

Reliance Ventures Limited
Financial Statements
2019-20

Independent Auditor's Report

**To the Members of
RELIANCE VENTURES LIMITED**

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **Reliance Ventures 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.

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- 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

For Rajendra & Co.
Chartered Accountants
Firm Registration no. 108355W

Jignesh Mehta
Partner
Membership No.: 102749

Sanket. M. Shah
Partner
Membership No.: 148270

Place : Mumbai
Date : April 23, 2020

Place : Mumbai
Date : April 23, 2020

“ANNEXURE A” TO INDEPENDENT AUDITORS’ REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE VENTURES LIMITED

(Referred to in Paragraph 1 under the heading of “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 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, 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, 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 raised loans from financial institutions or banks or government or by issue of debentures and 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) and terms loans have been used for the purpose for which it has been 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.

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- 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

For Rajendra & Co.
Chartered Accountants
Firm Registration no. 108355W

Jignesh Mehta
Partner
Membership No.: 102749

Sanket. M. Shah
Partner
Membership No.: 148270

Place : Mumbai
Date : April 23, 2020

Place : Mumbai
Date : April 23, 2020

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE VENTURES 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 Control over financial reporting of **Reliance Ventures Limited** (“the company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year then ended.

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

For Rajendra & Co.

Chartered Accountants

Firm Registration no. 108355W

Jignesh Mehta

Partner

Membership No.: 102749

Sanket. M. Shah

Partner

Membership No.: 148270

Place : Mumbai

Date : April 23, 2020

Place : Mumbai

Date : April 23, 2020

Balance Sheet as at 31st March, 2020

	Note	As at 31st March, 2020	₹ in lakhs As at 31st March, 2019
ASSETS			
Financial Assets			
Cash and Cash Equivalents	1	43	20
Receivables			
Trade Receivables	2	-	23 64
Loans	3	2732 21	1086 39
Investments	4	1168 07	4932 25
Other Financial Assets	5	12 91	41 36
Total Financial Assets		3913 62	6083 84
Non-Financial Assets			
Current Tax Assets (net)	6	26 25	17 06
Deferred Tax Asset (net)	7	-	-
Total Non-Financial Assets		26 25	17 06
Total Assets		3939 87	6100 90
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables			
Trade Payables Due to:			
Micro and Small Enterprises		-	-
Other than Micro and Small Enterprises		-	-
Borrowings	8	-	2312 40
Other Financial Liabilities	9	7	7
Total Financial Liabilities		7	2312 47
Non-Financial Liabilities			
Provisions	10	10 93	4 35
Deferred Tax Liabilities (Net)	7	-	-
Other Non Financial Liabilities	11	98	8 52
Total Non-Financial Liabilities		11 91	12 87
Total Liabilities		11 98	2325 34
Equity			
Equity Share Capital	12	2 69	2 69
Other Equity	13	3925 20	3772 87
Total Equity		3927 89	3775 56
Total Liabilities and Equity		3939 87	6100 90
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1 to 28		

As per our Report of even date

For **Chaturvedi & Shah LLP**
Firm Registration No: 101720W/W100355
Chartered Accountants

Jignesh Mehta
Partner
Membership No. 102749
Mumbai
Date: 23rd April, 2020

For and on behalf of the Board

For **Rajendra & Co.**
Firm Registration No: 108355W
Chartered Accountants

Sanket M. Shah
Partner
Membership No. 148270

K. Sethuraman Chairman
V. Srikanth Director
Jagannatha Kumar Director
Jayashri Rajesh Director
Dhiren Dalal Independent Director
B Chandrasekaran Independent Director
Jasmine Jiwani Company Secretary
Suresh Jagannathan Chief Financial Officer

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

	Note	2019-20	2018-19
₹ in lakhs			
Revenue from Operations	14		
Interest income		154 64	19 68
Dividend income		27	27 72
Net gain on fair value changes		76 97	176 60
Total Income		231 88	224 00
EXPENSES			
Finance Cost	15	23 43	94 28
Other Expenses	16	16 52	16 30
Total Expenses		39 95	110 58
Profit before tax		191 93	113 42
Tax Expenses			
Current Tax	17	39 75	26 50
Adjustment of tax relating to earlier period		(15)	1
Deferred Tax	7	-	9 02
		39 60	35 53
Profit for the year		152 33	77 89
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		152 33	77 89
(Comprising Profit and Other Comprehensive Income)			
Earnings per Equity Share of face value of ₹ 10 each	18		
Basic (in ₹)		566.04	289.44
Diluted (in ₹)		566.04	289.44
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1 to 28		

