Reliance SMSL Limited
Financial Statements
2019-20

Independent Auditor’s Report

To the Members of RELIANCE SMSL LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **Reliance SMSL Limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss , including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of 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 of the Company as at March 31, 2020 , its Profit including Other Comprehensive Income, its Cash Flows and the Statement of 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.

Information Other than the Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

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 , 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31 , 2020, 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 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 over financial reporting 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:

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

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

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

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

Jignesh Mehta
Partner
Membership No.: 102749
UDIN: 20102749AAAAKH6110

Place: Mumbai
Date : April 23 , 2020

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

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

i) In respect of its fixed assets :

a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

c) As the Company has no immovable assets during the year, clause (c) (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 granted any loans, investments, guarantees and securities covered under section 185 and 186 of the Act.

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, service tax, goods and service tax , 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, 2020 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, sales tax, service tax, goods and service tax , duty of customs, duty of excise, value added tax , cess on account of any dispute, which have not been deposited.

viii) In our opinion and according to the information given to us, the Company has not raised loans from financial institutions or banks or government and no amounts were due for repayments to debenture holders; hence clause (viii) of paragraph 3 of the Order is not applicable to the Company.

ix) The company has not raised money by way of initial public offer or further public offer (including debt instruments) or term Loan and hence clause (ix) of paragraph 3 of the Order is not applicable to the Company.

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) 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, all transactions with 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 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, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.

xvi) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Jignesh Mehta
Partner
Membership No.: 102749
UDIN: 20102749AAAAKH6110

Place: Mumbai
Date : April 23, 2020

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE SMSL 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 Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Reliance SMSL Limited** ("the Company") as of March 31, 2020 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference To These Financial Statements

A company's internal financial control over financial reporting with reference to these 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 over financial reporting with reference to these 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 Over Financial Reporting With Reference To These Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these 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 over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2020, 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 issued by ICAI.

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

Jignesh Mehta
Partner
Membership No.: 102749
UDIN: 20102749AAAAKH6110

Place: Mumbai
Date : April 23, 2020

Balance Sheet as at 31 March 2020

(₹ in Lakhs)

	Notes	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
Non-Current assets			
Property, Plant and Equipment	1	**87.25**	1 16.44
Deferred tax assets (net)	2	**33 11.11**	30 63.19
Other Non- current assets	3	**59 93.81**	19 76.62
Total Non-Current assets		**93 92.17**	51 56.25
Current assets			
Financial Assets:			
Investment	4	**6 33.52**	-
Trade receivables	5	**3 63.24**	184 30.48
Cash and cash equivalents	6	**17.66**	1 51.61
Other Financial Assets	7	**252 66.44**	9 29.30
Other Current Assets	8	**117 71.81**	59 51.85
Total Current assets		**380 52.67**	254 63.24
Total Assets		**474 44.84**	306 19.49
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	9	**5.00**	5.00
Other Equity	10	**(8 58.53)**	(10 69.59)
Total equity		**(8 53.53)**	(10 64.59)
Liabilities			
Non-Current Liabilities			
Provisions	11	**81 25.52**	56 43.55
Total non-current liabilities		81 25.52	56 43.55
Current Liabilities			
Financial Liabilities			
Trade Payables Due to:			
Micro and small enterprises		**-**	-
Other then Micro and small enterprises	12	**117 88.02**	18 24.74
Other Current Liabilities	13	**233 32.61**	206 21.69
Provisions	14	**50 52.22**	35 94.10
Total current liabilities		**401 72.85**	260 40.53
Total Liabilities		**482 98.37**	316 84.08
Total Equity and Liabilities		**474 44.84**	306 19.49
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	**1 to 25**		

As per our Report of even date
For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Regn No. - 101720W / W100355

Jignesh Mehta
Partner
Membership No.: 102749

Place : **Mumbai**
Date : April 23, 2020

For and on behalf of the Board

Sanjay Jog, Director
Pramod Bhawalkar, Director
G. Venkatesh, Director
K. Sudarshan, Director
Jagmohanlal Bhamri, Director

Profit and Loss Statement for the year ended 31st March, 2020

(₹ in Lakhs)

	Notes	2019-20	2018-19
INCOME			
Income from Services	**15**	**2853 78.37**	2404 86.23
Less: GST Recovered		**(397 87.65)**	(367 18.91)
Revenue from Operations		**2455 90.72**	2037 67.32
Other Income	**16**	**32.91**	26.92
Total Income		**2456 23.63**	2037 94.24
EXPENSES			
Employee Benefits Expense	**17**	**2237 71.11**	1836 71.47
Depreciation	**1**	**29.19**	29.19
Other Expenses	**18**	**215 20.27**	199 78.88
Total Expenses		**2453 20.57**	2036 79.54
Profit Before Tax		**3 03.06**	1 14.70
Tax Expenses:			
Current Tax	**3.2**	**-**	9 07.76
Deferred Tax	**2**	**(2 47.92)**	(8 87.11)
		(2 47.92)	20.65
Profit for the year		**5 50.98**	94.06
Other Comprehensive Income			
Item that will not be reclassified in Profit & Loss			
(i) Remeasurement of Defined Benefit Plan		**(4 54.25)**	(97.63)
(ii) Income tax relating to items that will not be reclassified to Profit or loss		**1 14.33**	32.59
Total comprehensive income for the year attributable to equity holders		**2 11.06**	29.02
Earnings per equity share of face value of ₹ 10 each	**19**		
Basic (In ₹)		**1 101.96**	188.12
Diluted (In ₹)		**4.87**	0.83
Significant Accounting Policies			
See accompanying Notes to the Financial Statements.	**1 to 25**		

