

**Reliance Retail Finance Limited**  
**Financial Statements**  
**2020-21**

## **Independent Auditor's Report**

To the Members of  
**Reliance Retail Finance Limited**

### **Opinion**

We have audited the accompanying financial statements of **Reliance Retail Finance Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31<sup>st</sup> March, 2021, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### **Basis for Opinion**

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

### **Management Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these Financial Statements that give a true and fair view of the Financial Position, Financial Performance including Other Comprehensive Income, Cash Flows and the Statement Of Changes in Equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

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

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

### **Other Matter**

The financial information of the Company for the year ended 31st March, 2020 and the transition date opening balance sheet as at April 1, 2019 included in these financial statements, are based on the previously issued statutory financial statements for the years ended 31st March, 2020 and 31st March, 2019 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated 22<sup>nd</sup> April, 2020 and 15<sup>th</sup> April, 2019 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us. Our opinion is not qualified in respect of this matter.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income , the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act.
  - e) On the basis of written representations received from the directors as on March 31 , 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31 , 2021, from being appointed as a director in terms of section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to these financial statements;

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, as amended , in our opinion and to the best of our information and according to the explanations given to us:

The Company does not have any pending litigations which would impact on its financial position.

The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

**For Chaturvedi & Shah LLP**

Chartered Accountants

(Firm Registration no. 101720W/W100355)

**Amit Chaturvedi**

**Partner**

Membership No.: 103141

UDIN: 21103141AAAAJR6168

Place: Mumbai

Date :: 29<sup>th</sup> April, 2021

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE RETAIL FINANCE LIMITED**

**(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)**

- i) As the Company had no Fixed Assets during the year, clause (i) of paragraph 3 of the order is not applicable to the Company.
- ii) As the Company had no Inventories during the year, clause (ii) of paragraph of 3 of the Order is 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. Consequently, the requirement of clause (iii) (a) to clause (iii) (c) of paragraph 3 of the Order is not applicable to the Company.
- iv) Company has not directly or indirectly advanced loan to the person or given guarantees or securities in connection with the loan taken by persons covered under Section 185 of the Act. The provisions of section 186 of the Act, in respect of investments, loans, guarantee or security given are not applicable to the company.
- v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.
- vi) To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act in respect of the activities undertaken by the Company.
- vii) In respect of Statutory dues :
  - a) According to the records of the Company, undisputed statutory dues including provident fund, employees’ state insurance, income tax, goods and service tax, duty of customs, duty of excise, cess and any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at March 31, 2021 for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us, there are no dues of income tax, goods and service tax , duty of customs, duty of excise, cess on account of any dispute, which have not been deposited.
- viii) In our opinion and according to the information and explanation given to us the company has not defaulted in repayment of loans from bank. Company has not raised loans from financial institutions or government or by issue of debentures.
- ix) The company has not raised money by way of initial public offer or further public offer (including debt instruments). The monies raised on term loans during the year has since been repaid and were mainly applied for the purpose for which they were raised.
- x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

- xi) The Company has not paid any managerial remuneration during the year and hence clause (xi) of paragraph 3 of the Order is not applicable to the Company.
- xii) In our opinion Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.
- xiii) In our opinion and according to the information and explanations given to us, the Companies transaction with its related parties are in compliance with sections 177 and 188 of the Act and their details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- xiv) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the company.
- xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act, hence, reporting under clause (xv) of the paragraph 3 of the Order is not applicable to the Company.
- xvi) Based on information and explanation given to us, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and necessary registration has been obtained by the Company.

**For Chaturvedi & Shah LLP**

Chartered Accountants

(Firm Registration no. 101720W/W100355)

**Amit Chaturvedi**

**Partner**

Membership No.: 103141

UDIN: 21103141AAAAJR6168

Place: Mumbai

Date :: 29<sup>th</sup> April, 2021

## **ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE RETAIL FINANCE LIMITED**

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

### **Report on the Internal Financial Controls with reference to the aforesaid Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

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

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

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

#### **Auditor’s Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system with reference to financial statements.

#### **Meaning of Internal Financial Controls with Reference To Financial Statements**

A company’s internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to financial



statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 With Reference To Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

**For Chaturvedi & Shah LLP**  
Chartered Accountants  
(Firm Registration no. 101720W/W100355)

**Amit Chaturvedi**  
**Partner**  
Membership No.: 103141  
UDIN: 21103141AAAAJR6168  
Place: Mumbai  
Date :: 29<sup>th</sup> April, 2021

Reliance Retail Finance Limited I 10

Reliance Retail Finance Limited  
Balance Sheet as at 31st March, 2021

		As at	As at	(₹ in Lakhs) As at
	Notes	31st March, 2021	31st March, 2020	1st April, 2019
<b>ASSETS</b>				
<b>Financial Assets</b>				
Cash and Cash Equivalents	1	13.50	2.58	4.89
Loans	2	3,58,073.64	14,83,376.00	-
Investments	3	4,418.23	11,190.50	10,175.08
Others Financial Asset	4	-	4,403.93	-
<b>Total Financial Assets</b>		<b>3,62,505.37</b>	<b>14,98,973.01</b>	<b>10,179.97</b>
<b>Non-Financial Assets</b>				
Other Current Assets	5	720.49	881.81	5.21
Current tax assets (Net)	6	756.33	485.81	1.24
<b>Total Non-Financial Assets</b>		<b>1,476.82</b>	<b>1,367.62</b>	<b>6.45</b>
<b>Total Assets</b>		<b>3,63,982.19</b>	<b>15,00,340.63</b>	<b>10,186.42</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>Financial Liabilities</b>				
Trade Payables Due to:	7			
Micro and Small Enterprise		-	-	-
Other than Micro and Small Enterprise		7.23	5,645.41	0.98
Borrowings	8	-	10,04,144.00	-
Other Financial Liabilities	9	-	7,955.91	-
<b>Total Financial Liabilities</b>		<b>7.23</b>	<b>10,17,745.32</b>	<b>0.98</b>
<b>Non- Financial Liabilities</b>				
Other Current Liabilities	10	43.67	1,41,438.45	0.51
Deferred tax Liabilities	11	9.30	102.15	0.02
<b>Total Non- Financial Liabilities</b>		<b>52.97</b>	<b>1,41,540.60</b>	<b>0.53</b>
<b>Total Liabilities</b>		<b>60.20</b>	<b>11,59,285.92</b>	<b>1.51</b>
<b>EQUITY</b>				
Equity Share Capital	12	6,812.00	6,812.00	202.00
Other Equity	13	3,57,109.99	3,34,242.71	9,982.91
<b>Total Equity</b>		<b>3,63,921.99</b>	<b>3,41,054.71</b>	<b>10,184.91</b>
<b>Total Liabilities and Equity</b>		<b>3,63,982.19</b>	<b>15,00,340.63</b>	<b>10,186.42</b>

Significant Accounting Policies

See accompanying Notes to Financial Statements 1 to 28

As per our Report of even date

For and on behalf of the Board

**For Chaturvedi & Shah LLP**

Chartered Accountants  
Registration No. 101720W/W100355

**Rohit C. Shah**  
Chairman  
(DIN:00006087)

**B. Chandrasekaran**  
Independent Director  
(DIN:06670563)

**Amit Chaturvedi**  
Partner  
Membership No. 103141

**Vishal Kumar**  
Chief Financial Officer  
(PAN: ABTPK4105G)

**Anshu Agarwal**  
Company Secretary  
(Membership No: F9921)

Mumbai  
Dated : April 29, 2021

**Reliance Retail Finance Limited**  
**Statement of Profit and Loss for the Year ended 31st March, 2021**

	Notes	2020-21	(₹in Lakhs) 2019-20
<b>INCOME</b>			
Revenue from Operations	14		
Interest income		1,01,772.62	36,240.72
Net gain on fair value changes		275.86	418.92
		<u>1,02,048.48</u>	<u>36,659.65</u>
Other Income	15	4,158.06	-
<b>Total Income</b>		<b><u>1,06,206.54</u></b>	<b><u>36,659.65</u></b>
<b>EXPENSES</b>			
Finance Cost	16	56,266.09	22,658.53
Other Expenses	17	20,776.02	11,482.01
<b>Total Expenses</b>		<b><u>77,042.11</u></b>	<b><u>34,140.54</u></b>
Profit Before Tax		<b>29,164.43</b>	<b>2,519.11</b>
<b>Tax Expenses</b>			
Current Tax	18	6,390.00	2,047.18
Deferred Tax	18	(92.85)	102.13
<b>Profit for the Year</b>		<b><u>22,867.28</u></b>	<b><u>369.80</u></b>
<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the Year</b>		<b><u>22,867.28</u></b>	<b><u>369.80</u></b>
<b>Earnings per equity share of face value of ₹ 10 each</b>			
Basic (in ₹)	19	33.57	1.50
Diluted (in ₹)	19	33.57	1.50