As per our Report of even date

For **Chaturvedi & Shah LLP**

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Chartered Accountants

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Membership No. 102749

Mumbai

Date: 23rd April, 2020

For and on behalf of the Board

For **Rajendra & Co.**

Firm Registration No: 108355W
Chartered Accountants

Sanket M. Shah

Partner

Membership No. 148270

K. Sethuraman

Chairman

V. Srikanth

Director

Jagannatha Kumar

Director

Jayashri Rajesh

Director

Dhiren Dalal

Independent Director

B Chandrasekaran

Independent Director

Jasmine Jiwani

Company Secretary

Suresh Jagannathan

Chief Financial Officer

Statement of Changes in Equity for the year ended 31st March 2020

A. Equity Share Capital					₹ in lakhs	
Balance at the beginning of the reporting period i.e. 1st April 2018	Changes in equity share capital during the year 2018-19	Balance at the end of the reporting period i.e. 31st March, 2019	Changes in equity share capital during the year 2019-20	Balance at the end of the reporting period i.e. 31st March, 2020		
2 69	-	2 69	-	2 69		
B. Other Equity						
Particulars	Reserves and Surplus				Other Comprehensive Income	Total
	Capital Redemption Reserve	Securities Premium	Statutory Reserve Fund	Retained Earnings		
As on 31st March, 2019						
Balance at the beginning of the reporting period i.e. 1st April, 2018	10	2347 85	236 63	1110 39	-	3694 97
Total Comprehensive Income of the year	-	-	-	77 89	-	77 89
Transferred from retained earnings	-	-	15 75	(15 75)	-	-
Balance at the end of the reporting period i.e. 31st March, 2019	10	2347 85	252 38	1172 53	-	3772 87
As on 31st March, 2020						
Balance at the beginning of the reporting period i.e. 1st April, 2019	10	2347 85	252 38	1172 53	-	3772 87
Total Comprehensive Income of the year	-	-	-	152 33	-	152 33
Transferred from retained earnings	-	-	30 50	(30 50)	-	-
Balance at the end of the reporting period i.e. 31st March, 2020	10	2347 85	282 88	1294 36	-	3925 20

As per our Report of even date

For **Chaturvedi & Shah LLP**
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B Chandrasekaran Independent Director
Jasmine Jiwani Company Secretary
Suresh Jagannathan Chief Financial Officer

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

	₹ in lakhs	
	2019-20	2018-19
A Cash Flow from Operating Activities		
Net Profit Before Tax as per Statement of Profit and Loss	191 93	113 42
Adjusted for:		
Finance costs	23 43	94 28
Interest income	(154 64)	(19 68)
Dividend income	(27)	(27 72)
General provision on standard assets	6 58	2 89
Net Gain / Loss on Sale of Investments	<u>(69 90)</u>	<u>(173 26)</u>
	<u>(194 81)</u>	<u>(123 49)</u>
Operating Loss before Working Capital Changes	(2 88)	(10 07)
Adjusted for:		
Trade and other Receivables	47 90	(14 58)
Trade and other Payables	<u>30</u>	<u>(9)</u>
	<u>48 22</u>	<u>(14 67)</u>
Cash Generated from Operations	45 33	(24 74)
Income Taxes paid	<u>(49 08)</u>	<u>(38 65)</u>
Net cash flow used in Operating Activities	(3 75)	(63 39)
B Cash flow from Investing Activities		
Payment for purchase of Investments	(526 56)	(8709 80)
Proceeds from sale of Investments	4360 65	8340 35
Interest received	159 81	45 47
Dividend received	27	27 72
Movement in Loans	<u>(1646 82)</u>	<u>(722 39)</u>
Net cash flow (used in) Investing Activities	2347 35	(1018 65)
C Cash flow from financing Activities		
Proceeds from Borrowing - Current (from Holding company)	1285 00	6719 71
Repayment of Borrowings - Current (to Holding company)	(3597 40)	(5546 81)
Rupees borrowing	0	
Interest paid	<u>(30 97)</u>	<u>(91 20)</u>
Net cash flow from Financing Activities	(2343 37)	1081 70
Net (Decrease) in Cash and Cash Equivalents	23	(35)
Opening Balance of Cash and Cash Equivalents	<u>20</u>	<u>54</u>
Closing Balance of Cash and Cash Equivalents (Refer Note 1.1)	<u>43</u>	<u>20</u>

As per our Report of even date

For **Chaturvedi & Shah LLP**
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Mumbai
Date: 23rd April, 2020

For and on behalf of the Board

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K. Sethuraman Chairman
V. Srikanth Director
Jagannatha Kumar Director
Jayashri Rajesh Director
Dhiren Dalal Independent Director
B Chandrasekaran Independent Director
Jasmine Jiwani Company Secretary
Suresh Jagannathan Chief Financial Officer

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

A. CORPORATE INFORMATION

Reliance Ventures Limited [‘the company’] is a limited Company incorporated in India having CIN U24120MH1999PLC121009. The registered office of the company is located at 9th Floor, Maker Chambers IV, 222 Nariman Point, Mumbai 400021, India. The Company is a registered Non-Banking Financial Company - Systemically Important Non-Deposit taking Company.

B. SIGNIFICANT 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 :

i) Certain financial assets (including derivative instruments) are measured at fair value,

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

B.2 Summary of Significant Accounting Policies

(a) Finance Cost

Borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

b) Provisions

Provisions are recognised when the Company has a present obligation 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.

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 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 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

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Interest income

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

Dividends

Revenue is recognised when the Company’s right to receive the payment is established.

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

(f) 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 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 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 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. Investment in subsidiaries and Fellow subsidiaries

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

D. Other Equity instruments

All equity investments are measured at fair value, with value changes recognised in statement of profit and loss.

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) Derivative financial instruments:

The company uses various derivative financial instruments such as commodity contracts to mitigate the risk of changes in market. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of profit or loss.

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

iv) **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 JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:**

The preparation of the Company's financial statements requires management to make judgment, 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 year.

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.

