIL. Dividend Income include ₹ 132 crore (Previous year ₹ Nil) from RNLAML and ₹ 1 crore (Previous year ₹ 1 crore) from RARC. Reimbursement of Expenditure include ₹ 3 crore (Previous year ₹ Nil) from RNLAML, ₹ 3,85,819 (Previous year ₹ 4,93,380) from RCIL and ₹ 2,53,845 (Previous year ₹ 7,20,996) from RARC. Management Fees include ₹ 6 crore (Previous year ₹ Nil) from RNLAML. Other operating income include ₹ 4,00,000 (Previous year ₹ 5,20,000) from RARC. Brokerage & Commission include ₹ Nil (Previous year ₹ 2 crore) from RCIL. Premium Received income include ₹ 3,57,000 (Previous year ₹ 1 crore) from RCL, ₹ 1 crore (Previous year ₹ Nil) from RGL and ₹ Nil (Previous year ₹ 18,44,000) from RIPL.

Expenditure

Rent include ₹ 24,00,917 (Previous year ₹ 1 crore) of RCL. Reimbursement of Expenditure include ₹ 6,663 (Previous year ₹ 1 crore) to RRL, ₹ Nil (Previous year ₹ 2 crore) to RCIL and ₹ 8 crore (Previous year ₹ Nil) to RNLAML. Marketing Expenses include ₹ Nil crore (Previous year ₹ 37,84,404) of ZDEL. Provision / (Reversal) for diminution in value of investments include ₹ 116 crore (Previous year ₹ 40 crore) of RCL. Employee benefit expenses include ₹ 1 crore (Previous year ₹ 1 crore) to Mr. Jai Anmol Ambani, ₹ 3 crore (Previous year ₹ 3 crore) to Mr. Amit Bapna and ₹ 1 crore (Previous year ₹ 9,88,038) to Mr. Atul Tandon.

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

Contingent Liability

Guarantees to Banks and Financial Institutions on behalf of third parties include ₹ 50 crore (Previous year ₹ 50 crore) for RBEPL, ₹ 433 crore (Previous year ₹ 550 crore) for RIL, ₹ Nil (Previous year ₹ 118 crore) to RCL and ₹ Nil (Previous year ₹ 118 crore) to RCIL.

Notes :

- Figures in bracket indicate previous year figures.
- Expenses incurred towards public utility services such as telephone and electricity charges have not been considered for related party transaction.
- The above discloses transactions entered during the period of existence of related party relationship. The balances and transactions are not disclosed before existence of related party relationship and after cessation of related party relationship (Refer note no. 51).
- In addition to the above Director sitting fees of ₹ 2,80,000 (Previous year ₹ 2,40,000) has been paid to Mr. Anil D. Ambani, an individual having control upto October 3, 2017 and significant influence w.e.f. October 3, 2017.
- Mr. Jai Anmol Ambani was paid sitting fees of ₹ 40,000 for attending the board meeting held on September 13, 2016, prior to his appointment as Executive Director w.e.f. September 27, 2016.
- The Company holds investment ₹ 3 crore (Previous year ₹ 3 crore) of Reliance Power Limited.

48 Auditors' remuneration includes

	(₹ in crore)	
	2017-18	2016-17
i) Audit Fees	3	3
ii) Tax Audit Fees [₹ 5 14 000 (Previous year ₹ 8 73 552)]	-	-
iii) Certification and other reimbursement charges (₹ 10 23 032)	-	2
Total	3	5

49 Leases

Details of Future Minimum Lease Receivables are as under :

	(₹ in crore)	
Particulars	2017-18	2016-17
Not Later than one year	8	10
Later than one year and not later than five years	8	11
Later than five years	-	-

Details of Future Minimum Lease Payable under operating lease for each of the following periods:

	(₹ in crore)	
Particulars	2017-18	2016-17
Not Later than one year	3	14
Later than one year and not later than five years	6	2
Later than five years	1	-

