

Reliance SMSL Limited

Financial Statements 2022-23

INDEPENDENT AUDITOR'S REPORT

To the Members of Reliance SMSL Limited

Report on the Audit of the 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 2023, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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 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 such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

Responsibility of Management 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 changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 with reference to financial statements 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.

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, 2020 (“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 1” a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of 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, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;
- (g) In our opinion and to the best of our information and according to the explanations given to us, during the year the Company has not paid or provided any managerial remuneration under section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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.
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

- v. No dividend has been declared or paid during the year by the Company.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration No.: 101720W/W100355

Jignesh Mehta

Partner

Membership No.: 102749

UDIN: 23102749BGQQWT9136

Place: Mumbai

Date: April 18, 2023

ANNEXURE “1” TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF RELIANCE SMSL LIMITED

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

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) As the Company does not have any Property, Plant and Equipment including Intangible Assets during the year. Therefore, reporting under clause 3(i)(a),(b),(c),(d),(e),(f) of the Order are not applicable to the Company.
- (ii) (a) The Company’s business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
(b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) During the year, the Company has not provided new loans, advances in the nature of loans, provided guarantee or security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a), (b), (c), (d)(e), (f) of the Order is not applicable to the Company.
- (iv) The 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 Company has complied with the provisions of the Section 186 of the Act, in respect of investments, loans, guarantee or security given as applicable.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Act in respect of activities undertaken by the Company, hence the reporting requirement under the clause vi of the paragraph 3 of the Order is not applicable.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. except for the items as set out below :

Name of Statue	Nature of Dues	Amount (Rs. in Lakhs)
Professional Tax Act	Professional Tax	164.93

- (b) There are no dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.
 - (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
 - (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.
 - (d) The Company did not raise any funds in the nature of short-term loan during the year hence, the requirement to report on clause 3(ix)(d) of the Order is not applicable to the Company.
 - (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates taken or joint ventures.
 - (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
 - (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No material fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
 - (b) As represented to us, during the year, no report under sub-section (12) of Section 143 of the Act has been filed in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
 - (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

- (xiii) Section 177 of the Act is not applicable to the company. Further, in respect of related party transactions, company is in compliance with section 188 of the Act and details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a),(b) & (c) of the Order is not applicable to the Company.
- (b) The Group does not have any Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence the reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Therefore, provisions of clause (xviii) of Paragraph 3 of the Order are not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 24 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in schedule VII of the companies Act (the Act) in compliance with second proviso to sub section 5 of section 135 of the Act

- (b) There are no unspent amount in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of the Act.

For **Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration No.: 101720W/W100355

Jignesh Mehta

Partner

Membership No.: 102749

UDIN: 23102749BGQQWT9136

Place: Mumbai

Date: April 18, 2023

ANNEXURE “2” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF RELIANCE SMSL LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to financial statements of Reliance SMSL Limited (“the Company”) as of March 31, 2023 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 issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Companies Act, 2013, as amended.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls 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 with reference to these financial statements.

Meaning of Internal Financial Controls with Reference to these Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, 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 the ICAI.

For **Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration No.: 101720W/W100355

Jignesh Mehta

Partner

Membership No.: 102749

UDIN: 23102749BGQQWT9136

Place: Mumbai

Date: April 18, 2023

Reliance SMSL Limited
Balance Sheet As At 31 March, 2023

	Notes	As at 31st March, 2023	(₹. in Lakhs) As at 31st March, 2022
ASSETS			
Non-Current assets			
Deferred tax assets (net)	1	53 31.47	44 36.89
Other Non- current assets	2	2 04.50	18 22.15
Total Non-Current assets		55 35.97	62 59.04
Current assets			
Financial Assets:			
Trade receivables	3	622 49.43	131 05.59
Cash and cash equivalents	4	1 74.22	22.06
Other Financial Assets	5	12 52.28	384 51.68
Other Current Assets	6	147 19.90	141 44.19
Total Current assets		783 95.83	657 23.52
Total Assets		839 31.80	719 82.56
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	7	5.00	5.00
Other Equity	8	82 32.94	37 35.45
Total equity		82 37.94	37 40.45
Liabilities			
Non-Current Liabilities			
Provisions	9	107 32.86	93 00.02
Total non-current liabilities		107 32.86	93 00.02
Current Liabilities			
Financial Liabilities			
Trade Payables Due to:			
Micro and small enterprises		-	-
Other than Micro and small enterprises	10	21 02.78	58 38.84
Other Current Liabilities	11	524 00.81	447 68.58
Provisions	12	104 57.41	83 34.67
Total current liabilities		649 61.00	589 42.09
Total Liabilities		756 93.86	682 42.11
Total Equity and Liabilities		839 31.80	719 82.56
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1 to 28		