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 judgment 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 impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment 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.

e) **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.

f) **Fair value measurement**

For estimates relating to fair value of financial instruments refer note 26 of financial statements

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

		₹ in lakhs	
1	Cash and Cash Equivalents	As at 31st March, 2020	As at 31st March, 2019
	Cash on hand	-	-
	Balance with banks:		
	In current accounts	43	20
		<u>43</u>	<u>20</u>
		₹ in lakhs	
2	Receivables (Unsecured and considered good)	As at 31st March, 2020	As at 31st March, 2019
	Trade Receivables	-	23 64
		<u>-</u>	<u>23 64</u>
		₹ in lakhs	
3	Loans	As at 31st March, 2020	As at 31st March, 2019
	At Amortised Cost (Unsecured and considered good)		
	Loan to Related parties *	1885 00	250 00
	Loan to others	847 21	836 39
		<u>2732 21</u>	<u>1086 39</u>
	Loans in India:		
	Other than to Public Sector	2732 21	1086 39
	Loans outside India	-	-
		<u>2732 21</u>	<u>1086 39</u>

* Includes Current loans Rs. NIL (previous year Rs. NIL)

Refer note no 24

		₹ in lakhs					
4	Investments	As at 31st March, 2020			As at 31st March, 2019		
		Cost	At fair value through Profit or Loss	Total	Cost	At fair value through Profit or Loss	Total
	Bonds	-	-	-	-	-	-
	Quoted Debentures	-	694 68	694 68	-	2295 54	2295 54
	Equity instruments						
	Subsidiary	97 00	-	97 00	97 00	-	97 00
	Fellow Subsidiary *	3 32	-	3 32	332	-	332
	Quoted shares	-	-	-	-	2074 75	2074 75
	Quoted shares - Others #	-	-	-	-	110 07	110 07
	Government Securities #	-	7 29	7 29	-	-	-
	Debentures and Bonds #	-	18 14	18 14	-	-	-
	Venture Funds	-	267 64	267 64	-	351 57	351 57
	Security Receipt	-	80 00	80 00	-	-	-
	Total (A)	100 32	1067 75	1168 07	100 32	4831 93	4932 25
	Investments outside India	-	-	-	-	-	-
	Investments in India	100 32	1067 75	1168 07	100 32	4831 93	4932 25
	Total (B)	100 32	1067 75	1168 07	100 32	4831 93	4932 25
	Less:						
	Allowance for impairment Loss (C)	-	-	-	-	-	-
	Total (A - C)	100 32	1067 75	1168 07	100 32	4831 93	4932 25

* The Company has accounted for its investments in Fellow Subsidiary and Associate companies at cost less impairment loss (if any)

Investments held as stock-in-trade

Refer note no. 23

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

		₹ in lakhs	
	As at	As at	
	31st March, 2020	31st March, 2019	
5 Other Financial Assets			
Interest receivable	-	42	
Interest accrued on investments	-	5 39	
Accrued interest	1 00	-	
Income receivable from Venture funds	10 91	35 55	
Security Deposit *	1 00	-	
	<u>12 91</u>	<u>41 36</u>	
* Deposit with bank of ₹ 100 lakhs (previous year ₹ NIL) are given as collateral securities.			
		₹ in lakhs	
6 Current Tax Asset (net)	As at	As at	
	31st March, 2020	31st March, 2019	
Advance payment of taxes (net of provisions)	<u>26 25</u>	<u>17 06</u>	
	<u>26 25</u>	<u>17 06</u>	
7 Deferred Tax Liabilities / (Asset) (net)			
The movement on the deferred tax account is as follows:			
		₹ in lakhs	
	As at	As at	
	31st March, 2020	31st March, 2019	
At the start of the year	-	(9 02)	
Charge/(Credit) to Statement of Profit and Loss	-	9 02	
At the end of year	<u>-</u>	<u>-</u>	
Component of Deferred tax Liabilities / (Asset)			
		₹ in lakhs	
	As at	As at	
	31st March, 2020	31st March, 2019	
Deferred Tax liabilities / (asset) in relation to:			
Financial assets	-	9 02	
Total	<u>-</u>	<u>9 02</u>	
Note:			
Deferred tax in form of MAT credit and unused tax losses has not been recognised on conservative basis.			
		₹ in lakhs	
8 Borrowings	As at	As at	
Unsecured	31st March, 2020	31st March, 2019	
At amortised cost			
Loans from Holding Company	-	2312 40	
	<u>-</u>	<u>2312 40</u>	
Borrowings in India	-	2312 40	
Borrowings outside India	-	-	
	<u>-</u>	<u>2312 40</u>	
		₹ in lakhs	
9 Other Financial Liabilities	As at	As at	
	31st March, 2020	31st March, 2019	
Others payables *	<u>7</u>	<u>7</u>	
	<u>7</u>	<u>7</u>	
* Includes provision for revenue expenditure			

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

		₹ in lakhs	
10 Provisions		As at 31st March, 2020	As at 31st March, 2019
Contingent provision against standard asset #		10 93	4 35
		<u>10 93</u>	<u>4 35</u>

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.

Provision required ₹ 1093 lakhs (previous year ₹ 435 lakhs)

		₹ in lakhs	
11 Other Non Financial Liabilities		As at 31st March, 2020	As at 31st March, 2019
Others payables **		98	8 52
		<u>98</u>	<u>8 52</u>

** Mainly includes statutory dues

		₹ in lakhs			
12 Equity Share Capital	As at 31st March, 2020		As at 31st March, 2019		
	Units	Amount	Units	Amount	
Authorised:					
Equity Shares of ₹ 10 each	29,00,000	2 90	29,00,000	2 90	
Preference Shares of ₹ 1 each	10,00,000	10	10,00,000	10	
		<u>300</u>		<u>300</u>	
Issued, Subscribed and Paid up:					
Equity Shares of ₹ 10 each fully paid up	26,91,150	2 69	26,91,150	2 69	
		<u>2 69</u>		<u>2 69</u>	

Note:

a) Details of Share holders holding more than 5% shares

Name of the Shareholders	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	Held (%)	No. of shares	Held (%)
Reliance Industries Limited (Holding Company)	26,91,150	100.00	26,91,150	100.00

b) Reconciliation of Equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31st March, 2020	As at 31st March, 2019
	Nos.	Nos.
Equity shares at the beginning of the year	26,91,150	26,91,150
Add: Shares issued during the year	-	-
Equity shares at the end of the year	<u>26,91,150</u>	<u>26,91,150</u>

c) Rights, Preferences and Restrictions attached to 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 their shareholding.