50 Basic and diluted earnings per share

The computation of basic earnings per share is set out below:

	(₹ in crore)	
Particulars	2017-18	2016-17
a) Amounts used as the numerators		
Net profit after tax	1 309	1 086
Net profit attributable to equity shareholders	1 309	1 086
b) Weighted average number of equity shares (Nos.)	25 26 73 801	25 26 32 800
c) Basic earnings per share of face value ₹ 10 each (₹)	51.81	42.99

Reliance Capital Limited

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

The computation of diluted earnings per share is set out below:

	(₹ in crore)	
Particulars	2017-18	2016-17
a) Amounts used as the numerators		
Net profit after tax	1 309	1 086
Net profit attributable to equity shareholders	1 309	1 086
b) Weighted average number of equity shares (Nos.)	25 31 08 768	25 27 14 591
c) Diluted earnings per share of face value ₹ 10 each (₹)	51.72	42.99

51 In the opinion of management, based on security value, borrowers resolution plans and / or letters of comfort all the assets other than fixed assets and non-current investments are approximately of the value stated if realised in the ordinary course of business.

52 **Contingent liabilities and commitments** (as certified by the management)

Contingent liabilities and capital commitments of the Holding company and its subsidiaries are as follows:

	(₹ in crore)	
Particulars	March 31, 2018	March 31, 2017
a Contingent liabilities		
i) Guarantees to Banks and Financial Institutions	5 442	5 220
ii) Claims against the Group not acknowledge as debt	268	271
iii) Dividend on Preference Shares	10	5
iv) Others	71	66
b Commitments		
i) Estimated amount of contracts remaining to be executed on capital account (net of advances)	91	88
ii) Undrawn Committed Credit lines	1 628	1 763
iii) Uncalled amount of Investments	58	22

Share of company in contingent liabilities and capital commitments of an associate are as follows:

	(₹ in crore)	
Particulars	March 31, 2018	March 31, 2017
a. Contingent Liabilities		
i) Claims against the Group not acknowledge as debt	1	2
b. Commitments		
i) Commitment towards fixed assets	-	3

53 **The subsidiaries / associate companies considered in the consolidated financial statement with their proportion of ownership are as under:**

Name	Country of Incorporation	Year Ending	Proportion of ownership (Interest)
List of Subsidiaries			
Reliance Capital Pension Fund Limited	India	March 31, 2018	51.00%
Reliance Capital Trustee Co. Limited	India	March 31, 2018	100.00%
Reliance Capital AIF Trustee Company Private Limited	India	March 31, 2018	100.00%
Reliance General Insurance Company Limited	India	March 31, 2018	100.00%
Reliance Nippon Life Insurance Company Limited	India	March 31, 2018	51.00%
Reliance Health Insurance Limited (w.e.f. May 4, 2017)	India	March 31, 2018	100.00%
Reliance Home Finance Limited	India	March 31, 2018	47.91%
Reliance Exchangenext Limited	India	March 31, 2018	100.00%