As per our Report of even date

For **Chaturvedi & Shah LLP**

Chartered Accountants

Firm Regn No. - 101720W / W100355

Jignesh Mehta

Partner

Membership No. - 102749

April 18, 2023

For and on behalf of the Board

Sanjay Jog

Director

DIN : 01727602

Pramod Bhawalkar

Director

DIN : 01114946

Gulur Venkatesh

Director

DIN : 02813390

Jayashri Rajesh

Director

DIN : 07559698

Reliance SMSL Limited**Statement of Profit And Loss for the year ended 31st March, 2023**

	Notes	2022-23	(₹. in Lakhs) 2021-22
INCOME			
Income from Services		6124 61.49	4199 11.95
Less: GST Recovered		(991 20.84)	(621 12.58)
Revenue from Operations	13	5133 40.65	3577 99.37
Other Income	14	1 41.74	13.40
Total Income		5134 82.39	3578 12.77
EXPENSES			
Employee Benefits Expense	15	4692 12.50	3306 07.74
Other Expenses	16	410 66.96	257 96.01
Total Expenses		5102 79.46	3564 03.75
Profit Before Tax		32 02.93	14 09.02
Tax Expenses:			
Current Tax	2	34.75	-
Deferred Tax	2	(8 94.58)	(8 82.28)
		(8 59.83)	(8 82.28)
Profit for the year		40 62.76	22 91.30
Other Comprehensive Income			
(i) Item that will not be reclassified in Profit & Loss			
Remeasurement of Defined Benefit Plan		5 80.91	5 34.74
(ii) Income tax relating to items that will not be reclassified to Profit or loss			
		(1 46.20)	(1 34.54)
Total comprehensive income for the year		44 97.47	26 91.50
Earnings per equity share of face value			
Basic (In ₹)	17	8 125.53	4 582.60
Diluted (In ₹)		35.88	20.24

Significant Accounting Policies
See accompanying Notes to the
Financial Statements.

1 to 28

As per our Report of even date

For and on behalf of the Board

For **Chaturvedi & Shah LLP**

Chartered Accountants

Firm Regn No. - 101720W / W100 355

Sanjay Jog

Director

DIN : 01727602

Jignesh Mehta

Partner

Membership No. - 102749

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April 18, 2023

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Jayashri Rajesh

Director

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Reliance SMSL Limited**Statement Of Changes In Equity For The Year Ended 31st March, 2023****A. EQUITY SHARE CAPITAL****(₹. in Lakhs)**

Balance as at 1st April, 2021	Change During the year 2021-22	Balance as at 31st March,2022	Change During the year 2022-23	Balance as at 31st March, 2023
5.00	-	5.00	-	5.00

B Other Equity**(₹. in Lakhs)**

	Retained earning	Other Comprehensive Income for the year	Equity component of convertible instrument	Total
Balance at the beginning of the year i.e. 1st April 2022	(4.68)	2,612.87	1,127.26	3,735.45
Total Comprehensive Income for the year	-	434.70	-	434.70
Transferred to / (from) Retained Earnings	4,062.76	-	-	4,062.76
Balance at 31st March, 2023	4,058.08	3,047.60	1,127.26	8,232.94

	Retained earning	Other Comprehensive Income for the year	Equity component of convertible instrument	Total
Balance at the beginning of the year i.e. 1st April 2021	(2 295.98)	2 212.67	1 127.26	1 043.95
Total Comprehensive Income for the year	-	400.20	-	400.2
Transferred to / (from) Retained Earnings	2,291.30	-	-	2 291.3
Balance at 31st March, 2022	(4.68)	2 612.87	1 127.26	3 735.45