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

		₹ in lakhs	
13 Other Equity	As at 31st March, 2020	As at 31st March, 2019	
Capital Redemption Reserve			
As per last Balance Sheet	10		10
Securities Premium			
As per Last Balance Sheet	2347 85		2347 85
Statutory Reserve Fund			
As per last Balance Sheet	252 38	236 63	
Add: Transferred from Retained Earnings	<u>30 50</u>	<u>15 75</u>	
	282 88		252 38
Retained Earnings			
As per Last Balance Sheet	1172 54	1110 39	
Add: Profit for the year	<u>152 33</u>	<u>77 89</u>	
	1324 87	1188 29	
Less: Appropriations			
Transferred to Statutory Reserve Fund	<u>30 50</u>	<u>15 75</u>	
	1294 37		1172 54
Total	<u><u>3925 20</u></u>		<u><u>3772 87</u></u>
			₹ in lakhs
14 Revenue from Operations	2019-20	2018-19	
Interest Income			
On Financial Assets measured at Amortised cost			
Interest on Loans	101 72	6 04	
Interest Fixed Deposits	2	-	
Other interest income	47 28	164	
On Financial Assets classified at fair value through profit or loss			
Interest income on investments	<u>5 62</u>	<u>12 00</u>	
	154 64		19 68
Dividend Income			
On Investments	27	25 33	
On stock in trade	<u>-</u>	<u>2 39</u>	
	27		27 72
Net gain on fair value changes			
On Investments (Refer note 14.1)	78 35	162 49	
On stock in trade (Refer note 14.2)	<u>(1 38)</u>	<u>14 11</u>	
	76 97		176 60
	<u><u>231 88</u></u>		<u><u>224 00</u></u>
			₹ in lakhs
14.1 Net gain / (loss) on fair value changes - Investments	2019-20	2018-19	
Net Gain / (Loss) on Financial instrument at fair value through profit and loss			
On investments	92 41	170 90	
Others - Venture funds	<u>(14 06)</u>	<u>(8 41)</u>	
Total net gain / (loss) on fair value changes	78 35	162 49	
Fair Value changes			
Realised	85 40	(27 28)	
Unrealised	<u>(7 05)</u>	<u>189 78</u>	
Total net gain / (loss) on fair value changes	<u><u>78 35</u></u>	<u><u>162 49</u></u>	

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

		₹ in lakhs	
14.2	Net gain / (loss) on fair value changes - Stock in trade	2019-20	2018-19
	Net Gain / (Loss) on Financial instrument at fair value through profit and loss		
	On Investments	(8 44)	10 77
	On dealing in interest rate futures	7 06	333
	Total net gain / (loss) on fair value changes	<u>(1 38)</u>	<u>14 11</u>
	Fair Value changes		
	Realised	(1 74)	15 19
	Unrealised	36	(1 08)
	Total net gain / (loss) on fair value changes	<u>(1 38)</u>	<u>14 11</u>

		₹ in lakhs	
15	Finance Cost	2019-20	2018-19
	Interest on Borrowings (measured at amortised cost)	23 43	94 28
		<u>23 43</u>	<u>94 28</u>

		₹ in lakhs	
16	Other Expenses	2019-20	2018-19
	Auditors remuneration		
	Statutory audit fees	6	6
	Tax audit fees	1	1
	Certification fees (₹ 17000/-, previous year ₹ NIL)	-	-
		7	7
	Professional fees	89	88
	Brokerage	29	28
	Securities transaction tax	2 28	3 18
	Demat/Custodian charges	4	8
	Directors sitting fees	9	12
	General provision of Standard Assets	6 58	289
	Charity and donations *	6 00	760
	General expenses	27	1 19
		<u>16 52</u>	<u>16 30</u>

* 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 year is ₹ 600 lakhs (previous year ₹ 760 lakhs).
- Expenditure related to CSR is ₹ 600 lakhs (previous year ₹ 760 lakhs) is spent through Reliance Foundation.

		₹ in lakhs	
Particulars	2019-20	2018-19	
Rural Transformation	-	5 60	
Education	1 27	1 00	
Animal Welfare	-	1 00	
Support to Preventive Healthcare Facilities	4 73	-	
Total	<u>6 00</u>	<u>7 60</u>	

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

		₹ in lakhs	
17	Taxation	Year ended 31st March, 2020	Year ended 31st March, 2019
	a) Income Tax recognised in Statement of Profit and Loss		
	Current Tax		
	In respect of the current year	39 75	26 50
	In respect of prior year	(15)	1
	Deferred Tax	-	9 02
	Total income tax expenses recognised in the current year	<u>39 60</u>	<u>35 53</u>
	The income tax expenses for the year can be reconciled to the accounting profit as follows:		
			₹ in lakhs
	Particulars	As at 31st March, 2020	As at 31st March, 2019
	Profit Before Tax	191 93	113 43
	Applicable Tax Rate	17.16%	21.55%
	Computed Tax Expense	32 94	24 44
	Tax Effect of:		
	Income not taxable	(46)	(5 11)
	Expenses disallowed	7 12	7 18
	Current Tax Provision (A)	<u>39 60</u>	<u>26 51</u>
	Incremental / (reversal) Deferred Tax Liability on account of Financial Assets & Other items	-	9 02
	Deferred Tax Provision (B)	-	9 02
	Tax Expenses recognised in Statement of Profit and Loss (A+B)	<u>39 60</u>	<u>35 53</u>
			₹ in lakhs
	b) Current Tax Assets (Net)	As at 31st March, 2020	As at 31st March, 2019
	At start of year	17 06	4 93
	Charge for the year	(39 75)	(26 50)
	Tax paid during the year	48 94	38 63
	At end of year	<u>26 25</u>	<u>17 06</u>
	18 Earnings per share (EPS)	2019-20	2018-19
	i) Net Profit after Tax as per Statement of Profit and Loss Account attributable to Equity Shareholders (₹ in lakhs)	152 33	77 89
	ii) Weighted average number of equity shares used as denominator for calculating EPS	26 91 150	26 91 150
	iii) Basic, as well as diluted earnings per equity share (₹)	566.04	289.44
	iv) Face value per equity share (₹)	10	10
	19 The Previous year figures have been regrouped / reclassified, wherever necessary to confirm to the current year presentation.		
			₹ in lakhs
	20 Contingent Liabilities	As at 31st March, 2020	As at 31st March, 2019
	i) Commitments towards venture fund units	43 09	64 08