Reliance Capital Limited

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

Name	Country of Incorporation	Year Ending	Proportion of ownership (Interest)
Reliance Corporate Advisory Services Limited	India	March 31, 2018	100.00%
Reliance Securities Limited	India	March 31, 2018	100.00%
Reliance Commercial Finance Limited	India	March 31, 2018	100.00%
Reliance Commodities Limited	India	March 31, 2018	100.00%
Reliance Financial Limited	India	March 31, 2018	100.00%
Reliance Money Precious Metals Private Limited	India	March 31, 2018	100.00%
Reliance Money Solutions Private Limited	India	March 31, 2018	100.00%
Reliance Wealth Management Limited	India	March 31, 2018	100.00%
Quant Capital Private Limited	India	March 31, 2018	74.00%
Quant Broking Private Limited	India	March 31, 2018	74.00%
Quant Investment Services Private Limited	India	March 31, 2018	74.00%
Quant Securities Private Limited	India	March 31, 2018	74.00%
Reliance Nippon Life Asset Management Limited (ceased w.e.f. July 3, 2017)	India	March 31, 2018	51.00%
Reliance Asset Management (Mauritius) Limited (ceased w.e.f. July 3, 2017)	Mauritius	March 31, 2018	51.00%
Reliance Asset Management (Singapore) Pte. Limited (ceased w.e.f. July 3, 2017)	Singapore	March 31, 2018	51.00%
Reliance AIF Management Company Limited (ceased w.e.f. July 3, 2017)	India	March 31, 2018	51.00%
List of Associates			
Reliance Nippon Life Asset Management Limited (w.e.f. July 3, 2017)	India	March 31, 2018	42.88%
Reliance Asset Reconstruction Company Limited	India	March 31, 2018	49.00%
Indian Commodity Exchange Limited	India	March 31, 2018	26.00%
Ammolite Holdings Limited	Jersey	*	50.00%
Quant Commodity Broking Private Limited (ceased w.e.f. November 29, 2017)	India	March 31, 2018	33.30%

* The Unaudited financial statement of Ammolite Holdings Limited, have been certified by the management.

54 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates

A For the year ended March 31, 2018:

(₹ in crore)					
Sr. No.	Name	As % of consolidated net assets	Net asset Amount	As % of consolidated profit or loss	Profit/(loss) after Taxation Amount
A Parent					
1	Reliance Capital Limited	45.75%	7,760.10	46.20%	570.13
B Subsidiaries					
(i) Indian					
1	Reliance Nippon Life Asset Management Limited	0.00%	-	8.78%	108.28
2	Reliance Capital Pension Fund Limited	0.16%	26.60	0.04%	0.52
3	Reliance AIF Management Company Limited	0.00%	-	0.11%	1.33
4	Reliance Capital Trustee Co. Limited	0.01%	1.43	0.03%	0.31
5	Reliance General Insurance Company Limited	6.57%	1,113.65	11.13%	137.37
6	Reliance Commercial Finance Limited	18.32%	3,106.63	18.57%	229.18

Reliance Capital Limited

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

(₹ in crore)

Sr. No.	Name	As % of consolidated net assets	Net asset Amount	As % of consolidated profit or loss	Profit/(loss) after Taxation Amount
7	Reliance Money Precious Metals Private Limited	0.00%	0.47	-0.22%	(2.68)
8	Reliance Home Finance Limited	11.77%	1,996.85	16.55%	204.20
9	Reliance Securities Limited	1.38%	234.04	1.76%	21.76
10	Reliance Commodities Limited	0.06%	9.33	0.17%	2.09
11	Reliance Financial Limited	0.19%	31.93	0.67%	8.32
12	Reliance Wealth Management Limited	0.08%	14.37	0.55%	6.73
13	Reliance Money Solutions Private Limited	0.01%	2.24	-0.54%	(6.71)
14	Reliance Exchangenext Limited	0.39%	66.55	0.46%	5.70
15	Reliance Corporate Advisory Services Limited	6.98%	1,183.50	-2.08%	(25.64)
16	Reliance Capital AIF Trustee Company Private Limited	0.00%	0.08	0.00%	0.06
17	Reliance Nippon Life Insurance Company Limited	7.32%	1,241.39	1.19%	14.70
18	Reliance Health Insurance Limited	0.12%	20.53	-1.57%	(19.41)
19	Quant Capital Private Limited	0.16%	27.75	0.03%	0.32
20	Quant Broking Private Limited	0.73%	124.25	-1.61%	(19.87)
21	Quant Securities Private Limited	-0.01%	(0.89)	-0.11%	(1.36)
22	Quant Investment Services Private Limited	0.00%	0.20	-0.34%	(4.25)
(ii) Foreign					
1	Reliance Asset Management (Mauritius) Limited	0.00%	-	0.28%	3.50
2	Reliance Asset Management (Singapore) Pte. Limited	0.00%	-	-0.05%	(0.62)
Total		100.00%	16,960.99	100.00%	1,233.97
C Minority interest					
1	Reliance Nippon Life Asset Management Limited	-	-	-	52.82
2	Reliance Capital Pension Fund Limited	-	13.04	-	0.25
3	Reliance Commercial Finance Limited	-	0.14	-	-
4	Reliance Home Finance Limited	-	1,019.83	-	56.89
5	Reliance Money Solutions Private Limited	-	60.00	-	-
6	Reliance Nippon Life Insurance Company Limited	-	608.39	-	0.26
7	Quant Capital Private Limited	-	52.34	-	(6.88)
Total Minority interest		-	1,753.73	-	103.34
D Associate					
(i) Indian					
1	Reliance Nippon Life Asset Management Limited	-	980.60	-	183.41
2	Reliance Asset Reconstruction Company Limited	-	73.48	-	4.43
3	India Commodity Exchange Limited	-	26.15	-	(3.48)
4	Quant Commodity Broking Private Limited	-	-	-	0.05
(ii) Foreign					
1	Ammolite Holdings Limited	-	21.13	-	(5.89)
Total Associate		-	1,101.37	-	178.48