As per our Report of even date
For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Regn No. - 101720W / W100 355

Jignesh Mehta
Partner
Membership No. - 102749

April 18, 2023

For and on behalf of the Board

Sanjay Jog
Director
DIN : 01727602

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Jayashri Rajesh
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Reliance SMSL Limited

(₹. in Lakhs)

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st March, 2023

	2022-23	2021-22
A: CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax as per Statement of Profit and Loss	3 202.93	1 409.02
Adjusted for:		
Net gain on Investment	(11.45)	(13.39)
Interest Income	(130.29)	(0.01)
Operating Profit before Working Capital Changes	3 061.19	1 395.62
Adjusted for:		
Trade and Other Receivables	(12 520.11)	(25 675.63)
Inventories		
Trade and Other Payables	7 886.44	21 639.10
	(4 633.67)	(4 036.53)
Cash Generated from Operations	(1 572.48)	(2 640.91)
Taxes Paid (Net)	1 582.90	(675.16)
Net Cash Flow (Used in)/from Operating Activities	10.42	(3 316.07)
B: CASH FLOW FROM INVESTING ACTIVITIES		
Interest Income	130.29	0.01
Purchase of other Investments	(16 999.15)	(41 567.92)
Sale of other Investments	17 010.60	41 581.31
Net Cash Flow (used in)/from Investing Activities	141.74	13.40
C: CASH FLOW FROM FINANCING ACTIVITIES		
Net Cash (used in)/From Financing Activities	-	-
Net (Decrease)/ Increase in Cash and Cash Equivalents	152.16	(3 302.67)
Opening Balance of Cash and Cash Equivalents	22.06	3 324.73
Closing Balance of Cash and Cash Equivalents (Refer Note 4)	174.22	22.06

As per our Report of even date

For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Regn No. - 101720W / W100 355

Jignesh Mehta
Partner
Membership No. - 102749

April 18, 2023

For and on behalf of the Board

Sanjay Jog
Director
DIN : 01727602

Pramod Bhawalkar
Director
DIN : 01114946

Gulur Venkatesh
Director
DIN : 02813390

Jayashri Rajesh
Director
DIN : 07559698

Reliance SMSL Limited

Notes on Financial Statements for the year ended 31st March, 2023

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. 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 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 Assets and Liabilities in the Balance Sheet based on Current/Non Current classification.

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 primarily for purpose of trading;
- Expected to be realised within twelve month after reporting period, or
- Cash & Cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other asset are classified as non current

A Liability is current when:

- It is expected to be settled in normal operating cycle;
- held primarily for purpose of trading;
- It is due to be settled within twelve 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 classified all other liabilities as non current.

Deferred tax assets and Liabilities are classified 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.

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 Equivalent

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

Reliance SMSL Limited

Notes on Financial Statements for the year ended 31st March, 2023

(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 generating unit (CGU) may be impaired. 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) Contingent Liabilities

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount can not be made.

(g) 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.

(h) 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.

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.

(i) Foreign Currencies Transactions and Translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Reliance SMSL Limited

Notes on Financial Statements for the year ended 31st March, 2023

(j) 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.

Revenue from rendering of services is recognized 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. Trade Receivables that do not contain a significant component are measured at transaction price.

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.

Reliance SMSL Limited

Notes on Financial Statements for the year ended 31st March, 2023

d) Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected Credit Losses are measured through a loss allowance at an amount equal to :

*The 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date);

or

*Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For Trade Receivables the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

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:

(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.

(iv) Offsetting

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

II) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year adjusted for bonus element in equity share.

Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

C. CRITICAL ACCOUNTING 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) 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.

Reliance SMSL Limited

Notes on Financial Statements for the year ended 31st March, 2023

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.

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) Fair Value Measurement:

For estimates relating to fair value of financial instruments refer note 20 of financial statements.

D. STANDARDS ISSUED BUT NOT EFFECTIVE

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2023.