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

21 Segment Reporting

The Company is engaged in business of finance, 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.

22 Disclosure under Para 2 of Schedule V of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015

- Loans and advances in the nature of loans to Subsidiaries and Associates etc. is ₹. NIL
- Investment by the loanee in the shares of the Company and subsidiary company is Not Applicable

23 Investments	As at 31st March, 2020		As at 31st March, 2019	
	Units	Amount	Units	Amount
₹ in lakhs				
I Long term investments				
(A) Investments measured at Cost				
In Equity Shares of Fellow Subsidiary Company				
Quoted, fully paid up				
Den Network Limited of ₹ 10 each	4,61,520	3 32	4,61,520	3 32
In Equity Shares of Subsidiary Company				
Unquoted, fully paid up				
Model Economic Township Limited of ₹ 10 each	9,70,00,000	97 00	9,70,00,000	97 00
Total (A)		<u>100 32</u>		<u>100 32</u>
(B) Investments measured at Fair Value				
Through Profit and Loss				
In Equity Shares - Quoted, fully paid				
In Debentures - Quoted, fully paid up				
Kotak Mahindra Prime Limited 0% Secured Redeemable Non Convertible Debentures - Series I of ₹ 1000000 each	-	-	1,750	169 98
Kotak Mahindra Prime Limited 0% Secured Redeemable Non Convertible Debentures - Series III of ₹ 1000000 each	-	-	1,850	164 91
HDB Financial Services Limited 0% Secured Redeemable Non Convertible Debentures - Series 113 of ₹ 1000000 each	3,000	359 01	3,000	329 73
HDB Financial Services Limited 0% Secured Redeemable Non Convertible Debentures - Series 120 of ₹ 1000000 each	-	-	1,500	16,050
Indiabulls Housing Finance Limited 0% Secured Redeemable Non Convertible Debentures - Series K-006 of ₹ 1000000 each	-	-	3,000	325 20
PNB Housing Finance Limited 0% Secured Redeemable Non Convertible Bonds - Series XLIII-A of ₹ 1000000 each	-	-	4,000	431 67
Bajaj Housing Finance Limited 0% Secured Redeemable Non Convertible Debentures of ₹ 1000000 each	3,000	335 68	3,000	308 10
Bajaj Finance Limited 8.5383% Secured Redeemable Non-Convertible Debentures of ₹ 1000000 each	-	-	2,500	250 68
Piramal Enterprises Limited 7.80% Compulsorily Convertible Debentures of ₹ 107600 each	-	-	13,930	154 79
		<u>694 68</u>		<u>2295 54</u>

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

Particulars	₹ in lakhs			
	As at 31st March, 2020		As at 31st March, 2019	
	Units	Amount	Units	Amount
In Venture fund Unquoted - fully paid up				
HDFC India Real Estate Fund of ₹ 1000 each	88,880	2	88,880	1 40
Urban Infrastructure Opportunities Fund of ₹ 27930 each (previous year ₹ 29930 each)	21,600	26 23	21,600	22 90
JM Financial Property Fund - I of ₹ 3720.65 each (previous year ₹ 3720.65 each)	50,000	3 66	50,000	7 39
Faering Capital India Evolving Fund of ₹ 1000 each	15,02,630	103 16	18,28,287	183 37
KKR India Debt Fund I of ₹ 1000 each	1,47,766	1 09	4,31,407	29 70
Paragon Partners Growth Fund - I of ₹ 100 each	44,27,780	63 18	29,29,919	43 70
IIFL Special Opportunities Fund Class A5.1 of ₹ 10 each	4,95,06,919	44 24	4,95,06,919	50 60
LICHFL Housing & Infrastructure Fund of ₹ 100 each	1,16,000	1 16	1,16,000	116
		242 74		340 23
Unquoted, Partly paid up				
3one4 Capital Fund Scheme II of ₹ 100000 each (paid up ₹ 85000, previous year ₹ 55000 each)	2,000	24 90	2,000	11 34
		24 90		11 34
In Security Receipt - Unquoted, fully paid up				
JMFARC - MARCH 2018 - Trust - Series I of ₹ 1000 each	8,00,000	80 00		-
Total (B)		1042 32		4721 86
Total Long term investments (A + B)		1142 64		4822 18
Investments outside India		-		-
Investments in India		1142 64		4822 18
		1142 64		4822 18
Aggregate amount of Quoted Investments		698 00		4373 61
Market Value of Quoted Investments		696 08		4373 61
Aggregate amount of Unquoted Investments		444 64		448 57
Aggregate provision for impairment in value of Investments		-		-
1.1 Category-wise Long term Investment			As at	As at
			31st March, 2020	31st March, 2019
Financial assets measured at Cost			100 32	100 32
Financial assets carried at amortised cost			-	-
Financial assets measured at Fair value through other comprehensive income			-	-
Financial assets measured at Fair value Through Profit and Loss			1042 32	4721 86
Total			1142 64	4822 18