As per our Report of even date
For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Regn No. - 101720W / W100355

Jignesh Mehta
Partner
Membership No.: 102749

Place : **Mumbai**
Date : April 23, 2020

For and on behalf of the Board

Sanjay Jog
Director

Pramod Bhawalkar
Director

G. Venkatesh
Director

K. Sudarshan
Director

Jagmohanlal Bhamri
Director

Statement of changes in equity for the year ended 31st March, 2020

A. EQUITY SHARE CAPITAL **(₹ in Lakhs)**

Balance as at 1st April, 2019	Change During the year 2018-19	Balance as at 31st March,2019	Change During the year 2019-20	Balance as at 31st March, 2020
5.00	-	5.00	-	**5.00**

B Other Equity **(₹ in Lakhs)**

	Balance at 1st April, 2018	Total Comprehensive Income for the year	Transferred to / (from) Retained Earnings	Balance at 31st March, 2019
As on 31st March,2019				
Other Comprehensive Income for the year	1 866.63	(65.04)	-	1 801.59
Equity component of convertible instrument	1 127.26	-	-	1 127.26
Retained earning	(4 092.50)	-	94.06	(3 998.44)
Total	**(1 098.61)**	**(65.04)**	**94.06**	**(1 069.59)**

	Balance at 1st April, 2019	Total Comprehensive Income for the year	Transferred to / (from) Retained Earnings	Balance at 31st March, 2020
As on 31st March, 2020				
Other Comprehensive Income for the year	1 801.59	(339.92)	-	1,461.67
Equity component of convertible instrument	1 127.26	-	-	1,127.26
Retained earning	(3 998.44)	-	550.98	(3,447.45)
Total	**(1 069.59)**	**(339.92)**	**550.98**	**(858.52)**

As per our Report of even date
For **Chaturvedi & Shah LLP**
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Firm Regn No. - 101720W / W100355

Jignesh Mehta
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Membership No.: 102749

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Director

Cash Flow Statement for the year ended 31st March, 2020

		2019-20	2018-19
			(₹ in Lakhs)
A:	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit before Tax as per Statement of Profit and Loss	**303.06**	114.70
	Adjusted for:		
	Depreciation	**29.19**	29.19
	Net gain on Investment	**(29.88)**	(9.14)
	Interest Income	**(0.01)**	(17.78)
	Operating Profit before Working Capital Changes	302.36	116.98
	Adjusted for:		
	Trade and Other Receivables	**(12 089.85)**	(5 051.62)
	Trade and Other Payables	**16 274.37**	7 847.85
		4 184.52	2 796.23
	Cash Generated from Operations	**4 486.88**	2 913.21
	Taxes Paid (Net)	**(4 017.20)**	(2 805.83)
	Net Cash from Operating Activities	**469.68**	107.38
B:	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Interest Income	**0.01**	17.78
	Purchase of other investments	**(633.53)**	(8 564.98)
	Sale of other investments	**29.88**	8 574.14
	Net Cash (used in)/from Investing Activities	(603.64)	26.94
C:	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Net Cash (used in)/From Financing Activities	-	-
	Net (Decrease)/ Increase in Cash and Cash Equivalents	(133.96)	134.31
	Opening Balance of Cash and Cash Equivalents	151.62	17.31
	Closing Balance of Cash and Cash Equivalents (Refer Note 6)	17.66	151.62

As per our Report of even date
For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Regn No. - 101720W / W100355

Jignesh Mehta
Partner
Membership No.: 102749

Place : **Mumbai**
Date : April 23, 2020

For and on behalf of the Board

Sanjay Jog
Director

Pramod Bhawalkar
Director

G. Venkatesh
Director

K. Sudarshan
Director

Jagmohanlal Bhamri
Director

Notes to the Financial Statements for the year ended 31st March, 2020

Significant Accounting Policies on Accounts

A. CORPORATE INFORMATION

Reliance SMSL Limited ("the Company") is an entity incorporated in India.

The address of its registered office and principal place of business is 3rd floor, Court house, Lokmanya Tilak Marg, Dhobi Talao, Mumbai - 400002.

The Company is engaged in the business of providing integrated manpower solutions including sourcing, recruitment, training, engagement and staffing services to other Companies

B. ACCOUNTING POLICIES

B.1 BASIS OF PREPARATION AND PRESENTATION

The financial statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:(i) Certain financial assets and liabilities measured at fair value.(ii) Defined benefit plans - plan assets measured at fair value.

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

Company's financial statements are presented in Indian Rupees (₹), which is its functional currency.

B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Current & Non current classification

The company present asset and Liabilities in the Balance sheet based on current /Non current classfication

An asset is treated as current when it is-

- Expected to be realised or intended to be sold or consumed in normal operating cycles;
- held primerly for purpose of trading;
- Expected to be realised within twleve month after reporting period, or
- Cash & Cash equivalent unless restricated from being exchange or used to settle a liability for at least twelve months after the reporting period.

All other asset are classfied as non current

An Liabilty is current when:

- It is expected to be settled in normal operating cycle;
- held primerly for purpose of trading;
- It us due to be settled within twleve month after reporting period, or
- There is unconditional right to defer the settlement of the liability for at least twelve month after the reporting period

The company classfied all other liabilities as non current.