**Significant Accounting Policies**

See accompanying Notes to Financial Statements 1 to 28

As per our Report of even date

For and on behalf of the Board

**For Chaturvedi & Shah LLP**

Chartered Accountants  
Registration No. 101720W/W100355

**Rohit C. Shah**  
Chairman  
(DIN:00006087)

**B. Chandrasekaran**  
Independent Director  
(DIN:06670563)

**Amit Chaturvedi**  
Partner  
Membership No. 103141

**Vishal Kumar**  
Chief Financial Officer  
(PAN: ABTPK4105G)

**Anshu Agarwal**  
Company Secretary  
(Membership No: F9921)

Mumbai  
Dated : April 29, 2021

# Reliance Retail Finance Limited | 12

**Reliance Retail Finance Limited**  
**Statement of changes in Equity for the Year ended 31st March, 2021**

**A. Equity Share Capital**

(₹in Lakhs)

Balance at the beginning of the reporting period i.e. 1st April 2019	Changes in equity share capital during the year 2019-20	Balance at the end of the reporting period i.e. 31st March, 2020	Changes in equity share capital during the year 2020-21	Balance at the end of the reporting period i.e. 31st March 2021
202.00	6,610.00	6,812.00	-	6,812.00

**B. Other Equity**

	Reserves and Surplus			Other Comprehensive Income	Total
	Statutory Reserve Fund *	Securities Premium	Retained Earnings		
<b>As on 31st March, 2020</b>					
Balance at beginning of reporting period 1st April, 2019	2,046.60	-	7,936.31	-	9,982.91
Equity Shares issued during the year		3,23,890.00		-	3,23,890.00
Total Comprehensive Income for the year	-	-	369.80	-	369.80
Transfer from Retained Earnings	15.00	-	(15.00)	-	-
Balance at the end of the reporting period 31st March, 2020	<b>2,061.60</b>	<b>3,23,890.00</b>	<b>8,291.11</b>	-	<b>3,34,242.71</b>
<b>As on 31st March, 2021</b>					
Balance at beginning of reporting period 1st April, 2020	2,061.60	3,23,890.00	8,291.11	-	3,34,242.71
Total Comprehensive Income for the year	-		22,867.28	-	22,867.28
Transfer from Retained Earnings	4,580.00		(4,580.00)	-	-
Balance at the end of the reporting period 31st March, 2021	<b>6,641.60</b>	<b>3,23,890.00</b>	<b>26,578.39</b>	-	<b>3,57,109.99</b>

\* Created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934

As per our Report of even date

For and on behalf of the Board

**For Chaturvedi & Shah LLP**

Chartered Accountants  
 Registration No. 101720W/W100355

**Rohit C. Shah**  
 Chairman  
 (DIN:0006087)

**B. Chandrasekaran**  
 Independent Director  
 (DIN:06670563)

**Amit Chaturvedi**  
 Partner  
 Membership No. 103141

**Vishal Kumar**  
 Chief Financial Officer  
 (PAN: ABTPK4105G)

**Anshu Agarwal**  
 Company Secretary  
 (Membership No: F9921)

Mumbai  
 Dated : April 29, 2021

Reliance Retail Finance Limited  
Cash Flow Statement for the Year ended 31st March, 2021

	2020-21	(₹in Lakhs) 2019-20
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/ (Loss) Before Tax as per Statement of Profit and Loss	29,164.43	2,519.11
Adjusted for :		
Gain on Investments	(275.87)	(418.92)
Interest Income	(44,666.71)	(36,240.72)
Interest paid	56,266.09	22,658.52
	<u>11,323.51</u>	<u>(14,001.12)</u>
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>40,487.94</b>	<b>(11,482.01)</b>
Adjusted for :		
Trade and Other Receivables	4,565.24	(876.56)
Trade and Other Payables	(1,54,988.86)	1,51,385.81
Movement in loans	11,25,302.36	(14,89,333.33)
Interest Income	44,666.71	31,836.80
<b>Cash Generated from / (used in) Operations</b>	<b>10,60,033.39</b>	<b>(13,18,469.29)</b>
Taxes Paid(Net)	(6,660.52)	(2,531.75)
<b>Net Cash Generated from / (used in) Operating Activities</b>	<b>10,53,372.87</b>	<b>(13,21,001.04)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for financial assets(Mutual Fund)	(21,628.35)	(11,303.00)
Proceeds from sale of financial assets(Mutual Fund)	28,676.49	606.50
Sale of Investment from related Party	-	10,100.00
<b>Net Cash flow from / (used in) Investing Activities</b>	<b>7,048.14</b>	<b>(596.50)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Equity shares	-	3,30,500.00
Proceeds from / (Refund to) Related party borrowings(Net)	(10,04,144.00)	10,04,144.00
Interest paid	(56,266.09)	(13,048.77)
<b>Net Cash flow from / (used in) Financing Activities</b>	<b>(10,60,410.09)</b>	<b>13,21,595.23</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	<b>10.92</b>	<b>(2.31)</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>2.58</b>	<b>4.89</b>
<b>Closing Balance of Cash and Cash Equivalents (Refer Note 1)</b>	<b>13.50</b>	<b>2.58</b>

As per our Report of even date

For and on behalf of the Board

**For Chaturvedi & Shah LLP**

Chartered Accountants

Registration No. 101720W/W100355

**Rohit C. Shah**

Chairman

(DIN:00006087)

**B. Chandrasekaran**

Independent Director

(DIN:06670563)

**Amit Chaturvedi**

Partner

Membership No. 103141

**Vishal Kumar**

Chief Financial Officer

(PAN: ABTPK4105G)

**Anshu Agarwal**

Company Secretary

(Membership No: F9921)

Mumbai

Dated : April 29, 2021

**Reliance Retail Finance Limited****Notes to the Financial Statements for the Year ended 31st March, 2021****A. CORPORATE INFORMATION**

Reliance Retail Finance Limited ['the company'] is a limited company incorporated in India and also an NBFC. The registered office of the Company is located at 9th Floor, Maker Chambers IV, 222 Nariman Point, Mumbai 400021. The Company is mainly engaged in the business of Investments in Shares and Securities in India.

**B. SIGNIFICANT ACCOUNTING POLICIES****B.1 Statement of Compliance**

The Company has adopted Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 from April 1, 2020 and the effective date of such transition is April 1, 2019. The Figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ('RBI') (collectively referred to as "the Previous GAAP"). The Figures have been presented in accordance with the format prescribed for financial statements for a Non-Banking Finance Company (NBFC) whose financial statements are drawn up in compliance of the Companies (Indian Accounting Standards) Rules, 2015 in Division III of Notification No. GSR 1022 (E) dated 11th October, 2018, issued by the Ministry of Corporate Affairs, Government of India.

**B.2 Basis of Preparation and Presentation**

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities are measured at fair value.

These financial statements are the Company's first Ind AS financial statements.