- i. Ind AS 101 – First time adoption of Indian Accounting Standards
- ii. Ind AS 102 – Share-based payment
- iii. Ind AS 103 – Business Combinations
- iv. Ind AS 107 – Financial Instrument Disclosures
- v. Ind AS 109 – Financial Instrument
- vi. Ind AS 115 – Revenue from Contracts with Customers
- vii. Ind AS 1 – Presentation of Financial Statements
- viii. Ind AS 18 – Accounting Policies, Changes in Accounting Estimates and Errors
- ix. Ind AS 12 – Income Taxes
- x. Ind AS 34 – Interim Financial Reporting

Application of above standards are not expected to have any significant impact on the company's financial statements.

Reliance SMSL Limited**Notes on financial statements for the year ended 31st March, 2023**

(₹. in Lakhs)

	As at 31st March, 2023	As at 31st March, 2022
1 DEFERRED TAX ASSETS (NET)		
The movement on the deferred tax account is as follows:		
At the start of the year	44 36.89	35 54.61
Credit to statement of Profit or loss (Note 3.2)	8 94.58	8 82.28
At the end of year	53 31.47	44 36.89

COMPONENT OF DEFERRED TAX LIABILITIES / (ASSET)

	As at 31st March, 2022	Credit to Statement of Profit and Loss	As at 31st March, 2023
Deferred Tax Liability/Assets in relation to Disallowance under the Income Tax Act, 1961	44 36.89	8 94.58	53 31.47
	-	-	-
Total	44 36.89	8 94.58	53 31.47

Reliance SMSL Limited**Notes on financial statements for the year ended 31st March, 2023**

		(₹. in Lakhs)	
		As at	As at
		31st March, 2023	31st March, 2022
2	OTHER NON- CURRENT ASSETS		
	(Unsecured and Considered Good)		
	Advance Income Tax (Net of Provision)	204.50	1 822.15
	Total	204.50	1 822.15

		(₹. in Lakhs)	
		As at	As at
		31st March, 2023	31st March, 2022
2.1	Advance Income Tax (Net of Provision)		
	At start of the year	1,822.15	1146.99
	Charge for the year - Current Tax	(34.75)	-
	Tax paid during the year	(1,582.90)	675.16
	At end of year	204.50	1,822.15

		(₹. in Lakhs)	
		As at	As at
		31st March, 2023	31st March, 2022
2.2	TAXATION		
	a) Income Tax recognised in statement of Profit and Loss		
	Current Tax	34.75	.
	Deferred Tax	(8 94.58)	(8 82.28)
	Total Income Tax Expense recognised in the current year.	(8 59.83)	(882.28)

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

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Profit before Tax	32 02.93	14 09.02
Applicable Tax Rate	25.17%	25.17%
Computed Tax Expense	806.18	3 54.65
Tax Effect of :		
Additional Allowances 80JJAA	(771.43)	(3 54.65)
Current Tax Provision (A)	34.75	0.00
Incremental Deferred Tax Liability on Property, Plant & Equipment	-	-
Incremental Deferred Tax Asset on account of Financial Assets & Other items	(894.58)	(8 82.28)
Deferred Tax Provision (B)	(8 94.58)	(882.28)
Tax Expenses recognised in Statement of Profit and Loss (A+B)	(859.83)	(882.28)
Effective Tax Rate	0.00%	0.00%

Reliance SMSL Limited

Notes on financial statements for the year ended 31st March, 2023

	(₹. in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
3 TRADE RECEIVABLES (Unsecured and Considered Good)		
Trade receivables	62 249.43	13 105.59
Total	<u>62 249.43</u>	<u>13 105.59</u>

3.1 Trade Receivables Ageing as at 31st March 2023

							(₹ in Lakhs)
Particulars	Not Due	Outstanding for following periods from due date of payment				Total	
		< 6 months	6 months - 1 year	1-2 year	2-3 Year		
(i) Undisputed Trade receivables – considered good	59267.03	2982.40	-	-	-	62249.43	
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	
Total	59267.03	2982.40	-	-	-	62249.43	

3.2 Trade Receivables Ageing As At 31st March 2022

							(₹ in Lakhs)
Particulars	Not Due	Outstanding for following periods from due date of payment				Total	
		< 6 months	6 months - 1 year	1-2 year	2-3 Year		
(i) Undisputed Trade receivables – considered good	12576.42	529.17	-	-	-	13105.59	
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	
Total	12576.42	529.17	0.00	0.00	0.00	13105.59	