Deferrred tax assets and Liabilities are classfied as non current assets and liabilities

(b) Property, plant and equipment:

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes purchase price, taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Depreciation on property, plant and equipment is provided based on useful life of the assets prescribed in Schedule II to the Companies Act, 2013.

Notes to the Financial Statements for the year ended 31st March, 2020

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(c) Cash and Cash Equiavalent

Cash and Cash Equiavalent comprise of cash on hand and short term, highly liquid investment that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

(d) Impairment of non-financial assets-Property, plant and equipment

The company assesses at each reporting date as to whether there is any indication that any plant and equipment called Cash genearting unit(CGU) may be impraired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment , if any . When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the CGU to which the asset belongs

(e) 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.

(f) Employee Benefits

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when employees render the services.

Post-Employment Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company’s contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service.

Defined Benefit Plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees’ services.

Re-measurement of defined benefit plans in respect of post-employment and other long term benefits are charged to the Other Comprehensive Income.

(g) Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income and equity.

- **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 or substantively 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 assets recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences , and the carry forward of unused tax losses can be utilised

Notes to the Financial Statements for the year ended 31st March, 2020

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.

(h) Revenue recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company is generally the principal as it typically controls the goods or services before transferring them to the customer.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognized over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those services. The Company has generally concluded that it is the principal in its revenue arrangement, because it typically controls the services before transferring them to the customer.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional. Generally, the credit period varies between 0-60 days from the delivery of services.

Consideration are determined based on its most likely amount. The Company does not adjust short-term advances received from the customer for the effects of significant financing component if it is expected at the contract inception that the promised good or service will be transferred to the customer

Contract Balances:

Trade Receivables

A receivable represents the Company’s right to an amount of consideration that is unconditional.

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).

Contract liabilities are recognised as revenue when the Company performs under the contract.

Interest Income

Interest Income from a Financial Assets is recognized using effective interest rate method.

Dividend Income

Dividend Income is recognised when the Company’s right to receive the amount has been established.

(I) 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 adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

Notes to the Financial Statements for the year ended 31st March, 2020

B. Subsequent measurement

a) Financial assets measured at amortised cost (AC)

A financial asset is subsequently 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 measured at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income 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.

c) Financial assets measured 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.

C. Equity Investments:

All equity investments are measured at fair value, with value changes recognised in statement of profit and loss, except for those equity investments for which the company has elected to present the value changes in 'Other Comprehensive Income'.

(ii) Financial liabilities

A. Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

B. Subsequent measurement:

Financial liabilities are subsequently 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.

C. CRITICAL ACCOUNTING JUDGMENTS 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 future periods.

a) Depreciation and useful lives of property plant and equipment

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

b) Recoverability of trade receivable:

Judgements 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.

Notes to the Financial Statements for the year ended 31st March, 2020

c) **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.

d) **Impairment of non-financial assets:**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

e) **Impairment of financial assets:**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

f) **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.

g) **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.

h) **Fair Value Measurement:**

For estimates relating to fair value of financial instruments refer note 22 of financial statements.

i) **Estimation of Uncertainty relating to the Global Health Pandemic on COVID 19**

The outbreak of Corona virus (COVID -19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. COVID19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lock down of production facilities etc. The company has evaluated impact of COVID -19 on its business operations and based on its review there is no significant impact on its financial statements.

Notes to the Financial Statements for the year ended 31st March, 2020

1 PROPERTY, PLANT AND EQUIPMENT (₹ in Lakhs)

	Description	Gross Block				Depreciation			Net block	
		As at 1st April 2019	Additions/ Adjustments	Deductions/ Adjustments	**As at 31st March, 2020**	**As at 1st April 2019**	For the year	**Up to 31st March, 2020**	**As at 31st March, 2020**	As at 31st March, 2019
1	**PROPERTY, PLANT AND EQUIPMENT**									
(i)	**Tangible Assets:**									
	Own Assets:									
	Plant and Machinery	175.16	-	-	**175.16**	58.72	**29.19**	**87.92**	**87.25**	116.44
	Total	**175.16**	-	-	**175.16**	**58.73**	**29.19**	**87.92**	**87.25**	**116.44**
	Previous year	**175.16**	-	-	**175.16**	**29.53**	29.19	**58.73**	**116.44**	-

(₹ in Lakhs)

		As at 31st March, 2020	As at 31st March, 2019
2	**DEFERRED TAX ASSETS (NET)**		
	The movement on the deferred tax account is as follows:		
	At the start of the year	30 63.19	21 76.08
	Credit to statement of Profit or loss (Note 3.2)	2 47.92	8 87.11
	At the end of year	33 11.11	**30 63.19**

	As at 31st March, 2019	**Credit to Statement of Profit and Loss**	**As at 31st March, 2020**
Deferred Tax Liability/Assets in relation to			
Disallowance under the Income Tax Act, 1961	30 83.89	2 32.68	**33 16.57**
	-	-	-
	30 83.89	2 32.68	**33 16.57**
Property, plant and equipemnts	(20.71)	15.24	**(5.47)**
	(20.71)	15.24	**(5.47)**
Total	30 63.18	2 47.92	**33 11.11**

(₹ in Lakhs)