The Company's financial statements are presented in Indian Rupees (₹), which is its functional currency and all values are rounded to the nearest lakhs (₹00,000), except when otherwise indicated.

**B.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****(a) Finance Cost**

All borrowing costs are charged to the Profit and Loss Statement in the period in which they are incurred.

**(b) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Reliance Retail Finance Limited****Notes to the Financial Statements for the Year ended 31st March, 2021****(c) Tax Expenses**

The tax expense for the period comprises current and deferred tax, same is recognised in Statement of Profit and Loss.

**Current Tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted at the Balance sheet date.

**Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

**(d) Revenue recognition****Income from Current and Long-term Investments**

Income from dividend on shares of corporate bodies and units of mutual funds is accounted when the Company's right to receive dividend is established. Interest income on bonds and debentures is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**Income on Fixed Deposit**

Interest income on deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**Income on lending business**

The Company recognises interest income using Effective Interest Rate (EIR) on all financial assets. The EIR is the rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

**(e) Financial instruments****i) Financial Assets****A. Initial recognition and measurement**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

**B. Subsequent measurement****a) Financial assets carried at amortised cost (AC)**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**b) Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Reliance Retail Finance Limited****Notes to the Financial Statements for the Year ended 31st March, 2021****c) Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

**C. Investment in Fellow Subsidiaries**

The Company has accounted for its investments in fellow subsidiaries at cost, less impairment loss (if any).

**ii) Financial liabilities****A. Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in Statement of Profit or Loss as finance cost.

**B. Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**iii) Derecognition of financial instruments**

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

**(f) Earnings per share**

Basic earnings per share is calculated by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year adjusted for bonus element in equity share. Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

**C. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:**

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

**a) Recoverability of trade receivable:**

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.



**Reliance Retail Finance Limited****Notes to the Financial Statements for the Year ended 31st March, 2021****b) Provisions:**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

**c) Impairment of financial assets:**

The Company applies the ECL model in accordance with Ind-AS 109 for recognizing impairment loss on financial assets. The expected credit loss is calculated i.e., 12-month expected loss for all facilities in stage 1 and lifetime expected credit loss for all other facilities. The expected credit loss is a product of exposure at default ('EAD'), probability of default ('PD') and loss given default ('LGD'). The Company has devised an internal model to evaluate the PD and LGD based on the parameters set out in Ind-AS 109. Accordingly, the financial assets are classified into one of the three stages (Stage 1, Stage 2 or Stage 3) based on the assessed credit risk of the instrument/facility. There are three stages:

Stage 1 would include all facilities which have not undergone a significant increase in credit risk since initial recognition

Stage 2 would include facilities meeting the criteria for Significant Increase in Credit Risk and facilities with DPD 30 or more

Stage 3 will have facilities classified as NPA and facilities with DPD 90 or more and are credit impaired

LGD is an estimate of loss from a transaction given that a default occurs. PD is defined as the probability of whether the borrowers will default on their obligations in the future. Ind AS 109 requires the use of separate PD for a 12-month duration and lifetime duration depending on the stage allocation of the borrower. EAD represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets held by the Company.

The measurement of impairment losses across all categories of financial assets requires judgement in determining impairment losses and the assessment of a significant increase in credit risk. The Company's ECL calculations are outputs of complex models with a number of underlying assumptions. The inputs and models used for calculating ECLs may not always capture all factors at the date of the financial statements. Adjustments including reversal of ECL is recognized through statement of profit and loss.

**d) Recognition of Deferred tax assets and liabilities**

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

**e) Fair value measurement**

For estimates relating to fair value of financial instruments refer note 25 of financial statements

Reliance Retail Finance Limited  
Notes to the Financial Statements for the Year ended 31st March, 2021

(₹ in Lakhs)

1. CASH AND CASH EQUIVALENTS

	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Balances with bank	13.50	2.58	4.89
<b>Cash and Cash Equivalents as per Balance Sheet</b>	<b>13.50</b>	<b>2.58</b>	<b>4.89</b>
<b>Cash and Cash Equivalents as per Cash Flow Statement</b>	<b>13.50</b>	<b>2.58</b>	<b>4.89</b>

(₹ in Lakhs)

2. LOANS

(Unsecured and considered good)

At Amortised Cost

	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Loan to Related parties (Refer note no. 21)	3,59,873.00	-	-
Loan to others*	-	14,89,333.33	-
	<u>3,59,873.00</u>	<u>14,89,333.33</u>	-
Less:			
ECL & Contingent provision on standard asset **	1,799.36	5,957.33	-
<b>Total</b>	<b><u>3,58,073.64</u></b>	<b><u>14,83,376.00</u></b>	-

\* Long term Consumer Loan

\*\* Includes provision created pursuant to Section 45JA of the Reserve Bank of India Act, 1934 and Para 14 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Loans in India :

Other than to Public Sector	3,59,873.00	14,89,333.33	-
Loans outside India	-	-	-
	<u>3,59,873.00</u>	<u>14,89,333.33</u>	-

Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on year-end stage classification and analysis of changes in the Impairment loss allowance in relation to Loans :

Particulars	As at 31st March, 2021								
	Stage 1		Stage 2		Stage 3		Total		
	Gross Carrying Amount	Impairment Loss Allowance	Gross Carrying Amount	Impairment Loss Allowance	Gross Carrying Amount	Impairment Loss Allowance	Gross Carrying Amount	Impairment Loss Allowance	
As at 1st April, 2020	14,89,333.33	5,957.33	-	-	-	-	14,89,333.33	5,957.33	-
Add: Changes in credit Exposure (Additional disbursement net of repayment)	(11,29,460.33)	(4,157.97)	-	-	-	-	(11,29,460.33)	(4,157.97)	-
Transfer to Stage 1	-	-	-	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-	-	-	-
Closing Balance	3,59,873.00	1,799.36	-	-	-	-	3,59,873.00	1,799.36	-

Particulars	As at 31st March, 2020								
	Stage 1		Stage 2		Stage 3		Total		
	Gross Carrying Amount	Impairment Loss Allowance	Gross Carrying Amount	Impairment Loss Allowance	Gross Carrying Amount	Impairment Loss Allowance	Gross Carrying Amount	Impairment Loss Allowance	
As at 1st April, 2019	-	-	-	-	-	-	-	-	-
Add: Changes in credit Exposure (Additional disbursement net of repayment)	14,89,333.33	5,957.33	-	-	-	-	14,89,333.33	5,957.33	-
Transfer to Stage 1	-	-	-	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-	-	-	-
Closing Balance	14,89,333.33	5,957.33	-	-	-	-	14,89,333.33	5,957.33	-

Reliance Retail Finance Limited  
Notes to the Financial Statements for the Year ended 31st March, 2021

3. INVESTMENTS	As at 31st March, 2021			As at 31st March, 2020			As at 1st April, 2019		
	Cost	At fair value through Profit or Loss	Total	Cost	At fair value through Profit or Loss	Total	Cost	At fair value through Profit or Loss	Total
Unquoted Preference shares	-	-	-	-	-	-	10,100.00	-	10,100.00
Fellow Subsidiary	-	-	-	-	-	-	-	-	-
Unquoted Mutual Fund	-	4,418.23	4,418.23	-	11,190.50	11,190.50	-	75.08	75.08
<b>Total (A)</b>	<b>-</b>	<b>4,418.23</b>	<b>4,418.23</b>	<b>-</b>	<b>11,190.50</b>	<b>11,190.50</b>	<b>10,100.00</b>	<b>75.08</b>	<b>10,175.08</b>
Investments outside India	-	-	-	-	-	-	-	-	-
Investments in India	-	4,418.23	4,418.23	-	11,190.50	11,190.50	10,100.00	75.08	10,175.08
<b>Total (B)</b>	<b>-</b>	<b>4,418.23</b>	<b>4,418.23</b>	<b>-</b>	<b>11,190.50</b>	<b>11,190.50</b>	<b>10,100.00</b>	<b>75.08</b>	<b>10,175.08</b>
Less :									
<b>Allowance for impairment Loss (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A-C)</b>	<b>-</b>	<b>4,418.23</b>	<b>4,418.23</b>	<b>-</b>	<b>11,190.50</b>	<b>11,190.50</b>	<b>10,100.00</b>	<b>75.08</b>	<b>10,175.08</b>