Reliance SMSL Limited

Notes on financial statements for the year ended 31st March, 2023

	As at 31st March, 2023	(₹. in Lakhs) As at 31st March, 2022
4 CASH AND CASH EQUIVALENTS		
Balance with bank	<u>174.22</u>	<u>22.06</u>
Cash and cash equivalents as per balance sheet	<u><u>174.22</u></u>	<u><u>22.06</u></u>
Cash and cash equivalents as per statement of cash flow	174.22	22.06

Reliance SMSL Limited

Notes on financial statements for the year ended 31st March, 2023

	As at 31st March, 2023	(₹. in Lakhs) As at 31st March, 2022
5 OTHER FINANCIAL ASSETS - CURRENT		
Deposits & Other Receivables*	1,252.28	38,451.68
Total	<u>1,252.28</u>	<u>38,451.68</u>

*Includes Deposits with Government authorities & Unbilled Revenue.

Reliance SMSL Limited

Notes on financial statements for the year ended 31st March, 2023

	As at 31st March, 2023	(₹. in Lakhs) As at 31st March, 2022
6 OTHER CURRENT ASSETS		
(Unsecured and considered good)		
Balance with GST Authorities	645.14	1,150.57
Others*	14,074.76	12,993.62
Total	<u>14,719.90</u>	<u>14,144.19</u>

*Includes advance to employees, vendor and prepaid expenses.

Reliance SMSL Limited

Notes on financial statements for the year ended 31st March, 2023

	As at 31st March, 2023	(₹. in Lakhs) As at 31st March, 2022
7 EQUITY SHARE CAPITAL		
Authorised Share Capital:		
50,000 Equity Shares of ₹. 10 each (50,000)	5.00	5.00
Total	5.00	5.00
Issued, Subscribed and Paid-Up Share Capital:		
50,000 Equity Shares of ₹. 10 each fully paid up (50,000)	5.00	5.00
Total	5.00	5.00

7.1 The details of Shareholders holding more than 5% shares :

Name of the Shareholder	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	% held	No. of Shares	% held
Reliance Projects & Property Management Services Limited	50,000	100	50,000	100

**Shareholding of Promoters
As at 31st March, 2023**

Sr. No.	Class of Equity Shares	Promoter's Name	No. of Shares at the beginning of the year	Change during the year	No. of Shares at the end of the year	% of Total Shares	% Change during the year
1	Equity Shares	Reliance Projects & Property Management Services Limited	50,000	0	50,000	100	0

As at 31st March, 2022

Sr. No.	Class of Equity Shares	Promoter's Name	No. of Shares at the beginning of the year	Change during the year	No. of Shares at the end of the year	% of Total Shares	% Change during the year
1	Equity Shares	Reliance Projects & Property Management Services Limited	50,000	0	50,000	100	0

7.2 Reconciliation of number of shares outstanding is set out below:

Particulars	As at 31st March, 2023	As at 31st March, 2022
	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

7.3 1. Reliance Projects & Property Management Services Limited, holding Company of the Company holds 50,000 Equity Shares of Rs. 10/- each along with nominees.

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.

Reliance SMSL Limited**Notes on financial statements for the year ended 31st March, 2023**

	As at 31st March, 2023	(₹. in Lakhs) As at 31st March, 2022
8 OTHER EQUITY		
Retained Earnings		
As per last Balance Sheet	(4.68)	(2 295.98)
Profit / (Loss) of the Year	<u>4 062.76</u>	<u>2 291.30</u>
	4 058.08	(4.68)
Other Comprehensive Income		
As per last balance sheet	2 612.87	2 212.67
Add: movement in OCI (net) during the year	<u>434.70</u>	<u>400.20</u>
	3 047.60	2 612.87
Zero Coupon Unsecured optionally Fully Convertible Debenture of ₹. 10 each		
As per last balance sheet	1 127.26	1 127.26
	<u>1 127.26</u>	<u>1 127.26</u>
Total	<u>8 232.94</u>	<u>3 735.45</u>

- 8.1 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
- 8.2 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).