		As at 31st March, 2020	**As at 31st March, 2019**
3	**OTHER NON- CURRENT ASSETS**		
	(Unsecured and Considered Good)		
	Advance Income Tax (Net of Provision)	**5 993.81**	1 976.62
	Total	**5 993.81**	1 976.62

Notes to the Financial Statements for the year ended 31st March, 2020

(₹ in Lakhs)

		As at 31st March, 2020	As at 31st March, 2019
3.1	Advance Income Tax (Net of Provision)		
	At start of the year	1,976.61	78.54
	Charge for the year	-	(907.76)
	Tax paid during the year	4,017.20	2,805.83
	At end of year	**5,993.81**	**1,976.61**

3.2 TAXATION

(₹ in Lakhs)

		As at 31st March, 2020	As at 31st March, 2019
a)	**Income Tax recognised in statement of Profit and Loss**		
	Current Tax	**-**	9 07.76
	Deferred Tax	**(2 47.92)**	(8 87.11)
	Total Income Tax Expense recognised in the current year.	**(2 47.92)**	**20.65**

The Income Tax expenses for the year can be reconciled to the accounting profit as follows:

Particulars	**As at 31st March, 2020**	**As at 31st March, 2019**
Profit before Tax	**3 03.06**	1 14.7
Applicable Tax Rate	**25.17%**	33.38%
Computed Tax Expense	**76.28**	38.29
Tax Effect of :		
Expenses disallowed	**13 42.69**	11 31.4
Additional Allowances net of MAT credit	**(14 18.97)**	(2 61.94)
Current Tax Provision (A)	**0.00**	9 07.76
Incremental Deferred Tax Liability on tangible and intangible Assets	(15.24)	38.28
Incremental Deferred Tax Asset on account of Financial Assets & Other items	(232.68)	(9 25.37)
Deferred Tax Provision (B)	**(2 47.92)**	(887.11)
Others temporary differences	0.00	0.00
Tax Expenses recognised in Statement of Profit and Loss (A+B)	**(247.92)**	20.65
Effective Tax Rate	**0%**	18%

(₹ in Lakhs)

		As at 31st March, 2020		**As at 31st March, 2019**	
4	**Investments**	**Units (In Absolute terms)**		**Units (In Absolute terms)**	
	Investment measured at fair value through profit and loss (FVTPL)				
	Investment in Mutual Funds - Quoted				
	ICICI Prudential Liquid Fund Growth	216,588.58	633.52	-	-
	Total		633.52		-

Notes to the Financial Statements for the year ended 31st March, 2020

		As at 31st March, 2020	As at 31st March, 2019
			(₹ in Lakhs)
5	**TRADE RECEIVABLES**		
	(Unsecured and Considered Good)		
	Trade receivables	**363.24**	18 430.48
	Total	**363.24**	18 430.48

		As at 31st March, 2020	As at 31st March, 2019
			(₹ in Lakhs)
6	**CASH AND CASH EQUIVALENTS**		
	Balance with bank	17.66	151.61
	Cash and cash equivalents as per balance sheet	**17.66**	151.61
	Cash and cash equivalents as per statement of cash flow	**17.66**	151.61

		As at 31st March, 2020	As at 31st March, 2019
			(₹ in Lakhs)
7	**OTHER FINANCIAL ASSETS**		
	*Deposits & Other Receivables	**25,266.44**	929.30
	Total	**25,266.44**	929.30

*Includes Deposits with Government authorities & Unbilled Revenue

		As at 31st March, 2020	As at 31st March, 2019
			(₹ in Lakhs)
8	**OTHER CURRENT ASSETS**		
	(Unsecured and considered good)		
	Balance with GST Authorities	**3,425.48**	0.00
	Others*	**8,346.32**	5,951.85
	Total	**11,771.81**	5,951.85

*Includes advance to employees, vendor and prepaid expenses.

Notes to the Financial Statements for the year ended 31st March, 2020

(₹ in Lakhs)

		As at 31st March, 2020	As at 31st March, 2019
9	**EQUITY SHARE CAPITAL**		
	Authorised Share Capital:		
	50,000 (50,000) Equity Shares of ₹ 10 each	**5.00**	5.00
	Total	**5.00**	5.00
	Issued, Subscribed and Paid-Up Share Capital:		
	50 000 (50,000) Equity Shares of ₹ 10 each fully paid up	**5.00**	**5.00**
	Total	**5.00**	5.00

(i) **The details of Shareholders holding more than 5% shares :**

Name of the Shareholder	**As at 31st March, 2020**		**As at 31st March, 2019**	
	No. of Shares	**% held**	**No. of Shares**	**% held**
Reliance Projects & Property Management Services Limited(Formerly known as Reliance Digital Platform & Project Services Ltd)	50,000	100	-	-
Reliance Corporate IT Park Ltd	-	-	50 000	100

(ii) **Reconciliation of number of shares outstanding is set out below:**

Particulars	**As at 31st March, 2020**	As at 31st March, 2019
	No. of shares	No. of shares
Equity Shares at the beginning of the year	**50,000**	50,000
Add: Equity Shares issued during the year	-	-
Equity Shares at the end of the year	**50,000**	50,000

(iii) 1. Reliance Projects & Property Management Services Limited (formerly known as Reliance Digital Platform & Project Services Ltd), holding Company of the Company holds 50,000 Equity Shares of Rs. 10/- each along with nominees. (Previous year: NIL)

2. Rights, Preferences and Restrictions attached to Equity Shares: The Equity Shareholder is eligible for one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the number of equity shares held.