The Company has accounted for its investments in Fellow Subsidiary company at cost less impairment loss (if any)

A) NON-CURRENT INVESTMENTS	As at 31st March, 2021		As at 31st March, 2020		As at 1st April, 2019	
	Units	Amount	Units	Amount	Units	Amount
<b>Investments measured at Cost</b>						
<b>In Preference Shares of Fellow Subsidiary Companies</b>						
<b>Unquoted, fully paid up</b>						
6% Non-cumulative Optionally Convertible Preference Shares of Reliance Corporate IT Park Limited of ₹ 10 each	-	-	-	-	1,50,74,626	10,100.00
<b>TOTAL (A)</b>		-		-		10,100.00
<b>B) CURRENT INVESTMENTS</b>						
<b>Investments measured at Fair Value through Profit &amp; Loss</b>						
<b>In Mutual Fund - Unquoted</b>						
ICICI Prudential Liquid Plan - Growth of ₹ 100 each	-	-	38,25,810	11,190.50	27,260	75.08
HDFC Low Duration Fund_Direct Plan_Growth of ₹10 each	51,56,747	2,453.32	-	-	-	-
HDFC Floating rate Debt Fund_Direct Plan_Growth of ₹10 each	51,31,546	1,964.91	-	-	-	-
<b>TOTAL (B)</b>		<b>4,418.23</b>		<b>11,190.50</b>		<b>75.08</b>
<b>TOTAL (A+B)</b>		<b>4,418.23</b>		<b>11,190.50</b>		<b>10,175.08</b>
Aggregate amount of Quoted Investments		-		-		-
Market Value of Quoted Investments		-		-		-
Aggregate amount of Unquoted Investments		4,418.23		11,190.50		75.08

**Reliance Retail Finance Limited**

**Notes to the Financial Statements for the Year ended 31st March, 2021**

	As at 31st March, 2021	As at 31st March, 2020	(₹in Lakhs) As at 1st April, 2019
<b>4. OTHER FINANCIAL ASSETS</b>			
Interest Receivable	-	4,403.93	-
<b>Total</b>	<b>-</b>	<b>4,403.93</b>	<b>-</b>
	As at 31st March, 2021	As at 31st March, 2020	(₹in Lakhs) As at 1st April, 2019
<b>5. OTHER CURRENT ASSETS (Unsecured and Considered Good)</b>			
Balance with Statutory Authorities	720.07	881.40	5.21
Others	0.42	0.41	-
<b>Total</b>	<b>720.49</b>	<b>881.81</b>	<b>5.21</b>
	As at 31st March, 2021	As at 31st March, 2020	(₹in Lakhs) As at 1st April, 2019
<b>6. CURRENT TAX ASSETS (NET)</b>			
Advance Income Tax (net of provisions)	756.33	485.81	1.24
	<b>756.33</b>	<b>485.81</b>	<b>1.24</b>
<b>Advance Income Tax (net of provisions)</b>			
At start of year	485.81	1.24	1.35
Charge for the year	(6,390.00)	(2,047.18)	-
Tax paid during the year	6,660.52	2,531.75	(0.11)
At end of year	<b>756.33</b>	<b>485.81</b>	<b>1.24</b>

**Reliance Retail Finance Limited**  
**Notes to the Financial Statements for the Year ended 31st March, 2021**

	As at 31st March, 2021	As at 31st March, 2020	(₹ in Lakhs) As at 1st April, 2019
7. TRADE PAYABLES DUE TO			
Micro and Small Enterprise	-	-	-
Other than Micro and Small Enterprise	7.23	5,645.41	0.98
<b>Total</b>	<b>7.23</b>	<b>5,645.41</b>	<b>0.98</b>

7.1 There are no overdue amounts to Micro, Small and Medium Enterprises as at March 31, 2021 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

	As at 31st March, 2021	As at 31st March, 2020	(₹ in Lakhs) As at 1st April, 2019
8. BORROWINGS			
UNSECURED - AT AMORTISED COST			
Loans from Holding Company	-	10,04,144.00	-
<b>Total</b>	<b>-</b>	<b>10,04,144.00</b>	<b>-</b>
Borrowings in India	-	10,04,144.00	-
Borrowings outside India	-	-	-
	<b>-</b>	<b>10,04,144.00</b>	<b>-</b>

	As at 31st March, 2021	As at 31st March, 2020	(₹ in Lakhs) As at 1st April, 2019
9. OTHER FINANCIAL LIABILITIES			
Interest accrued but not due from other	-	7,955.91	-
<b>Total</b>	<b>-</b>	<b>7,955.91</b>	<b>-</b>

	As at 31st March, 2021	As at 31st March, 2020	(₹ in Lakhs) As at 1st April, 2019
10. OTHER CURRENT LIABILITIES			
Pre-Paid Income	-	1,39,270.14	-
Other Payables *	43.67	2,168.31	0.51
<b>Total</b>	<b>43.67</b>	<b>1,41,438.45</b>	<b>0.51</b>

\* Includes Statutory Dues.

**Reliance Retail Finance Limited**  
**Notes to the Financial Statements for the Year ended 31st March, 2021**

<b>11. DEFERRED TAX LIABILITY</b>	<b>As at 31st March, 2021</b>	<b>(₹in Lakhs) As at 31st March, 2020</b>
The movement on the deferred tax account is as follows:		
At the start of the year	102.15	0.02
Charge/(credit) to Statement of Profit and Loss (Refer Note 18)	<u>(92.85)</u>	<u>102.13</u>
<b>At end of year</b>	<b><u>9.30</u></b>	<b><u>102.15</u></b>

**Component of Deferred Tax Liabilities :**

	<b>As at 31st March, 2020</b>	<b>Charge/(Credit) to Statement of Profit and Loss</b>	<b>Others</b>	<b>As at 31st March, 2021</b>
<b>Deferred Tax Liabilities in relation to:</b>				
Financial Assets	102.15	(92.85)	-	9.30
<b>Total</b>	<b><u>102.15</u></b>	<b><u>(92.85)</u></b>	<b>-</b>	<b><u>9.30</u></b>

## Reliance Retail Finance Limited

## Notes to the Financial Statements for the Year ended 31st March, 2021

12. SHARE CAPITAL	As at 31st March, 2021		As at 31st March, 2020		(₹ in Lakhs) As at 1st April, 2019
<b>AUTHORISED SHARE CAPITAL</b>					
10,00,00,000 Equity Shares of ₹ 10 each		10,000.00		10,000.00	450.00
(10,00,00,000 )					
(45,00,000)					
		<b>10,000.00</b>		<b>10,000.00</b>	<b>450.00</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>					
6,81,20,000 Equity Shares of ₹ 10 each fully paid up		6,812.00		6,812.00	202.00
(6,81,20,000)					
(20,20,000)					
<b>Total</b>		<b>6,812.00</b>		<b>6,812.00</b>	<b>202.00</b>

## 12.1 THE DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES:

Name of the Shareholder	As at 31st March, 2021		As at 31st March, 2020		As at 1st April, 2019	
	Nos. of Shares	% held	Nos. of Shares	% held	Nos. of Shares	% held
<b>Holding Company :</b>						
Reliance Industrial Investments and Holdings Limited	6,81,20,000	100.00	6,81,20,000	100.00	20,20,000	100

All the above 6,81,20,000 (Previous Year 6,81,20,000) equity shares of ₹ 10 each fully paid-up are held by Reliance Industrial Investments and Holdings Limited, the holding company along with its nominees.