Reliance Capital Limited

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

B For the year ended March 31, 2017:

(₹ in crore)

Sr. No	Name	As % of consolidated net assets	Net asset Amount	As % of consolidated profit or loss	Profit/(loss) after Taxation Amount
A	Parent				
1	Reliance Capital Limited	42.48%	7,205.85	12.21%	152.18
B	Subsidiaries				
(i)	Indian				
1	Reliance Nippon Life Asset Management Limited	10.56%	1,791.81	33.20%	413.91
2	Reliance Capital Pension Fund Limited	0.15%	26.09	0.01%	0.08
3	Reliance AIF Management Company Limited	0.10%	17.10	0.50%	6.24
4	Reliance Capital Trustee Co. Limited	0.01%	1.11	0.01%	0.13
5	Reliance General Insurance Company Limited	5.71%	968.29	8.99%	112.07
6	Reliance Commercial Finance Limited	14.77%	2,505.86	31.25%	389.47
7	Reliance Money Precious Metals Private Limited	0.01%	1.37	0.00%	(0.05)
8	Reliance Home Finance Limited	7.09%	1,203.54	14.28%	177.92
9	Reliance Securities Limited	0.51%	86.45	0.27%	3.32
10	Reliance Commodities Limited	0.07%	11.53	0.05%	0.60
11	Reliance Financial Limited	0.35%	59.91	0.19%	2.39
12	Reliance Wealth Management Limited	0.06%	9.43	0.25%	3.09
13	Reliance Money Solutions Private Limited	0.05%	8.18	0.48%	5.96
14	Reliance Exchangenext Limited	0.49%	82.75	5.29%	65.88
15	Reliance Corporate Advisory Services Limited	8.95%	1,517.65	0.00%	0.01
16	Reliance Capital AIF Trustee Company Private Limited	0.00%	0.02	0.08%	0.96
17	Reliance Nippon Life Insurance Company Limited	7.10%	1,204.75	-5.11%	(63.67)
18	Quant Capital Private Limited	0.46%	77.62	-0.16%	(1.98)
19	Quant Broking Private Limited	0.85%	144.12	-0.95%	(11.88)
20	Quant Securities Private Limited	0.00%	0.47	-0.07%	(0.82)
21	Quant Investment Services Private Limited	0.03%	4.45	-0.08%	(1.03)
(ii)	Foreign				
1	Reliance Asset Management (Mauritius) Limited	0.10%	16.25	0.15%	1.86
2	Reliance Asset Management (Singapore) Pte. Limited	0.12%	20.04	-0.83%	(10.29)
	Total	100.00%	16,964.64	100.00%	1,246.35
C	Minority interest				
1	Reliance Nippon Life Asset Management Limited	-	932.86	-	196.96
2	Quant Capital Private Limited	-	59.11	-	(4.08)
3	Reliance Nippon Life Insurance Company Limited	-	608.13	-	(29.95)
4	Reliance Home Finance Limited	-	31.04	-	-
5	Reliance Capital Partners	-	-	-	(0.43)
	Total Minority interest	-	1,631.14	-	162.49
D	Associates				
(i)	Indian				
1	Reliance Asset Reconstruction Company Limited	-	70.82	-	4.42
2	India Commodity Exchange Limited	-	29.63	-	(3.86)
3	Quant Commodity Broking Private Limited	-	0.70	-	(0.05)
(ii)	Foreign				
1	Ammolite Holdings Limited	-	26.96	-	1.19
	Total Associate	-	128.11	-	1.70