Notes to the Financial Statements for the year ended 31st March, 2020

(₹ in Lakhs)

			As at 31st March, 2020		As at 31st March, 2019
10	**OTHER EQUITY**				
	Retained Earnings				
	As per last Balance Sheet	(3 998.44)		(4 092.50)	
	Profit / (Loss) of the Year	550.98		94.06	
			(3 447.46)		(3 998.44)
	Other Comprehensive Income				
	As per last balance sheet	1 801.59		1 866.63	
	Add:movement in OCI (net) during the year	(339.92)		(65.04)	
			1 461.67		1 801.59
	Zero Coupon Unsecured optionally Fully Convertible Debenture of ₹ 10 each				
	As per last balance sheet	1 127.26		1 127.26	
	Add: Issue of Debenture	-		-	
			1 127.26		**1 127.26**
			(858.53)		**(1 069.59)**

10.1 The company and OFCD holder shall have an option for an early conversion at any time after allotment of the OFCDs by giving one month notice to other party at a value higher of book value or face value as at 31st March, 2015

10.2 The Company will redeem the outstanding OFCD on expiry of 15 years. The Company and the OFCD holder may mutually agree for early redemption of the outstanding OFCD (on any date after expiry of 30 days from the date of allotment of the OFCD.)

(₹ in Lakhs)

		As at 31st March, 2020	**As at 31st March, 2019**
11	**PROVISIONS - Non Current**		
	Provision for Employee Benefits	**8,125.52**	5,643.55
	Total	**8,125.52**	5,643.55

* Provision for Gratuity& Leave encashment

(₹ in Lakhs)

		As at 31st March, 2020	As at 31st March, 2019
12	**TRADE PAYABLES**		
	Micro and Small Enterprise	**-**	-
	Other than Micro and Small Enterprise	**11,788.02**	1,824.74
	Total	**11,788.02**	1,824.74

Notes to the Financial Statements for the year ended 31st March, 2020

		As at 31st March, 2020	As at 31st March, 2019
			(₹ in Lakhs)
13	**OTHER CURRENT LIABILITIES**		
	Other Payables*	**23 332.61**	20 621.69
	Total	**23 332.61**	20 621.69

* Others include Salary payable and Statutory Dues.

		As at 31st March, 2020	As at 31st March, 2019
			(₹ in Lakhs)
14	**PROVISIONS - CURRENT**		
	Provision for Employee Benefits	**5 052.22**	3 594.10
	Total	**5 052.22**	3 594.10

		2019-20	2018-19
			(₹ in Lakhs)
15	**Revenue from Operations**		
	Sale of Services	**285 378.37**	240 486.23
	Less: GST Recovered	**39 787.65**	36 718.91
	Total	**245 590.72**	203 767.32

		2019-20	2018-19
			(₹ in Lakhs)
16	**OTHER INCOME**		
	Interest		
	Others	**0.01**	17.78
	Gain on Financial Assets		
	Realised Gain	**29.88**	9.14
	Unrealised Gain	**3.02**	-
	Total	**32.91**	26.92

		2019-20	2018-19
			(₹ in Lakhs)
17	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries and Wages	**197 054.44**	161 859.12
	Contribution to Provident and Other Funds	**15 472.18**	12 677.12
	Staff Welfare Expenses	**11 244.49**	9 135.23
	Total	**223 771.11**	183 671.47

Notes to the Financial Statements for the year ended 31st March, 2020

As per Indian Accounting Standard 19 “Employee benefits”, the disclosures are given below:

Defined Contribution Plan

Contribution to Defined Contribution Plans , recognised as expense for the year is as under

(₹ in Lakhs)

Particulars	2019-20	2018-19
Employer’s Contribution to Provident Fund	2 828.71	2 188.91
Employer’s Contribution to Pension Fund	6 328.55	4 416.78

Defined Benefit Plan

The Present value of obligation is determined based on actuarial valuation using the projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for Compensated Absences is recognised in the same manner as gratuity.

1. **Reconciliation of opening and closing balances of Defined Benefit Obligation**

Paticulars	**2019-20**	2018-19
Gratuity (Unfunded)		
Defined Benefit Obligations at the beginning of the year	3 648.67	2 310.03
Current Service Cost	1 656.29	1 222.33
Add:on Acqusition/Transfer	-	-
Interest Cost	293.16	184.67
Actuarial (Gain / Loss)	454.25	97.63
Benefits Paid	(210.30)	(166.01)
Defined Benefit Obligations at the end of the year	5 842.07	3 648.65

2. **Reconciliation of Fair Value of Assets and Obligations**

Paticulars	**2019-20**	2018-19
	Gratuity (Unfunded)	
Fair Value of Plan Assets	-	-
Present Value Obligation	5 842.07	3 648.65
Amount Recognised in Balance sheet (Surplus/Deficit)	**5 842.07**	3 648.65

3. **Expenses recognised during the year in the Statement of Profit and Loss**

Paticulars	**2019-20**	2018-19
	Gratuity (Unfunded)	
In Income Statement	As at 31st March	
Current Service Cost	1 656.29	1 222.33
Imterest Cost	293.16	184.67
Expected Return on Plan Assets	-	
Actuarial (Gain / Loss)		
Net Cost	**1 949.45**	1 407.00
In Other Comprehensive Income		
Actuarial (Gain / Loss)	454.25	97.63
Return on Plan Assets	-	-
Net (Income)/ Expense For the period Recognised in OCI	**454.25**	97.63