## 12.2 THE RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING IS SET OUT BELOW:

Particulars	As at 31st March, 2021		As at 31st March, 2020		As at 1st April, 2019	
	No. of Shares		No. of Shares		No. of Shares	
Equity Shares at the beginning of the year	6,81,20,000		20,20,000		20,20,000	
Add : Shares issued during the year	-		6,61,00,000		-	
<b>Equity Shares at the end of the year</b>	<b>6,81,20,000</b>		<b>6,81,20,000</b>		<b>20,20,000</b>	

## 12.3 RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO SHARES:

The company has only one class of equity shares having par value of ₹10 each and the holder of the equity share is entitled to one vote per share. The dividend proposed, if any, by board of directors is subject to approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company after distribution of all preferential amount, in proportion to the number of equity shares held.

**Reliance Retail Finance Limited**  
**Notes to the Financial Statements for the Year ended 31st March, 2021**

	As at 31st March, 2021		As at 31st March, 2020		(₹in Lakhs) 1st April, 2019
<b>13. OTHER EQUITY</b>					
<b>Reserve and Surplus</b>					
<b>Statutory Reserve Fund *</b>					
As per last Balance Sheet	2,061.60		2,046.60		-
Add: Transferred from Retained Earnings	<u>4,580.00</u>		<u>15.00</u>		-
		<b>6,641.60</b>		<b>2,061.60</b>	<b>2,046.60</b>
<b>Securities Premium</b>					
As per last Balance Sheet	3,23,890.00		3,23,890.00		-
Add: Issued during the year	<u>-</u>		<u>-</u>		-
		<b>3,23,890.00</b>		<b>3,23,890.00</b>	-
<b>Retained Earnings</b>					
As per last Balance Sheet	8,291.11		7,936.31		-
Profit/(Loss) for the year	22,867.28		369.80		-
Less : Appropriation to Statutory Reserve Fund	<u>4,580.00</u>		<u>15.00</u>		-
		<b>26,578.39</b>		<b>8,291.11</b>	<b>7,936.31</b>
<b>Total</b>		<b><u>3,57,109.99</u></b>		<b><u>3,34,242.71</u></b>	<b><u>9,982.91</u></b>

\* Created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934



**Reliance Retail Finance Limited**  
**Notes to the Financial Statements for the Year ended 31st March, 2021**

	2020-21	2019-20
<b>14. REVENUE FROM OPERATIONS</b>		(₹in Lakhs)
<b>On Financial Assets measured at Amortised cost</b>		<b>2019-20</b>
Subvention Income	57,105.91	26,085.86
Interest Income	44,666.71	10,154.87
<b>Net gain on fair value changes</b>		
On Investments (Refer note 14.1)	275.86	418.92
<b>Total</b>	<b>1,02,048.48</b>	<b>36,659.65</b>
<b>14.1 Net gain on fair value changes - Investments</b>		
Net Gain on Financial instrument at fair value through profit and loss		
On Investments	275.86	418.92
<b>Total net gain on fair value changes</b>	<b>275.86</b>	<b>418.92</b>
Fair Value changes		
Realised	238.73	11.56
Unrealised	37.13	407.36
<b>Total net gain on fair value changes</b>	<b>275.86</b>	<b>418.92</b>
<b>15. OTHER INCOME</b>	<b>2020-21</b>	(₹in Lakhs)
		<b>2019-20</b>
Reversal of ECL & Contingent provision on Standard Assets	4,157.97	-
Interest on Income Tax refunds	0.09	-
<b>Total</b>	<b>4,158.06</b>	<b>-</b>
<b>16. FINANCE COST</b>		(₹in Lakhs)
	<b>2020-21</b>	<b>2019-20</b>
<b>Interest on Borrowings (measured at amortised cost)</b>		
Related Party	40,089.05	22,658.53
Other	16,177.04	-
<b>Total</b>	<b>56,266.09</b>	<b>22,658.53</b>
<b>17. OTHER EXPENSES</b>	<b>2020-21</b>	(₹in Lakhs)
		<b>2019-20</b>
Exchange Difference (Net)	7.57	-
Rates and Taxes	1.13	90.89
Professional Fees	18,044.69	5,426.40
Payment to Auditors	3.90	3.50
General Expenses	2,701.02	0.44
Directors Sitting Fees	3.55	3.45
Charity and Donations #	14.16	-
General provision on Standard Assets	-	5,957.33
<b>Total</b>	<b>20,776.02</b>	<b>11,482.01</b>
<b>17.1 Payment to Auditors as:</b>		(₹in Lakhs)
<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
Statutory Audit Fees*	3.30	3.00
Tax Audit Fees*	0.50	0.45
Certification and Consultation Fees*	0.10	0.05
	<b>3.90</b>	<b>3.50</b>

\* Exclusive of taxes

**Reliance Retail Finance Limited**  
**Notes to the Financial Statements for the Year ended 31st March, 2021**

# Expenditure related to Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof

CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the company during the period was ₹14.16 lakhs (previous year ₹ NIL)

Expenditure related to CSR is ₹14.16 lakhs (previous year ₹ NIL) is spent through Reliance Foundation

Particulars	(₹in Lakhs)	
	2020-21	2019-20
Education	14.16	-
<b>Total</b>	<b>14.16</b>	<b>-</b>

18. TAXATION	(₹in Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
<b>Income tax recognised in Statement of Profit and Loss</b>		
Current tax	6,389.97	2,047.18
In respect of prior year	0.03	-
	<b>6,390.00</b>	<b>2,047.18</b>
Deferred tax	(92.85)	102.13
<b>Total Income Tax expenses</b>	<b>6,297.15</b>	<b>2,149.31</b>

The income tax expenses for the year can be reconciled to the accounting profit as follows:

	(₹in Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Profit Before Tax	29,164.43	2,519.11
Applicable Tax Rate	25.17%	25.17%
Computed Tax Expense	7,340.00	634.00
Tax effect of :		
Exempted Income	(1,046.50)	-
Expenses Disallowed	3.57	1,522.20
Carried Forward Losses Utilised	-	(6.91)
Change in valuation method	-	-
Others	92.93	(102.11)
Current Tax Provision (A)	<b>6,390.00</b>	<b>2,047.18</b>
Incremental Deferred Tax Liability on account of Financial Assets	(92.85)	102.13
Deferred Tax Provision (B)	(92.85)	102.13
<b>Tax Expenses recognised in Statement of Profit and Loss (A+B)</b>	<b>6,297.15</b>	<b>2,149.31</b>
Effective Tax Rate	21.59%	85.32%

**Reliance Retail Finance Limited**  
**Notes to the Financial Statements for the Year ended 31st March, 2021**

	<b>2020-21</b>	<b>2019-20</b>
<b>19. EARNINGS PER SHARE (EPS)</b>		
<b>Face Value per Equity Share (₹)</b>	10	10
<b>Basic Earnings per share (₹)</b>	<b>33.57</b>	<b>1.50</b>
Net Profit/ (Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in Lakhs)	22,867.28	369.80
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	6 81 20 000	2 46 49 508
<b>Diluted Earnings per share (₹)</b>	<b>33.57</b>	<b>1.50</b>
Net Profit/ (Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in Lakhs)	22,867.28	369.80
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	6 81 20 000	2 46 49 508
<b>Reconciliation of weighted average number of shares outstanding</b>		
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	6 81 20 000	2 46 49 508
Total Weighted Average Potential Equity Shares	-	-
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	6 81 20 000	2 46 49 508

**20.** Deferred tax assets as at Balance Sheet date consists of the following items. As a matter of prudence, the Company has not recognised deferred tax assets in the books of accounts

	<b>As at</b>	<b>(₹in Lakhs)</b>
	<b>31st March, 2021</b>	<b>As at</b>
		<b>31st March, 2020</b>
Deferred Tax Assets		
General provision on Standard Asset	452.86	1,499.34
Carried forward Capital Losses expiring in AY. 2025-2026	2,175.83	2,175.83
	<b><u>2,628.69</u></b>	<b><u>3,675.17</u></b>