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

		₹ in lakhs	
II Stock in Trade		As at 31st March, 2020	As at 31st March, 2019
Investments measured at Fair Value			
Through Profit and Loss			
In Equity shares - Quoted fully paid up		-	110 07
In Government Securities - Quoted		7 28	-
In Debentures or Bonds - Quoted		18 14	-
Total		<u>25 43</u>	<u>110 07</u>
Investments outside India		-	-
Investments in India		25 43	110 07
		<u>25 43</u>	<u>110 07</u>
Aggregate amount of Quoted Investments		25 43	110 07
Market Value of Quoted Investments		25 43	110 07
Category-wise Investment (Stock in Trade)			
		As at 31st March, 2020	As at 31st March, 2019
Financial assets carried at amortised cost		-	-
Financial assets measured at Fair value through other comprehensive income		-	-
Financial Assets measured at Fair value Through Profit and Loss		25 43	110 07
Total		<u>25 43</u>	<u>110 07</u>

24 Related Party

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

List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship
1	Reliance Industries Limited	Holding Company
2	Model Economic Township Limited	Subsidiary Company
3	Reliance Strategic Investments Limited	Fellow Subsidiary Companies/ Entities
4	Reliance Industrial Investments and Holdings Limited	
5	Reliance Corporate IT Park Limited	
6	Reliance Projects & Property Management Services Limited (Formerly Reliance Digital Platform & Project Services Limited) ^	
7	Reliance Commercial Dealers Limited	
8	Reliance Strategic Business Ventures Limited ^	
9	Saavn Media Private Limited	
10	Den Nnetworks Limited	
11	Digital Fibre Infrastructure Trust	
12	Tower Infrastructure Trust	
13	Komal Chhapru	Key Managerial Personnel (KMP)
14	Jasmine Jiwani ^	
15	Suresh Jagannathan	
16	Tapas Mitra	
17	Vishal Kumar	

^ The above entities/KMP includes related parties where the relationship existed for the part of the year

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

ii) Transactions during the year with related parties:

₹ in lakhs

Nature of Transaction	Holding Company	Subsidiary Company/	Fellow Subsidiary Company Entity	KMP	Total
1 Loans taken / (repaid) (net)	(2312 40) <i>1172 90</i>	- -	- -	- -	(2312 40) <i>1172 90</i>
2 Loan given / (returned) (net)	- -	- -	1635 00 <i>50 00</i>	- -	1635 00 <i>50 00</i>
3 Purchases	- -	- -	117 12 -	- -	117 12 -
4 Interest income	- -	- -	68 15 <i>1</i>	- -	6,815 <i>1</i>
5 Interest expense	9 44 <i>84 80</i>	- -	- -	- -	9 44 <i>84 80</i>
6 Professional Fees	37* <i>29*</i>	- -	65 <i>55</i>	10 <i>9</i>	1 12 <i>93</i>
Balance as on 31st March, 2020					
1 Equity share capital (including premium)	2350 55 <i>2350 55</i>	- -	- -	- -	2350 55 <i>2350 55</i>
2 Loan taken	- <i>2312 40</i>	- -	- -	- -	- <i>2312 40</i>
3 Loans given	- -	- -	1885 00 <i>250 00</i>	- -	1885 00 <i>250 00</i>
4 Investments	- -	97 00 <i>97 00</i>	3 32 <i>3 32</i>	- -	100 32 <i>100 32</i>

* includes remuneration paid to Key Managerial Personnel on secondment basis ₹ 10 lakhs (previous year ₹ 7 lakhs)

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

Disclosure in Respect of Material Related Party Transactions during the year:

₹ in lakhs

Particulars	Relationship	2019-20	2018-19
1 Loans taken / (repaid) (net)			
Reliance Industries Limited	Holding Company	(2312 40)	1172 90
2 Loan Given / (returned) (net)			
Reliance Commercial Dealers Limited	Fellow Subsidiary Company	-	50 00
Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary Company	2964 00	-
Reliance Strategic Business Ventures Limited	Fellow Subsidiary Company	(1329 00)	-
3 Purchases			
Reliance Strategic Investments Limited	Fellow Subsidiary Company	117 12	-
4 Interest Income			
Saavn Media Private Limited	Fellow Subsidiary Company	-	1
Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary Company	47 72	-
Reliance Strategic Business Ventures Limited	Fellow Subsidiary Company	20 42	-

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

		₹ in lakhs	
Particulars	Relationship	2019-20	2018-19
5 Interest expense			
Reliance Industries Limited	Holding Company	9 44	84 80
6 Professional fees			
Reliance Industries Limited *	Holding Company	37	29
Reliance Corporate IT Park Limited	Fellow Subsidiary Company	16	55
Reliance Projects & Property Management Services Limited	Fellow Subsidiary Company	49	-
Komal Chhapru	Key Managerial Personnel	-	1
Suresh Jaganathan	Key Managerial Personnel	5	5
Tapas Mitra	Key Managerial Personnel	-	2
Vishal Kumar	Key Managerial Personnel	3	1
Jasmine Jiwani	Key Managerial Personnel	2	0.4

* includes remuneration paid to Key Managerial Personnel on secondment basis ₹ 10 lakhs (previous year ₹ 7 lakhs)

25 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.