Reliance SMSL Limited

Notes on financial statements for the year ended 31st March, 2023

	As at 31st March, 2023	(₹. in Lakhs) As at 31st March, 2022
9 PROVISIONS - Non Current		
Provision for Employee Benefits*	<u>10,732.86</u>	9,300.02
Total	<u><u>10,732.86</u></u>	<u><u>9,300.02</u></u>

* Provision for Gratuity & Leave encashment (Refer Note 15)

Reliance SMSL Limited

Notes on financial statements for the year ended 31st March, 2023

(₹. in Lakhs)

	As at 31st March, 2023	As at 31st March, 2022
10 TRADE PAYABLES		
Micro and Small Enterprise	-	-
Other than Micro and Small Enterprise	2,102.78	5,838.84
Total	<u>2,102.78</u>	<u>5,838.84</u>

10.1 Trade Payables Ageing As At 31st March'2023

(₹ in Lakhs)

To Other Parties (incl. Associates & JVs) Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		< 1 year	1-2 Year	2-3 Year	> 3 Years	
MSME	-	-	-	-	-	-
Others	1,171.86	929.95	0.94	0.03	-	2,102.78
Disputed-MSME	-	-	-	-	-	-
Disputed-Others	-	-	-	-	-	-
Total	1171.86	929.95	0.94	0.03	-	2,102.78

10.2 Trade Payables Ageing As At 31st March'2022

(₹ in Lakhs)

To Other Parties (incl. Associates & JVs) Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		< 1 year	1-2 Year	2-3 Year	> 3 Years	
MSME	-	-	-	-	-	-
Others	5434.07	404.68	0.09	-	-	5838.84
Disputed-MSME	-	-	-	-	-	-
Disputed-Others	-	-	-	-	-	-
Total	5434.07	404.68	0.09	-	-	5838.84

Reliance SMSL Limited

Notes on financial statements for the year ended 31st March, 2023

	As at 31st March, 2023	(₹. in Lakhs) As at 31st March, 2022
11 OTHER CURRENT LIABILITIES		
Other Payables*	52 400.81	44 768.57
Total	<u><u>52 400.81</u></u>	<u><u>44 768.57</u></u>

*Includes Salary payable and Statutory Dues.

Reliance SMSL Limited

Notes on financial statements for the year ended 31st March, 2023

	As at 31st March, 2023	(₹. in Lakhs) As at 31st March, 2022
12 PROVISIONS - CURRENT		
Provision for Employee Benefits*	10 457.41	8 334.67
Total	<u>10 457.41</u>	<u>8 334.67</u>

* Provision for Gratuity & Leave encashment (Refer Note 15)

Reliance SMSL Limited

Notes on financial statements for the year ended 31st March, 2023

	2022-23	(₹. in Lakhs) 2021-22
13 Revenue from Operations		
Sale of Services	612 461.49	419 911.95
	<hr/>	<hr/>
	612 461.49	419 911.95
Less: GST Recovered	99 120.84	62 112.58
Total	<hr/> <hr/>	<hr/> <hr/>
	513 340.65	357 799.37

Reliance SMSL Limited

Notes on financial statements for the year ended 31st March, 2023

		(₹. in Lakhs)
	2022-23	2021-22
14 OTHER INCOME		
Interest		
Others	130.29	0.01
Gain on Financial Assets		
Realised Gain	11.45	13.39
Total	<u>141.74</u>	<u>13.40</u>

Reliance SMSL Limited

Notes on financial statements for the year ended 31st March, 2023

(₹. in Lakhs)

2022-23 2021-22

15 EMPLOYEE BENEFITS EXPENSE

Salaries and Wages	396 853.56	278 624.15
Contribution to Provident and Other Funds	40 326.82	29 231.94
Staff Welfare Expenses	32 032.12	22 751.65
Total	469 212.50	330 607.74

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	2022-23	2021-22
Employer's Contribution to Provident Fund	7 564.44	5 315.53
Employer's Contribution to Pension Fund	16 957.28	11 931.47

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

Particulars	2022-23	2021-22
	Gratuity (Unfunded)	
Defined Benefit Obligations at the beginning of the year	8 429.24	6 787.37
Current Service Cost	2 556.39	2 137.70
Interest Cost	597.21	471.39
Actuarial (Gain / Loss)	(580.91)	(534.74)
Benefits Paid	(1 001.47)	(432.48)
Defined Benefit Obligations at the end of the year	10 000.46	8 429.24