Reliance Capital Limited

Notes to the Consolidated Financial Statement for the year ended March 31, 2018

- 55** The Company, in terms of Para 5 of Chapter III of Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016, made an application to the Reserve Bank of India for registering itself as Systemically Important Core Investment Company (CIC-ND-SI). The Company is awaiting Certificate of Registration ('CoR') as CIC-ND-SI and continues to position itself as CIC-ND-SI and complies with the prudential norms applicable to CIC-ND-SI.
- 56** In accordance with Para 7 of Accounting Standard (AS-23) on Accounting for Investments in Associates in Consolidated Financial Statement as per the Companies (Accounts) Rules, 2014, the Group stake in Sula Vineyards Private Limited in excess of 20% of their shareholdings have not been accounted for as associates in the preparation of consolidated financial statement as the Company does not have any "Significant Influence" on this company, as defined by Accounting Standard (AS-18) on Related Party Disclosures as per the Companies (Accounts) Rules, 2014 and hence the transaction with these parties have not been considered for Related Party Disclosures. The Group has sold the stake in Sula Vineyards Private Limited during the year.
- 57** The Group has a process whereby, periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, respective companies in the Group have reviewed and ensured that adequate provision as required under any law / accounting standards has been made in the books of accounts.

As per our report of even date attached

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

Parimal Kumar Jha
Partner
Membership No.: 124262

Mumbai
Dated: April 26, 2018

For **Price Waterhouse & Co
Chartered Accountants LLP**
Firm Registration No.: 304026E / E-300009
Chartered Accountants

Vivek Prasad
Partner
Membership No.: 104941

For and on behalf of the Board

Chairman
Vice Chairman

Directors

Executive Director
Chief Financial Officer
Company Secretary & Compliance Officer
Mumbai
Dated: April 26, 2018

Anil D. Ambani
Amitabh Jhunjhunwala
Rajendra P. Chitale
Dr. Bidhubhusan Samal
V. N. Kaul
Chhaya Virani
Jai Anmol Ambani
Amit Bapna
Atul Tandon

Statement containing salient features of the financial statement of subsidiaries / associate companies

(Pursuant to first proviso to sub section (3) of Section 129 of the Act read with rule 5 of the Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