Notes to the Financial Statements for the year ended 31st March, 2020

4. Actuarial Assumptions

	2019-20	2018-19
Mortality Table (IALM)	**Gratuity(Funded)**	
Compensated Absences(unfunded)		
Discount Rate (Per Annum)	6.84%	8.00%
Expected Rate of Return on Plan Assets(Per Annum)	0.00%	0.00%
Rate of Escalation in Salary (Per Annum)	6.00%	6.00%

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

5. The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2019-20.

6. Sensitivity Analysis

Siginificant Acturial Assumptions for the determination of the defined benefit obligation are discount trade, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on resonably possible changes of the assumptions occuring at end of the reporting period , while holding all other assumptions constant. The result of Sesitivity analysis is given below:

Particulars	**As at 31st March, 2020**		**As at 31st March, 2019**	
	Decrease	**Increase**	**Decrease**	**Increase**
Change in rate of discounting (delta effect of -/+ 0.5%)	100.03	(95.77)	62.35	(59.84)
Change in rate of salary increase(delta effect of -/+ 0.5%)	(96.96)	100.36	(61.23)	63.25
Change in rate of employee turnover (delta effect of -/+ 25%)	613.73	(513.59)	450.03	(384.42)
Change in rate of Mortality (delta effect of -/+ 10%)	(0.56)	0.56	(0.60)	0.60

These plans typically expose the Group to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

(₹ in Lakhs)

	2019-20	2018-19
18 OTHER EXPENSES		
Insurance	**3 071.75**	1 995.68
Rates and Taxes	**7.75**	10.30
Travelling and Conveyance Expenses	**12 024.69**	11 616.77
Payment to Auditors	**5.00**	5.00
Professional Fees	**2 737.26**	1 391.99
Contracted Manpower Expenses	**206.31**	156.79
Communication Expenses	**3 314.53**	4 587.35
General Expenses	**152.98**	215.00
Total	**21 520.27**	19 978.88

18.1 Payment to Auditors as:	**2019-20**	2018-19
a. As Auditor:		
Statutory Audit Fees	**4.00**	4.00
Tax Audit Fees	**1.00**	1.00
Total	**5.00**	5.00

Notes to the Financial Statements for the year ended 31st March, 2020

18.2 Corporate Social Responsibility (CSR)

a) 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 year is ₹ NIL (Previous Year ₹ NIL).

b) Expenditure related to Corporate Social Responsibility is ₹ NIL (Previous Year ₹ NIL).

19 Earning Per Share :

₹ in Lakhs

	Basic Earning Per Share	**2019-20**	**2018-19**
i	Net Profit after tax as per statement of profit and loss	**550.98**	94.06
ii	Net Profit attributable to Equity Shareholders	**550.98**	94.06
iii	Weighted Average number of equity shares used as denominator for calculating Basic EPS:	50,000	50,000
iv	Basic Earnings per share of face value of ₹10 each (In ₹)	**1,101.96**	**188.12**

₹ in Lakhs

	Diluted Earning Per Share	**2019-20**	2018-19
i	Net Profit attributable to Equity Shareholders	**550.98**	94.06
ii	Weighted Average number of equity shares used as denominator for calculating Basic EPS:	**50,000**	50,000
iii	Add: Number of Zero Coupon Unsecured Optionally Fully Convertible Debentures (OFCDs)	11,272,583	11,272,583
iv	Weighted Average number of equity shares used as denominator for calculating Diluted EPS:	**11,322,583**	11,322,583
v	Diluted Earnings per share of face value of ₹10 each (In ₹)	**4.87**	**0.83**

20 Related Party Disclosure

As per Ind AS 24, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

(i) List of related parties where control exists and related parties with whom transactions have taken place and the relationship:

Sr. No.	**Name of the Related Party**	**Relationship**
1	Reliance Industries Limited	Ultimate Holding Company
2	Reliance Corporate IT Park Limited	Holding Company (upto 8.12.2019)
2	Reliance Corporate IT Park Limited	Fellow subsidiary company (w.e.f. 9.12.2019)
3	Reliance Projects & Property Management Services Limited (formerly known as Reliance Digital Platform & Project Services Limited)	Fellow subsidiary company (up to 8.12.2019)
3	Reliance Projects & Property Management Services Limited (formerly known as Reliance Digital Platform & Project Services Limited)	Holding Company (w.e.f. 9.12.2019)
4	Reliance Retail Limited	Fellow Subsidiary Company
5	Reliance Jio Infocomm Limited	
6	Reliance Brands Limited	
7	Reliance Lifestyle Holdings Limited	
8	Reliance Clothing India Private Limited	

Notes to the Financial Statements for the year ended 31st March, 2020

Sr. No.	Name of the Related Party	Relationship
9	Reliance GAS Lifestyle India Private Limited	Fellow Subsidiary Company
10	Reliance-GrandOptical Private Limited	
11	Genesis Luxury Fashion Private Limited	
12	Genesis La Mode Private Limited	
13	GLF Lifestyle Brands Private Limited	
14	GML India Fashion Private Limited	
15	Genesis Colors Limited	
16	Rhea Retail Private Limited	
17	Reliance Paul & Shark Fashions Private Limited	Fellow Joint Venture
18	Brooks Brothers India Private Limited	
19	Diesel Fashion India Reliance Private limited	
20	Ryohin-Keikaku Reliance India Private Limited	
21	Zegna South Asia Private limited	
22	Reliance Bally India Private Limited	
23	Canali India Private Limited	
24	V&B Lifestyle India Private Limited	