2. Reconciliation of Fair Value of Assets and Obligations

Particulars	2022-23	2021-22
	Gratuity (Unfunded)	
Fair Value of Plan Assets	-	-
Present Value Obligation	10 000.46	8 429.24
Amount Recognised in Balance sheet (Surplus/Deficit)	10 000.46	8 429.24

Reliance SMSL Limited

Notes on financial statements for the period ended 31st March, 2023

3. Expenses recognised during the year in the Statement of Profit and Loss (₹. in Lakhs)

Particulars	2022-23	2021-22
	Gratuity (Unfunded)	
In Income Statement	As at 31st March	
Current Service Cost	2 556.38	2 137.70
Interest Cost	597.21	471.39
Expected Return on Plan Assets		
Actuarial (Gain / Loss)		
Net Cost	3 153.59	2 609.09
In Other Comprehensive Income		
Actuarial (Gain / Loss)	(580.91)	(534.74)
Return on Plan Assets	-	-
Net (Income)/ Expense For the period Recognised in OCI	(580.91)	(534.74)

4. Actuarial Assumptions

Mortality Table (IALM)	2022-23	2021-22
	Gratuity(Funded)	
Discount Rate (Per Annum)	7.60%	7.09%
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 actuarial Valuation, take into account inflation, seniority promotion 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 2022-23.

6. Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Decrease	Increase	Decrease	Increase
Change in rate of discounting (delta effect of +/- 0.5%)	114.19	(111.69)	98.30	(96.10)
Change in rate of salary increase(delta effect of +/- 0.5%)	(113.88)	115.38	(97.53)	98.85
Change in rate of employee turnover (delta effect of +/- 25%)	981.74	(730.32)	786.43	(630.05)
Change in rate of Mortality (delta effect of +/- 10%)	(1.04)	1.04	(0.70)	0.70

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

Reliance SMSL Limited**Notes on financial statements for the year ended 31st March, 2023****(₹. in Lakhs)**
2021-22

	2022-23	2021-22
16 OTHER EXPENSES		
Insurance	6 131.15	1 987.06
Rates and Taxes	27.27	17.02
Travelling and Conveyance Expenses	16 559.99	9 255.68
Payment to Auditors	10.80	12.36
Professional Fees	5 747.85	6 114.28
Contracted Manpower Expenses	5 465.32	1 767.02
Communication Expenses	7 031.13	6 599.73
General Expenses	93.45	42.86
Total	<u>41 066.96</u>	<u>25 796.01</u>

16.1 Payment to Auditors as:	2022-23	2021-22
Particulars :		
(a) Statutory Audit Fees	9.00	8.00
(b) Tax Audit Fees	1.80	1.60
(c) Certification and other Fees	-	2.76
TOTAL	<u>10.80</u>	<u>12.36</u>

16.2 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 ₹. 17.47 Lakh (Previous Year ₹. 8.84 Lakhs).

b) Expenditure related to Corporate Social Responsibility is ₹. 17.47 Lakhs (Previous Year ₹. 8.84 Lakhs).
Details of amount spent towards CSR is given below :

Particulars	2022-23	2021-22
Sustainable Livelihoods Programme	<u>17.47</u>	8.84
	<u>17.47</u>	<u>8.84</u>

c) Out of the b) above, Rs. 17.47 lakhs (Previous Year Rs. 8.84 Lakhs) is spent through Reliance Foundation, Implementing Agency.

Reliance SMSL Limited**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023**