Sl. No.	Name	The date since when subsidiary was acquired	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend (Excluding Dividend Tax)	Extent of shareholding (in %)
1	Reliance Capital Pension Fund Limited	31-Mar-09	25.00	1.60	27.53	0.93	20.53	2.70	0.51	-	0.51	-	51.00%
2	Reliance Capital Trustee Co. Limited	12-May-95	0.05	1.37	1.49	0.07	1.44	0.76	0.46	0.14	0.31	-	100.00%
3	Reliance General Insurance Company Limited	15-Jan-02	251.55	1,153.56	9,355.09	7,949.97	8,006.69	6,042.56	165.00	-	165.00	-	100.00%
4	Reliance Commercial Finance Limited	15-Jan-02	535.46	2,571.37	15,941.52	12,834.69	466.63	2,133.61	281.07	72.70	208.37	-	100.00%
5	Reliance Money Precious Metals Private Limited	20-Feb-07	25.00	(26.33)	1.28	2.61	-	213.06	(2.70)	-	(2.70)	-	100.00%
6	Reliance Home Finance Limited	26-Jun-08	516.09	1,413.02	15,683.59	13,754.48	97.05	1,670.52	271.54	90.97	180.57	-	47.91%
7	Reliance Securities Limited	28-Aug-08	235.00	(64.20)	801.06	630.26	35.33	252.17	29.99	0.70	29.29	-	100.00%
8	Reliance Commodities Limited	28-Aug-08	3.00	8.47	43.80	32.33	0.00	13.14	0.10	0.16	(0.05)	-	100.00%
9	Reliance Financial Limited	28-Aug-08	40.26	76.07	436.30	319.96	42.17	45.79	10.51	3.33	7.18	-	100.00%
10	Reliance Wealth Management Limited	15-Dec-10	17.50	(2.91)	25.61	11.03	2.50	45.71	8.53	(0.00)	8.54	-	100.00%
11	Reliance Money Solutions Private Limited	02-Dec-13	60.05	(75.08)	3.07	18.10	-	2.33	(8.42)	(0.01)	(8.41)	-	100.00%
12	Reliance Exchangenext Limited	31-May-10	42.26	57.81	106.16	6.09	82.53	5.72	5.24	-	5.24	-	100.00%
13	Reliance Corporate Advisory Services Limited	31-May-10	1,235.65	(61.40)	1,176.46	2.21	1,175.01	3.53	(34.50)	-	(34.50)	-	100.00%
14	Reliance Capital AIF Trustee Company Private Limited	11-Apr-13	0.06	0.02	0.10	0.02	-	0.08	0.07	0.01	0.06	-	100.00%
15	Reliance Nippon Life Insurance Company Limited	30-Mar-16	1,196.32	45.29	20,742.29	19,500.68	19,615.15	6,097.37	0.53	-	0.53	-	51.00%
16	Reliance Health Insurance Limited	04-May-17	40.05	(19.52)	31.15	10.62	-	0.05	(19.52)	-	(19.52)	-	100.00%
17	Quant Capital Private Limited	01-Jul-10	10.00	198.49	210.33	1.84	1.72	5.29	(9.10)	(18.78)	9.68	-	74.00%
18	Quant Broking Private Limited	01-Jul-10	18.01	106.24	169.06	44.81	50.00	15.71	19.69	39.56	(19.87)	-	74.00%
19	Quant Securities Private Limited	01-Jul-10	1.54	(2.42)	6.17	7.05	-	0.17	0.65	(0.71)	1.36	-	74.00%
20	Quant Investment Services Private Limited	18-Mar-11	0.74	(0.54)	5.78	5.58	-	8.47	4.25	-	4.25	-	74.00%

Notes:

- The Financial Year of the Subsidiaries is for 12 months i.e. from April 1, 2017 to March 31, 2018.
- Investment exclude investment in Subsidiaries.
- Name of Subsidiaries which are yet to commence operations - Nil.
- During the year Reliance Health Insurance Limited became subsidiary w.e.f. May 4, 2017.
- During the year Reliance Nippon Life Asset Management Limited, Reliance Asset Management (Singapore) Pte. Limited, Reliance Asset Management (Mauritius) Limited and Reliance AIF Management Company Limited ceased to be the subsidiaries of the Company w.e.f. July 3, 2017.