(ii) Transactions during the year with related parties:

₹ in Lakhs

Sr. No.	**Nature of Transactions** (Excluding reimbursements)	Holding/ Ultimate Company	Fellow Subsidiary/ Fellow Joint Venture Company	Total
1	Revenue form Operations	**270,676.75**	**18,455.77**	**289,132.52**
		224,005.50	*16,254.84*	*240,260.34*
2	Revenue form Operations(Fellow Joint Venture)	-	**233.80**	**233.80**
		-	*174.33*	*174.33*
3	Professional Fees	**3,111.00**	**75.00**	**3,186.00**
		778.80	-	*778.80*
4	Service received	**0.80**	**3471.99**	**3,472.79**
		0.80	*4,587.35*	*4,588.15*
	Balance as at 31st March, 2020			
1	Share Capital	5.00	-	5.00
		5.00	-	*5.00*
2	ZOFCD	1,127.26	-	1,127.26
		1,127.26	-	*1,127.26*
3	Trade Receivable	7044.92	1,699.42	8,744.34
		16,994.50	*1,419.73*	*18,414.23*
4	Trade Receivable(joint Venture)	-	21.78	21.78
		-	*15.28*	*15.28*
5	Trade Payable	6,109.28	-	6,109.28
		458.00	*40.80*	*498.80*

Note :

Figures in Italic represents Previous Year’s amount.

Notes to the Financial Statements for the year ended 31st March, 2020

iii Disclosure in Respect of Material Related Party Transactions during the year: **₹ in Lacs**

	Particulars		2019-20	2018-19
1	**Revenue from Operations**			
	Reliance Corporate IT Park Limited	Holding Company (upto 8-12-2019)	175,276.52	224,005.50
	Reliance Projects & Property Management Services Limited (formerly known as Reliance Digital Platform & Project Services Ltd)	Fellow Subsidiary (upto 8.12.2019)	13.69	-
	Reliance Projects & Property Management Services Limited (formerly known as Reliance Digital Platform & Project Services Ltd)	Holding Company (w.e.f. 9-12-2019)	95,400.23	-
	Reliance Retail Limited	Fellow Subsidiary Company	16,243.56	14,534.79
	RHEA Retail Private Limited		72.98	22.86
	Reliance Brands Limited		1,241.99	960.70
	Reliance Lifestyle Holdings Limited		234.21	194.90
	Reliance Clothing India Private Limited		338.09	313.23
	Reliance Gas Lifestyle India Private Limited		67.32	228.35
	Reliance-GrandOptical Private Limited		0.06	-
	Genesis Luxury Fashion Private Limited		61.61	-
	Genesis La Mode Private Limited		65.62	-
	GLF Lifestyle Brands Private Limited		50.76	-
	GML India Fashion Private Limited		33.56	-
	Genesis Colors Limited		32.31	-
	Reliance Bally India Private Limited		4.44	2.64
	Diesel Fashion India Reliance Private limited		52.82	51.47
	Brooks Brothers India Private Limited		73.32	64.78
	Reliance Paul & Shark Fashions Private Limited		11.09	11.17
	Zegna South Asia Private Limited		17.06	16.85
	Ryohin-Keikaku Reliance India Private Limited		25.85	27.42
	Canali India Private Limited		30.57	-
	V&B Lifestyle India Private Limited		18.64	-
2	**Professional Services**			
	Reliance Corporate IT Park Limited	Holding Company (upto 8-12-2019)	147.50	778.80
	Reliance Projects & Property Management Services Limited (formerly known as Reliance Digital Platform & Project Services Ltd)	Fellow Subsidiary (upto 8.12.2019)	75.00	-
	Reliance Projects & Property Management Services Limited (formerly known as Reliance Digital Platform & Project Services Ltd)	Holding Company (w.e.f. 9-12-2019)	2,963.50	-