**Reliance Retail Finance Limited**  
**Notes to the Financial Statements for the Year ended 31st March, 2021**

**21 RELATED PARTIES DISCLOSURES**

As per Ind AS 24, the disclosures of transactions with the related parties are given below:

**i) List of Related Parties where control exists and relationships:**

Sr. No.	Name of the Related Party	Relationship
1	Reliance Industries Limited	Ultimate Holding Company
2	Reliance Industrial Investments and Holdings Limited	Holding Company
3	Reliance Retail Limited	Fellow Subsidiary Companies
4	Reliance Projects and Property Management Services Limited	
5	JIO Platform Limited	
6	Reliance Strategic Business Ventures Limited	

**ii) Transactions during the year with Related Parties:**

(₹in Lakhs)

Sr. No.	Nature of Transactions (Excluding Reimbursements)	Ultimate Holding Company	Holding Company	Fellow Subsidiary Companies	Total
1	Equity Share Capital Introduced	-	-	-	-
		-	3,30,500.00	-	3,30,500.00
2	Borrowings (taken)/ repayment (Net)	-	10,04,144.00	-	10,04,144.00
		-	(10,04,144.00)	-	(10,04,144.00)
3	Loans given	-	-	3,59,873.00	3,59,873.00
		-	-	-	-
4	Professional Fees	2,239.27	-	15,728.47	17,967.74
		10.68	-	4,698.50	4,709.17
5	Interest Paid	-	40,089.05	-	40,089.05
		-	14,498.63	-	14,498.63
6	Interest Income	-	-	4,186.68	4,186.68
		-	-	-	-
7	Sub-vention income received / (refund) net	-	-	(82,164.23)	(82,164.23)
		-	-	1,65,356.00	1,65,356.00

**Balances as at 31st March, 2021**

1	Loans given	-	-	3,59,873.00	3,59,873.00
		-	-	-	-
2	Borrowings	-	-	-	-
		-	10,04,144.00	-	10,04,144.00
3	Pre Paid Subvention Income	-	-	-	-
		-	-	1,39,270.14	1,39,270.14
4	Trade Payables	-	-	-	-
		-	-	5,074.38	5,074.38

Note : Figures in Italics represents previous year's amount.

iii) Disclosure in Respect of Major Related Party Transactions during the year:

Sr.No.	Particulars	Relationship	(₹ in Lakhs)	
			2020-21	2019-20
<b>1</b>	<b>Equity Share Capital Introduced</b>			
	Reliance Industrial Investments and Holdings Limited	Holding Company	-	3,30,500.00
<b>2</b>	<b>Borrowings (taken)/ repayment (Net)</b>			
	Reliance Industrial Investments and Holdings Limited	Holding Company	10,04,144.00	(10,04,144.00)
<b>3</b>	<b>Loans Given</b>			
	Reliance Strategic Business Ventures Limited	Fellow Subsidiary	3,59,873.00	-
<b>4</b>	<b>Professional Fees</b>			
	Reliance Industries Limited	Ultimate Holding Company	2,239.27	10.68
	Reliance Projects and Property Management Services Limited	Fellow Subsidiary	-	2.50
	Reliance Retail Limited	Fellow Subsidiary	321.90	4,696.00
	JIO Platform Limited	Fellow Subsidiary	15,406.58	-
<b>5</b>	<b>Interest Paid</b>			
	Reliance Industrial Investments and Holdings Limited	Holding Company	40,089.05	14,498.63
<b>6</b>	<b>Interest Income</b>			
	Reliance Strategic Business Ventures Limited	Fellow Subsidiary	4,186.68	-
<b>7</b>	<b>Subvention Income received / (refunded) (net)</b>			
	Reliance Projects and Property Management Services Limited	Fellow Subsidiary	(82,164.23)	1,65,356.00

**22 Segment Reporting**

The Company is engaged in business of finance, future and option, Trading / investments in shares and securities in India only and there are no separate business / geographical segments as per Ind AS 108 "Operating Segment". The Board (the 'Chief Operating Decision Maker' as defined in Ind AS 108 'Operating Segments'), monitors the operating results of the entity's business for the purpose of making decisions about resource allocation and performance assessment.

**23** Income Tax assessment of the Company has been completed up to Assessment Year 2018-19. The Disputed demand outstanding up to said assessment year is NIL.

**Reliance Retail Finance Limited**  
**Notes to the Financial Statements for the Year ended 31st March, 2021**

**24 Capital Management**

The Company manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders. The company manages its capital structure and make adjustment in light of changes in business condition. The overall strategy remains unchanged as compare to last year.

	As at 31st March, 2021	(₹in Lakhs) As at 31st March, 2020
The Net Gearing Ratio at end of the reporting period was as follows		
Gross Debt	-	10,04,144.00
Cash and Marketable Securities	4,431.73	11,193.08
Net debt (A)	-	9,92,950.92
Total Equity (as per Balance Sheet) (B)	3,63,921.99	3,41,054.71
Net Gearing Ratio (A/B)	-	2.91

**25 FINANCIAL INSTRUMENTS**

**A Fair value measurement hierarchy:**

Particulars	As at 31st March, 2021			As at 31st March, 2020			As at 1st April 2019					
	Carrying Amount	Level of Input used in			Carrying Amount	Level of Input used in			Carrying Amount	Level of Input used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Financial Assets</b>												
<b>At Amortised Cost</b>												
Cash and Cash Equivalents	13.50	-	-	2.58	-	-	-	4.89	-	-	-	
Loans	3,58,073.64	-	-	14,83,376.00	-	-	-	-	-	-	-	
Others Financial Asset	-	-	-	4,403.93	-	-	-	-	-	-	-	
<b>At FVTPL</b>												
Investments*	4,418.23	4,418.23	-	11,190.50	11,190.50	-	-	75.08	75.08	-	-	
<b>Financial Liabilities</b>												
<b>At Amortised Cost</b>												
Borrowings	-	-	-	10,04,144.00	-	-	-	-	-	-	-	
Other Financial Liabilities	-	-	-	7,955.91	-	-	-	-	-	-	-	
Trade Payable	7.23	-	-	5,645.41	-	-	-	0.98	-	-	-	

\* Excludes Group Company financial assets measured at cost (Refer note 3)

The financial instruments are categorised into three levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs based on unobservable market data.

**Valuation Methodology**

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

The fair value of investment in Mutual Funds is measured at NAV.

**B Financial Risk Management**

Different type of risk the Company is exposed are as under:

**Credit Risk**

Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations to the Company. The Company assesses the credit quality of all financial instruments that are subject to credit risk. The company categorizes financial assets into stages based on the days past due (DPD) status as under:

Stage 1: Low credit risk i.e. 0 to 30 dpd

Stage 2: Significant increase in credit risk i.e. 31 to 90 dpd

Stage 3: Impaired assets i.e. more than 90 dpd

Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' and for which a 12 month ECL is recognised. Financial assets that are considered to have significant increase in credit risk are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Lifetime ECL is recognised for stage 2 and stage 3 financial assets

The Company calculates ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD).

**Interest rate risk**

Company's borrowing is only through its holding company viz Reliance Industrial Investments and Holdings Limited and Banks. The said borrowing is repaid during the year. Interest payable against such borrowing is as per agreed terms.

**Liquidity Risk**

Liquidity risk is the risk that arises from the Company's inability to meet its cash flow commitments. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities.

Management monitors rolling forecasts of the company's cash flow position and ensures that the Company is able to meet its financial obligations at all times including contingencies.

**26. APPROVAL OF FINANCIAL STATEMENTS**

The Financial Statements were approved for issue by the Board of Directors on April 29, 2021.