Statement containing salient features of the financial statement of subsidiaries / associate companies

Part "B": Associates

Sr. No.	Name of Associates	Latest audited Balance Sheet Date	Shares of Associate held by the Company on the year end		Description of how there is significant influence Refer Note 1 below	Reason why the associate / joint venture is not consolidated	Networth attributable to shareholding as per latest audited Balance Sheet	Profit / (loss) for the year	
			No.	Amount of Investment in Associate / Joint Venture				i. Considered in Consolidation	i. Not Considered in Consolidation
1	Reliance Nippon Life Asset Management Limited (formerly Reliance Capital Asset Management Limited)	31.03.2018	262,395,000	216.46		-	980.60	183.42	
2	Ammolite Holdings Limited	*	1,000	29.00		-	21.13	(5.89)	
3	Indian Commodity Exchange Limited	31.03.2018	87,100,000	82.53		-	26.15	(3.48)	
4	Reliance Asset Reconstruction Company Limited	31.03.2018	49,000,000	49.00		-	73.48	4.43	

Name of associates which are yet to commence operations – There is no associate which is yet to commence operation.

* The unaudited Financial Statement as on March 31, 2018 of Ammolite Holdings Limited, have been certified by the Management.

Notes:

1. There is significant influence due to percentage (%) of share capital.
2. The Company does not have any joint venture during the year.
3. During the year Reliance Nippon Life Asset Management Limited (formerly Reliance Capital Asset Management Limited) became associate w.e.f. July 3, 2017.
4. During the year Quant Commodity Broking Private Limited ceased to be Associate w.e.f. November 29, 2017.

As per our report of even date attached

For **Pathak H.D. & Associates** For **Price Waterhouse & Co**
 Firm Registration No.: **Chartered Accountants LLP**
 107783W Firm Registration No.:
 Chartered Accountants 304026E / E-300009
 Chartered Accountants

Parimal Kumar Jha **Vivek Prasad**
 Partner Partner
 Membership No.: 124262 Membership No.: 104941

Mumbai
 Dated: April 26, 2018

For and on behalf of the Board

Chairman **Anil D. Ambani**
 Vice Chairman **Amitabh Jhunjhunwala**
 Directors **Rajendra P. Chitale**
Dr. Bidhubhusan Samal
V. N. Kaul
Chhaya Virani
 Executive Director **Jai Anmol Ambani**
 Chief Financial Officer **Amit Bapna**
 Company Secretary & Compliance Officer **Atul Tandon**
 Mumbai

Dated: April 26, 2018



FORM FOR UPDATION OF RECORDS

Reliance Capital Limited
H Block, 1st Floor
Dhirubhai Ambani Knowledge City
Navi Mumbai 400 710

Dear Sir(s),

Sub.: Updation of Permanent Account Number (PAN) and bank account details

This has reference to circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 issued by the Securities and Exchange Board of India (**SEBI**), regarding mandatory updation of Permanent Account Number (PAN) and bank account details.

I / We furnish the following information for your reference and record:

Folio Number

[illegible]

A. Bank account details

Mobile no. of the sole / first holder

[illegible]

E-mail ID.

[illegible]

Name of bank

[illegible]

Branch name

[illegible]

Branch address
with PIN code

[illegible][illegible][illegible][illegible][illegible][illegible]

Account Number
(as appearing in
the cheque leaf)

[illegible]

Account type

Saving	
--------	--

Current	
---------	--

Please place a tick mark (✓) in the appropriate box

9 Digit Code No.
of Bank / Branch
as appearing on
MICR cheque is-
sued by the bank

--	--	--	--	--	--	--	--	--

(9 Digit Code Number appearing on the MICR Bank of the Cheque supplied by the bank)

Please attach original cancelled cheque leaf with names of shareholders / bank passbook showing names of shareholders, duly attested by an authorised bank official.

11 Digit Indian
Financial System
Code (IFSC)

[illegible]

B. Permanent Account Number (PAN) details

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

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(Sole / First Holder)

(Second Holder)

(Third Holder)

I / We confirm that whatever stated hereinabove is true and correct and that the documents being furnished by me / us are valid and in force and may be used by Karvy Computershare Private Limited to update records of all companies as mentioned in this letter and for all communication and disbursement of any dividend in future.