The Net Gearing Ratio at end of the reporting period was as follows

Particulars	₹ in lakhs	
	As at 31st March, 2020	As at 31st March, 2019
Gross Debt	-	2312 40
Cash and Marketable Securities	1068 18	4832 13
Net debt (A)	-	(2519 73)
Total Equity (as per Balance Sheet) (B)	3927 89	3775 56
Net Gearing Ratio (A/B)	-	(0.67)

26 Financial Instruments

A) Fair Valuation Measurement hierarchy

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 3		Level 1	Level 2	Level 3
Financial Assets								
At Amortised Cost								
Investments*	-	-	-	-	-	-	-	-
Trade Receivables	-	-	-	-	23 64	-	-	-
Cash and Cash Equivalent	43	-	-	-	20	-	-	-
Loans	2732 21	-	-	-	1086 39	-	-	-
Other Financial Assets	12 91	-	-	-	41 36	-	-	-
At FVTPL								
Investments	1067 75	-	1067 75	-	4831 93	2184 82	2647 11	-

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

₹ 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 3		Level 1	Level 2	Level 3
At FVTOCI	-	-	-	-	-	-	-	-
Financial Liabilities								
At Amortised Cost								
Borrowings	-	-	-	-	2312 40	-	-	-
Trade Payables	-	-	-	-	-	-	-	-
Other Financial liabilities	7	-	-	-	7	-	-	-
At FVTPL	-	-	-	-	-	-	-	-
At FVTOCI	-	-	-	-	-	-	-	-

* Excludes financial assets measured at cost (Refer note no.23)

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.

Valuation Methodology

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

The fair value of investment in quoted Equity Shares, Bonds, and Mutual / Venture Funds is measured at quoted price or NAV.

B) Financial Risk Management

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

Interest rate risk

Company's borrowing is only through its holding company viz Reliance Industries Limited, same is repaid during the year. Further it has no borrowing from Bank/FI etc. Interest payable against such borrowing is as per agreed terms.

Credit risk

Credit risk is the risk that a Broker 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 with Banks and from credit exposures relating to outstanding receivables.

The Company has a prudent and conservative process for managing its credit risk arising in the course of its business activities.

Liquidity risk

Liquidity risk is the risk that suitable sources of funding for the company's business activities may not be available. Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. Company manages liquidity risk by maintaining adequate reserves and matching maturity profiles of financial assets and financial liabilities.

Market risk

Companies main activity is to do trading in financial instruments viz. equity shares, debentures, bonds, derivatives etc. This market is influenced by domestic / international political, financial and other events occurring on day to day basis. Hence the market is constantly volatile and uncertain. Company has strong treasury philosophies and practices and is well geared to meet the challenges of volatile market conditions.

27 Approval of Financial Statements

The Financial statements were approved for issue by the Board of Directors on April 23, 2020.

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

28 NBFC Disclosures

28.1 Disclosures of details as required by Paragraph 15, 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.

Liabilities side	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	-	-	
Assets side		₹ in lakhs Amount Outstanding	
II Break-up of Loans and Advances including bills receivables			
Secured		-	
Unsecured		2771 37	
III Break up of Leased Assets and Stock on hire and other assets counting towards AFC activities		NIL	
IV Break-up of Investments			
Current Investments (Incl. Stock-in-trade)			
1. Quoted			
i) Shares: Equity		NIL	
2. Unquoted			
i) Government Securities and Bonds		25 43	
Long Term investments			
1. Quoted			
i) Shares: Equity		3 32	
ii) Debentures / Bonds		694 68	
2. Unquoted			
i) Shares: Equity		97 00	
ii) Units of venture funds		267 64	
iii) Securities receipt		80 00	
V Borrower group-wise classification of assets financed as in (II) and (III) above:			
Category	Secured	Amount net of provision Unsecured	Total
1. Related Parties			
i) Subsidiaries	-	-	-
ii) Companies in same group	-	1885 00	1885 00
iii) Other related parties	-	-	-
2. Other than related parties	-	886 37	886 37
Total	-	2771 37	2771 37
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) Subsidiary company	97 00		97 00
ii) Companies in same group	1 40		3 32
iii) Other related parties	-		-
2. Other than related parties	1049 61		1009 86
Total	1148 07		1110 18

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

VII Other information		Amount										
Particulars												
1.	Gross Non-Performing Assets		NIL									
2.	Net Non-Performing Assets		NIL									
3.	Assets acquired in satisfaction of debt		NIL									
28.2	1. Capital to Risk Assets Ratio (CRAR)	As at	As at									
		31st March, 2020	31st March, 2019									
		(%)	(%)									
i)	CRAR	99.60	59.26									
ii)	CRAR - Tier I Capital	99.12	59.19									
iii)	CRAR - Tier II Capital	0.48	0.07									
			₹ in lakhs									
2.	Exposure to Real Estate Sector	As at	As at									
		31st March, 2020	31st March, 2019									
Category												
a)	Direct exposure											
i)	Residential Mortgages	NIL	NIL									
	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 ₹.15 lakh may be shown separately)											
ii)	Commercial Real Estate	NIL	NIL									
	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	NIL	NIL									
	– Commercial Real Estate	NIL	NIL									
b)	Indirect Exposure *	40 72	1188 83									
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)											
	* Loan / Investment in Property Venture Funds / Debentures / Equity shares											
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
Liabilities												
	Borrowings from Banks	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Market Borrowings	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Loan from Holding Company	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Assets												
	Advances	NIL	NIL	10	10	10	1 30	374 64	1676 95	9 31	708 87	2771 37
	Investments	NIL	NIL	10 00	10 00	5 43	29 91	694 68	228 49	88 08	101 48	1168 07