**Reliance Retail Finance Limited****Notes to the Financial Statements for the Year ended 31st March, 2021****27 NBFC Disclosures**

**27.1** Disclosures of details as required by Paragraph 17, 19 and 73 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, are given to the extent applicable.

<b>Liabilities side</b>	Amount outstanding	(₹ in Lakhs) Amount overdue	
I Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid			
a) Inter-corporate loans and borrowing	-	-	
		(₹ in Lakhs) Amount outstanding	
<b>Assets side</b>			
II Break-up of Loans and Advances including bills receivables			
a) Secured		-	
b) Unsecured		3,59,873.00	
III Break up of Leased Assets and Stock on hire and other assets counting towards AFC activities		-	
IV Break-up of Investments			
Current Investments (Including Stock-in-trade)			
1 Quoted		-	
2 Unquoted		-	
i) Units of Mutual Funds		4,418.23	
Long Term Investments			
1 Quoted			
i) Shares : Equity		-	
2 Unquoted			
i) Units of venture funds / AIF		-	
ii) Securities receipts		-	
V Borrower group-wise classification of assets financed as in (II) and (III) above :		(₹ in Lakhs)	
Category	Secured	Amount net of provision Unsecured	Total
1 Related parties			
i) Subsidiaries	-	-	-
ii) Companies in same group	-	3,59,873.00	3,59,873.00
iii) Other related parties	-	-	-
2 Other than related parties	-	-	-
Total	-	3,59,873.00	3,59,873.00
VI Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)		Market value/Break up or fair value or NAV	Book value (net of provisions)
Category			
1 Related Parties			
i) Subsidiaries		-	-
ii) Companies in same group		-	-
iii) Other related parties		-	-
2 Other than related parties		4,418.23	4,418.23
Total		4,418.23	4,418.23

**Reliance Retail Finance Limited**  
**Notes to the Financial Statements for the Year ended 31st March, 2021**

**27.1 NBFC Disclosures (Contd...)**

VII Other information	Amount
Particulars	
1 Gross Non-Performing Assets	-
2 Net Non-Performing Assets	-
3 Assets acquired in satisfaction of debt	-

**27.2 1 Capital to Risk Assets Ratio (CRAR)**

	<b>As at</b> <b>31st March, 2021</b>	<b>As at</b> <b>31st March, 2020</b>
	(%)	(%)
i) CRAR	101.71	23.03
ii) CRAR - Tier I Capital	97.38	22.64
iii) CRAR - Tier II Capital	4.33	0.40
		(₹ in Lakhs)
	<b>As at</b> <b>31st March, 2021</b>	<b>As at</b> <b>31st March, 2020</b>
2 Exposure to Real Estate Sector		
Category		
a) Direct exposure		
i) Residential Mortgages	-	-
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs.15 lakh may be shown separately)		
ii) Commercial Real Estate	-	-
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential building, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;		
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
- Residential	-	-
- Commercial Real Estate	-	-
b) Indirect Exposure *		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
* Investment in property venture funds / equity shares		



## Reliance Retail Finance Limited

## Notes to the Financial Statements for the Year ended 31st March, 2021

## 27.2 NBFC Disclosures (Contd...)

3 Asset Liability Management - maturity pattern of certain items of assets and liabilities											(₹ in Lakhs)
	1 day to 7 days	8 days to 14 days	15 days to 30 days	Over one 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
<b>Liabilities</b>											
Borrowings from Banks	-	-	-	-	-	-	-	-	-	-	-
Market Borrowings	-	-	-	-	-	-	-	-	-	-	-
Loan from Holding Company	-	-	-	-	-	-	-	-	-	-	-
<b>Assets</b>											
Advances	-	-	-	-	-	-	-	3,59,873.00	-	-	3,59,873.00
Investments	-	-	4,418.23	-	-	-	-	-	-	-	4,418.23

27.3 The frauds detected and reported for the period amounted to ₹ Nil (Previous year ₹ Nil).

**Reliance Retail Finance Limited****Notes to the Financial Statements for the Year ended 31st March, 2021**

**27.4** Disclosures of details as required by Paragraph 17, 19 and 73 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, are given to the extent applicable.

<b>a) Capital</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
i) CRAR (%)	101.71	23.03
ii) CRAR – Tier I Capital (%)	97.38	22.64
iii) CRAR – Tier II Capital (%)	4.33	0.40
iv) Amount of subordinated debt raised as Tier-II capital (₹)	-	-
v) Amount raised by issue of Perpetual Debt instruments (₹)	-	-
		(₹ in Lakhs)
<b>b) Investments (Incl. Stock - in - Trade)</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
i) Value of Investments		
(a) Gross Value of Investments		
i) In India	4,418.23	11,190.50
ii) Outside India	-	-
(b) Provision for Depreciation		
i) In India	-	-
ii) Outside India	-	-
(c) Net Value of Investments		
i) In India	4,418.23	11,190.50
ii) Outside India	-	-
ii) Movement of provisions held towards depreciation on investments	-	-
		(₹ in Lakhs)
<b>c) Derivatives</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
i) Forward Rate Agreement / Interest Rate Swap	-	-
ii) Exchange Traded Interest Rate (IR) Derivatives	-	-
iii) Disclosures on Risk Exposure in Derivatives		
i) Qualitative Disclosure	-	-
ii) Quantitative Disclosures	-	-
<b>d) Securitisation</b>		
i) Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction	-	-
ii) Assignment transactions	-	-
iii) Non-Performing Financial Assets Purchased	-	-
iv) Non-Performing Financial Assets Sold	-	-
e) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities - Refer note : 27(2)(3)		
f) Exposures		
i) Exposure to Real Estate Sector		
ii) Exposure to Capital Market		
i) Investment in quoted equity shares and Mutual fund	4,418.23	11,190.50
	<u>4,418.23</u>	<u>11,190.50</u>

**Reliance Retail Finance Limited**  
**Notes to the Financial Statements for the Year ended 31st March, 2021**

	(₹ in Lakhs)
	<b>As at</b>
	<b>31st March, 2021</b>
27.4 NBFC Disclosures (Contd...)	
g) Details of financing of parent company products	-
h) Details of Single Borrower Limit / Group Borrower Limit exceeded	-
i) Unsecured Advances	-
Total amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. has been taken as also the estimated value of such intangible collateral	-
j) Registration obtained from other financial sector regulators	-
k) Penalties imposed by RBI and other regulators	-
l) Related party transaction - Refer note no. 21	-
m) Ratings assigned by credit rating agencies and migration of ratings during the period	CARE A1+
n) Remuneration of Directors and Transactions with non executive directors (Directors sitting fees)	3.55
o) Impact of prior period items on current year's profit and loss	-
p) Revenue recognition has been postponed:	-
q) Indian Accounting Standard 110 - Consolidated Financial Statements (CFS)	NA
r) Provisions and Contingencies - Refer note : 2	1,799.36
s) Draw Down from Reserves	-
t) Country of Operation is whole of India and there are no joint venture partners and Overseas Subsidiaries of the Companies	-
u) Concentration of Deposits, Advances, Exposures and NPAs	
i) Concentration of Deposits	-
ii) Concentration of Advances	
Total Advances to twenty largest borrowers	3,59,873.00
Percentage of Advances to twenty largest borrowers to total advances	100.00
iii) Concentration of Exposure	
Total exposure to twenty largest borrowers / customers	3,59,873.00
Percentage of exposures to twenty largest borrowers / customers to total exposure	100.00
iv) Concentration of NPAs	-
v) Sector-wise NPAs	-
vi) Movement of NPAs	-
v) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)	-
w) Off-balance Sheet SPVs sponsored	-
x) Customer Complaints	-

**Reliance Retail Finance Limited**  
**Notes to the Financial Statements for the Year ended 31st March, 2021**

**NBFC Disclosures (Contd...)**

(₹ in Lakhs)