Notes to the Financial Statements for the year ended 31st March, 2020

	Particulars		2019-20	2018-19
3	**Trade Receivable**			
	Reliance Corporate IT Park Limited	Holding Company (upto 8-12-2019)	-	16,994.50
	Reliance Projects & Property Management Services Limited (formerly known as Reliance Digital Platform & Project Services Ltd)	Holding Company (w.e.f. 9-12-2019)	7,044.92	-
	Reliance Brands Limited	Fellow Subsidiary Company	131.11	95.50
	Reliance Clothing India Private Limited		28.72	25.98
	Reliance Lifestyle Holdings Limited		14.92	19.32
	Reliance Retail Limited		1,488.35	1,260.40
	Genesis Luxury Fashion Private Limited		5.22	-
	Reliance Gas Lifestyle India Private Limited		5.73	10.96
	Reliance-GrandOptical Private Limited		0.12	-
	Genesis Luxury Fashion Private Limited		5.22	-
	Genesis La Mode Private Limited		4.79	-
	GLF Lifestyle Brands Private Limited		3.51	-
	GML India Fashion Private Limited		3.00	-
	Genesis Colors Limited		3.89	-
	RHEA Retail Private Limited		4.85	7.57
	Reliance Bally India Private Limited		0.56	0.23
	Diesel Fashion India Reliance Private limited		3.88	4.21
	Brooks Brothers India Private Limited		6.16	5.78
	Reliance Paul & Shark Fashions Private Limited		0.97	0.34
	Zegna South Asia Private Limited		3.17	2.54
	Ryohin-Keikaku Reliance India Private Limited		2.29	2.18
	Canali India Private Limited		3.40	-
	V&B Lifestyle India Private Limited		1.34	-
4	**Trade Payable**			
	Reliance Corporate IT Park Limited	Holding Company (upto 8-12-2019)	-	458.00
	Reliance Projects & Property Management Services Limited (formerly known as Reliance Digital Platform & Project Services Ltd)	Holding Company (w.e.f. 9-12-2019)	2,637.09	-
	Reliance Industires Limited	Ultimate Holding Company	0.20	-
	Reliance Retail Limited	Fellow Subsidiary Company	-	40.8
	Reliance Jio Infocom Limited		3,471.99	-
	Services Received			
	Reliance Industries Limited	Ultimate Holding Company	0.80	0.80
	Reliance Jio Infocom Limited	Fellow Subsidiary Company	3471.99	4587.35

Note : Reliance Lifestyle Holdings Limited and RHEA Retail Private Limited has been merged with Reliance Brands Limited

Notes to the Financial Statements for the year ended 31st March, 2020

21 Capital Management

The Company manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the company consists of net debt and total equity of the company.

21.1 Gearing ratio

The gearing ratio at end of the reporting period was as follows. **₹ in Lakhs**

	As at 31st March,2020	As at 31st March, 2019
Debt	-	-
Cash and bank balance	17.66	151.61
Net debt	(17.66)	(151.61)
Total Equity	853.53	1,064.59
Net debt to equity ratio	-	-
Debt is defined as long-term and short-term borrowings.		

22 Financial Instruments

A) Fair valuation measurement hirarachy **₹ in Lakhs**

Particulars	**As at 31st March, 2020**			**As at 31st March, 2019**		
	Carrying Amount	Level of input used in		Carrying Amount	Level of input used in	
		Level 1	Level 2		Level 1	Level 2
Financial Assets						
At Amortised Cost						
Trade Receivables	3 63.24	-	184 30.48	-		
Cash and Cash Equivalents	17.66			1 51.61		
Other Financial Assets	252 66.44			9 29.3		
At FVTPL						
Investments	633.52	633.52				
Financial Liabilities						
At Amortised Cost						
Borrowings	-			-		
Trade Payables	117 88.02			18 24.74		
Other Financial Liabilities	-			-		

The financial instruments are categorized into two 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; and

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

Level 3: Inputs based on unobservable market data.

Notes to the Financial Statements for the year ended 31st March, 2020

Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk and market risk.

This note explains the sources of risks which the entity is exposed to and how it mitigates that risk.

Risk	Exposure arising from	Measurement	Mitigation
Credit risk	**Cash and cash equivalents, trade receivables, derivative financial assets and other financial assets**	Ageing analysis,Credit ratings	Dealing with highly rated counterparties as a policy along with pre-defined credit limits, concentration limits and derivative notional limits.
Liquidity Risk	**Borrowings and other liabilities.**	Maturity bucketing,Rolling cash-flow forecasts	Availability of committed credit lines, borrowing facilities, high quality liquid investments
Market risk – Interest risk	**Fixed-Income Investments.**	Sensitivity analysis, Price value per basis point (PVBP) monitoring	Duration bucketing and reinvestment risk management

The company's risk management is carried out by the company as per policies approved by the management. The company identifies, evaluates and mitigates financial risk in close co-operation with its operation team. The company's overall risk management programme focuses on unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

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

A) Market Risk

The Company effectively manages its cash and cash equivalents through a diversified investment portfolio which has an appropriate mix of steady accrual, tax efficient and higher duration assets with lower reinvestment risk. The portfolio consists of wide ranging fixed income instruments, viz top rated mutual fund investments and bank fixed deposits. The diversification across instruments and counterparties ensures that there is minimal concentration risk.

The investment portfolio is monitored and operated under a robust risk management framework with a very nimble and dynamic adjustment to portfolio mix as and when necessary to ensure capital protection and appropriate risk adjusted.

B) Liquidity Risk

Liquidity risk is the risk that suitable sources of funding for the company's business activities may not be available. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due, so that the company is not forced to obtain funds at higher rates.

C) Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due causing financial loss to the company. It arises from cash and cash equivalents, derivative financial instruments, deposits from financial institutions and principally from credit exposures to customers relating to outstanding receivables.

23 The Company's major activity is is providing manpower recruitment or supply agency and activity related to human resource engagement. Accordingly there is no separate reportable segment as per Ind AS 108- "Operating Segment".

24 The Figures of Corresponding previous years have been regrouped/reclassified wherever necessary, to make them comparable.

25 Approval of financial statements

The financial statements were approved for issue by the board of directors on 23rd April, 2020

As per our Report of even date
For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Regn No. - 101720W / W100355

Jignesh Mehta
Partner
Membership No.: 102749

Place : **Mumbai**
Date : April 23, 2020

For and on behalf of the Board

Sanjay Jog
Director

Pramod Bhawalkar
Director

G. Venkatesh
Director

K. Sudarshan
Director

Jagmohanlal Bhamri
Director