**(Sole / First Holder)
Signature**

**(Second Holder)
Signature**

**(Third Holder)
Signature**

Encl. : as above

Date :

Place :

RELIANCE**Reliance Capital Limited**

Registered Office: H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710
 CIN: L65910MH1986PLC165645, Tel.: +91 22 3303 1000, Fax: +91 22 3303 6664
 Website: www.reliancecapital.co.in, E-mail: rcl.investor@relianceada.com

CAPITAL
ATTENDANCE SLIP
ANNUAL GENERAL MEETING

*DP Id. / Client Id.		Name and Address of the registered Shareholder
Regd. Folio No.		
No. of Share(s) held		

(* Applicable for Members holding share(s) in electronic form)

I/ We hereby record my/our presence at the **32nd Annual General Meeting** of the Members of Reliance Capital Limited held on Tuesday, September 18, 2018 at 1:15 P.M. or soon after the conclusion of the Annual General Meeting of Reliance Power Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020.

Member's / Proxy's Signature

Note: Please complete this and hand it over at the entrance of the hall.



TEAR HERE

PROXY FORM**RELIANCE****Reliance Capital Limited**

Registered Office: H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710
 CIN: L65910MH1986PLC165645, Tel.: +91 22 3303 1000, Fax: +91 22 3303 6664
 Website: www.reliancecapital.co.in, E-mail: rcl.investor@relianceada.com

CAPITAL**FORM NO. MGT-11**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)		
Registered Address		
E-mail Id:		
*DP Id. / Client Id.		Regd. Folio No.

(* Applicable for Members holding share(s) in electronic form)

I / We, being the member(s) of shares of the above named company, hereby appoint:

- (1) Name: Address:
 E-mail Id: Signature: or failing him
- (2) Name: Address:
 E-mail Id: Signature: or failing him
- (3) Name: Address:
 E-mail Id: Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **32nd Annual General Meeting** of the Company, to be held on Tuesday, September 18, 2018 at 1:15 P.M. or soon after the conclusion of the Annual General Meeting of Reliance Power Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution no. and Matter of Resolution	For	Against
1. To consider and adopt: a) the audited financial statement of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon, and b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2018 and the report of the Auditors thereon.		
2. To declare dividend on equity shares.		
3. To appoint a Director in place of Mr. Jai Anmol Ambani (DIN:07591624), who retires by rotation and being eligible, offers himself for re-appointment.		
4. To confirm holding of office by M/s. Pathak H.D. & Associates, Chartered Accountants, as Auditor for remaining term.		
5. To confirm holding of office by M/s. Price Waterhouse & Co Chartered Accountants LLP, Chartered Accountants, as Auditor for remaining term.		
6. To approve continuation of Dr. Bidhubhusan Samal as an Independent Director.		
7. To approve continuation of Mr. V. N. Kaul as an Independent Director.		
8. To approve Private Placement of Non-Convertible Debentures and/or other Debt Securities.		
9. To consider issue of securities through qualified institutions placement on a private placement basis to the Qualified Institutional Buyers ("QIBs").		

Signed this _____ day of _____, 2018.

Signature of the Shareholder(s) _____ Signature of Proxy holder(s) _____

Affix
Revenue
Stamp

Note: This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Route Map to the AGM Venue

Venue : Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020



Landmark : Next to Bombay Hospital

Distance from Churchgate Station : 1 km

Distance from Chhatrapati Shivaji Terminus : 1.2 km

Distance from Marine Lines Station : 0.8 km

If undelivered please return to :

Karvy Computershare Private Limited
(Unit: Reliance Capital Limited)

Karvy Selenium Tower - B, Plot No. 31 & 32

Survey No. 116/22, 115/24, 115/25

Financial District, Nanakramguda, Hyderabad 500 032

Tel. : +91 40 6716 1500, Fax : +91 40 6716 1791

E-mail : rcinvestor@karvy.com, Website: www.karvy.com