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

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

28.4 Disclosures of details as required by Paragraph 15, 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.

a) Capital	As at 31st March, 2020	As at 31st March, 2019
i) CRAR (%)	99.60	59.26
ii) CRAR – Tier I Capital (%)	99.12	59.19
iii) CRAR – Tier II Capital (%)	0.48	0.07
iv) Amount of subordinated debt raised as Tier-II capital (₹)	NIL	NIL
v) Amount raised by issue of Perpetual Debt instruments (₹)	NIL	NIL
		₹ in lakhs
b) Investments (Incl. Stock - in - Trade)	As at 31st March, 2020	As at 31st March, 2019
i) Value of Investments		
(a) Gross Value of Investments		
i) In India	1168 07	4932 25
ii) Outside India	NIL	NIL
(b) Provision for Depreciation		
i) In India	NIL	NIL
ii) Outside India	NIL	NIL
(c) Net Value of Investments		
i) In India	1168 07	4932 25
ii) Outside India	NIL	NIL
ii) Movement of provisions held towards depreciation on investments	NIL	NIL
		₹ in lakhs
c) Derivatives	As at 31st March, 2020	As at 31st March, 2019
i) Forward Rate Agreement / Interest Rate Swap	NIL	NIL
ii) Exchange Traded Interest Rate (IR) Derivatives	NIL	NIL
iii) Disclosures on Risk Exposure in Derivatives		
i) Qualitative Disclosure	NIL	NIL
ii) Quantitative Disclosures	NIL	NIL
d) Securitisation	NIL	NIL
i) Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction	NIL	NIL
ii) Assignment transactions	NIL	NIL
iii) Non-Performing Financial Assets Purchased	NIL	NIL
iv) Non-Performing Financial Assets Sold	NIL	NIL
e) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities - Refer note: 28(2)(3)		
f) Exposures		
i) Exposure to Real Estate Sector - Refer 28 (2)(2)		
ii) Exposure to Capital Market		
i) Investment in quoted equity shares, Government Securities and bonds	723 43	4483 68
ii) Exposure to Venture Capital Funds	278 55	387 12
	<u>1001 98</u>	<u>4870 80</u>

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

	₹ in lakhs
	As at 31st March, 2020
g) Details of financing of parent company products	NIL
h) Details of Single Borrower Limit / Group Borrower Limit exceeded	NIL
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	NIL
j) Registration obtained from other financial sector regulators	NIL
k) Penalties imposed by RBI and other regulators	NIL
l) Related party transaction - Refer note no. 24	
m) Ratings assigned by credit rating agencies and migration of ratings during the year	NIL
n) Remuneration of Directors and Transactions with non executive directors (Directors sitting fees)	9
o) Impact of prior period items on current year's profit and loss	NIL
p) Revenue recognition has been postponed:	NIL
q) Indian Accounting Standard 110 - Consolidated Financial Statements (CFS)	Refer note I
r) Provisions and Contingencies - Refer note: 10 & 20	54 02
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	NIL
u) Concentration of Deposits, Advances, Exposures and NPAs	
i) Concentration of Deposits	NIL
ii) Concentration of Advances	
Total Advances to twenty largest borrowers	2732 21
Percentage of Advances to twenty largest borrowers to total advances	100
iii) Concentration of Exposure	
Total exposure to twenty largest borrowers / customers	2732 21
Percentage of exposures to twenty largest borrowers / customers to total exposure	100
iv) Concentration of NPAs	NIL
v) Sector-wise NPAs	NIL
vi) Movement of NPAs	NIL
v) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)	NIL
w) Off-balance Sheet SPVs sponsored	NIL
x) Customer Complaints	NIL

Note I:

Exemption availed under Rule 6 of Companies (Accounts) Rules, 2014

	₹ in lakhs
	As at 31st March, 2020
28.4 Additional Ratios	
a) Short – term liability to Total Assets	0.00
b) Short Term liability to long term assets	0.00
c) Commercial papers to total assets	NA
d) Non Convertible Debentures to Total Assets	NA
e) Short Term Liabilities to Total liabilities	0.09
f) Long term Assets to Total Assets	0.99
g) Liquidity Coverage Ratio: High Quality Liquid Assets / Total Net Cash Outflow over next 30 days	5.34

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

h)	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	2732 21	10 93	2721 28	10 93	NIL
		Stage 2	NIL	NIL	NIL	NIL	NIL
	Sub total		2732 21	10 93	2721 28	10 93	NIL
	Non Performing Assets (NPA)						
	Substandard	Stage 3	NIL	NIL	NIL	NIL	NIL
	Doubtful upto 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	2732 21	10 93	2721 28	10 93	NIL
		Stage 2	NIL	NIL	NIL	NIL	NIL
		Stage 3	NIL	NIL	NIL	NIL	NIL
		Total	2732 21	10 93	2721 28	10 93	NIL

As per our Report of even date

For **Chaturvedi & Shah LLP**

Firm Registration No: 101720W/W100355
Chartered Accountants

Jignesh Mehta

Partner

Membership No. 102749

Mumbai

Date: 23rd April, 2020

For and on behalf of the Board

For **Rajendra & Co.**

Firm Registration No: 108355W
Chartered Accountants

Sanket M. Shah

Partner

Membership No. 148270

K. Sethuraman

Chairman

V. Srikanth

Director

Jagannatha Kumar

Director

Jayashri Rajesh

Director

Dhiren Dalal

Independent Director

B Chandrasekaran

Independent Director

Jasmine Jiwani

Company Secretary

Suresh Jagannathan

Chief Financial Officer