**27.4 Additional Ratios**

**As at  
31st March, 2021**

a)	Short – term liability to Total Assets	0.02
b)	Short Term liability to long term assets	0.02
c)	Commercial papers to total assets	NA
d)	Non Convertible Debentures to Total Assets	NA
e)	Short Term Liabilities to Total liabilities	100.00
f)	Long term Assets to Total Assets	100.00
g)	Liquidity Coverage Ratio : High Quality Liquid Assets / Total Net Cash Outflow over next 30 days	738.01

Assets Classification as per RBI Norms	Assets Classification as per INDAS 109	Gross carrying amount as per INDAS	Loss allowances (provisions) as required under INDAS	Net Carrying amount	Provisions required as per IRACP norms	Difference between INDAS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5=3-4)	(6)	(7=4-6)
Performing Assets						
Standard	Stage 1	3,59,873.00	1,799.36	3,58,073.64	1,439.49	359.87
	Stage 2	NIL	NIL	NIL	NIL	NIL
Sub total		3,59,873.00	1,799.36	3,58,073.64	1,439.49	359.87
Non Performing Assets (NPA)						
Substandard	Stage 3	NIL	NIL	NIL	NIL	NIL
Doubtful up to 1 year	Stage 3	NIL	NIL	NIL	NIL	NIL
1 to 3 years	Stage 3	NIL	NIL	NIL	NIL	NIL
More than 3 years	Stage 3	NIL	NIL	NIL	NIL	NIL
Subtotal for doubtful		NIL	NIL	NIL	NIL	NIL
Loss						
Subtotal for NPA	Stage 3	NIL	NIL	NIL	NIL	NIL
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	NIL	NIL	NIL	NIL	NIL
	Stage 2	NIL	NIL	NIL	NIL	NIL
	Stage 3	NIL	NIL	NIL	NIL	NIL
Sub total		NIL	NIL	NIL	NIL	NIL
Total	Stage 1	3,59,873.00	1,799.36	3,58,073.64	1,439.49	359.87
	Stage 2	NIL	NIL	NIL	NIL	NIL
	Stage 3	NIL	NIL	NIL	NIL	NIL
	Total	3598 73	1,799.36	3,58,073.64	1,439.49	359.87

**Reliance Retail Finance Limited**

**Notes to the Financial Statements for the Year ended 31st March, 2021**

**28** Upto the year ended March 31, 2020, the Company has prepared its financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".

These financial statements are the Company's first Ind AS standalone financial statements.

**28.1 First time IND AS Adoption Reconciliations**

**Effect of Ind AS adoption on the standalone balance sheet as at 31st March, 2020 and 1st April, 2019**

(₹in Lakhs)

Notes	As at 31st March 2020			As at 1st April 2019		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
<b>ASSETS</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	2.58	-	2.58	4.89	-	4.89
Loans	14,83,376.00	-	14,83,376.00	-	-	-
Investments	10,783.14	407.36	11,190.50	10,175.00	0.08	10,175.08
Other Financial Assets	4,403.93	-	4,403.93	-	-	-
	<u>14,98,565.65</u>	<u>407.36</u>	<u>14,98,973.01</u>	<u>10,179.89</u>	<u>0.08</u>	<u>10,179.97</u>
<b>Non-Financial Assets</b>						
Other Current Assets	881.81	-	881.81	5.21	-	5.21
Current tax assets (Net)	485.81	-	485.81	1.24	-	1.24
	<u>1,367.62</u>	<u>-</u>	<u>1,367.62</u>	<u>6.45</u>	<u>-</u>	<u>6.45</u>
<b>Total Assets</b>	<b><u>14,99,933.27</u></b>	<b><u>407.36</u></b>	<b><u>15,00,340.63</u></b>	<b><u>10,186.34</u></b>	<b><u>0.08</u></b>	<b><u>10,186.42</u></b>
<b>Liability</b>						
<b>Finance Liabilities</b>						
Trade payables	5,645.41	-	5,645.41	0.98	-	0.98
Borrowings	10,04,144.00	-	10,04,144.00	-	-	-
Other Financial Liabilities	7,955.91	-	7,955.91	-	-	-
	<u>10,17,745.32</u>	<u>-</u>	<u>10,17,745.32</u>	<u>0.98</u>	<u>-</u>	<u>0.98</u>
<b>Non-Financial Liabilities</b>						
Other Current Liabilities	1,41,438.45	-	1,41,438.45	0.51	-	0.51
Deferred tax Liabilities	-	102.15	102.15	-	0.02	0.02
	<u>1,41,438.45</u>	<u>102.15</u>	<u>1,41,540.60</u>	<u>0.51</u>	<u>0.02</u>	<u>0.53</u>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Equity Share capital	6,812.00	-	6,812.00	202.00	-	202.00
Other Equity	3,33,937.50	305.21	3,34,242.71	9,982.85	0.06	9,982.91
<b>Total equity attributable to owners of the company</b>	<b>3,40,749.50</b>	<b>305.21</b>	<b>3,41,054.71</b>	<b>10,184.85</b>	<b>0.06</b>	<b>10,184.91</b>
<b>Total Equity and Liabilities</b>	<b><u>14,99,933.27</u></b>	<b><u>407.36</u></b>	<b><u>15,00,340.63</u></b>	<b><u>10,186.34</u></b>	<b><u>0.08</u></b>	<b><u>10,186.42</u></b>

## Reliance Retail Finance Limited

## Notes to the Financial Statements for the Year ended 31st March, 2021

28.2 Reconciliation of Profit and Other Equity between Ind AS and previous GAAP Nature of Adjustment	(₹in Lakhs)		
	Net Profit	Other Equity	
	Year ended 31st March, 2020	As at 31st March, 2020	As at 1st April, 2019
Net Profit / Other Equity as per Previous Indian GAAP	64.64	3,33,937.50	9,982.85
Fair Valuation for Financial Assets	407.29	407.36	0.08
Deferred Tax	(102.13)	(102.15)	(0.02)
<b>Total</b>	<b>305.16</b>	<b>305.21</b>	<b>0.06</b>
Net profit before OCI / Other Equity as per Ind AS	369.80	3,34,242.71	9,982.91

**Note**

The Company has valued financial assets (other than Investment in subsidiaries and associates which are accounted at cost), at fair value. Impact of fair value changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognised in Profit and Loss Account).

## 28.3 Effect of Ind AS adoption on the statement of profit and loss for the year ended 31st March, 2020

	Previous GAAP	Effect of transition to Ind AS	(₹in Lakhs)
			As per Ind AS balance sheet
<b>INCOME</b>			
Revenue from operations	36,252.36	407.29	36,659.65
Other Income		-	
<b>Total Income</b>	<b>36,252.36</b>	<b>407.29</b>	<b>36,659.65</b>
<b>EXPENDITURE</b>			
Finance Costs	22,658.57	(0.04)	22,658.53
Other Expenses	11,481.97	0.04	11,482.01
<b>Total Expenses</b>	<b>34,140.54</b>	<b>0.00</b>	<b>34,140.54</b>
Profit Before Tax	2,111.82	407.29	2,519.11
<b>Tax Expenses</b>			
Current Tax	2,047.18	-	2,047.18
Adjustment of tax relating to earlier period		-	
Deferred Tax		102.13	102.13
<b>Profit for the Year</b>	<b>64.64</b>	<b>305.16</b>	<b>369.80</b>

As per our Report of even date

For and on behalf of the Board

**For Chaturvedi & Shah LLP**Chartered Accountants  
Registration No. 101720W/W100355**Rohit C. Shah**  
Chairman  
(DIN:00006087)**B. Chandrasekaran**  
Independent Director  
(DIN:06670563)**Amit Chaturvedi**  
Partner  
Membership No. 103141**Vishal Kumar**  
Chief Financial Officer  
(PAN: ABTPK4105G)**Anshu Agarwal**  
Company Secretary  
(Membership No: F9921)Mumbai  
Dated : April 29, 2021