17 Earning Per Share :	2022-23	(₹. in Lakhs) 2021-22
FACE VALUE PER EQUITY SHARE OF (₹) 10 EACH		
BASIC EARNINGS PER SHARE		
i Net Profit after tax as per statement of profit and loss attributable to Equity Shareholders	4,062.76	2,291.30
ii Weighted Average number of equity shares used as denominator for calculating Basic EPS	50,000	50,000
iii Basic Earnings per share of face value of ₹. 10 each (In ₹.)	8,125.53	4,582.60
	2022-23	Rs. in Lakhs 2021-22
DILUTED EARNINGS PER SHARE		
i Net Profit after Tax as per statement of Profit and Loss attributable to Equity Shareholders	4,062.76	2,291.30
ii Weighted Average number of equity shares used as denominator for calculating Diluted EPS	11,322,583.00	11,322,583.00
iii		
DILUTED EARNINGS PER SHARE OF FACE VALUE OF (₹) 10 EACH	35.88	20.24
Reconciliation of Weighted Average Number of Shares outstanding		
i Weighted Average number of equity shares used as denominator for calculating Basic EPS	50,000	50,000
ii Add: Number of Zero Coupon Unsecured Optionally Fully Convertible Debentures (OFCDs)	11,272,583	11,272,583
iii Weighted Average number of equity shares used as denominator for calculating Diluted EPS	11,322,583	11,322,583

Reliance SMSL Limited

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023

18 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 Projects & Property Management Services Limited	Holding Company
3	Reliance Corporate IT Park Limited	
4	Reliance Retail Limited	
5	Reliance Jio Infocomm Limited	
6	Reliance Brands Limited	
7	Reliance Clothing India Private Limited	
8	Reliance GAS Lifestyle India Private Limited	
9	Reliance-GrandOptical Private Limited	
10	Reliance Brands Luxury Fashion Private Limited (formerly known as Genesis Luxury Fashion Private Limited)	
11	Reliance Lifestyle Products Private Limited (formerly known as V&B Lifestyle India Private Limited)	
12	Genesis La Mode Private Limited	Fellow Subsidiary Company
13	GLF Lifestyle Brands Private Limited	
14	GML India Fashion Private Limited	
15	Genesis Colors Limited	
16	7-India Convenience Retail Limited	
17	Reliance Ritu Kumar Private Limited	
18	Cover Story Clothing Limited	
19	Shri Kannan Departmental Store Pvt Ltd	
20	Jaisuryas Retail Ventures Ltd	
21	Reliance Paul & Shark Fashions Private Limited	
22	Brooks Brothers India Private Limited	
23	Diesel Fashion India Reliance Private limited	
24	Ryohin-Keikaku Reliance India Private Limited	Joint Venture of Fellow Subsidiary
25	Zegna South Asia Private limited	
26	Reliance Bally India Private Limited	
27	Canali 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/Joint Venture of Fellow Subsidiary	
				Total
1	Revenue from Operations	455,841.93 289,484.76	56,334.35 67,817.19	512,176.28 357,301.95
2	Revenue from Operations (Joint Venture of Fellow Subsidiary)	- -	218.18 182.23	218.18 182.23
3	Professional Fees	5,380.00 5,880.00	- -	5,380.00 5,880.00
4	Service received	4.19 17.13	6690.86 6,844.26	6,695.05 6,861.39
Balance as at 31st March, 2023				
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	60,105.89 32,188.71	2,057.20 18,213.99	62,163.09 50,402.70
4	Trade Receivable (Joint Venture of Fellow Subsidiary)		83.66 55.05	83.66 55.05
5	Trade Payable	578.71 3,823.20	1,183.73 933.64	1,762.44 4,756.84
Note : Figures in Italic represents Previous Year's amount.				

Reliance SMSL Limited

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023

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

(₹. in Lakhs)

Particulars	Relationship	2022-23	2021-22
1 Revenue from Operations			
Reliance Projects & Property Management Services Limited	Holding Company	455,841.93	289,484.76
Reliance Corporate IT Park Limited	Fellow Subsidiary Company	-	-
Reliance Retail Limited	Fellow Subsidiary Company	53,790.04	66,603.27
Reliance Brands Limited	Fellow Subsidiary Company	754.33	702.45
Reliance Clothing India Private Limited	Fellow Subsidiary Company	224.55	164.29
Reliance Gas Lifestyle India Private Limited	Fellow Subsidiary Company	56.23	38.10
Reliance-GrandOptical Private Limited	Fellow Subsidiary Company	0.05	0.07
Reliance Brands Luxury Fashion Private Limited (Formerly known as Genesis Luxury Fashions Private Limited)	Fellow Subsidiary Company	112.73	67.89
Genesis La Mode Private Limited	Fellow Subsidiary Company	127.90	78.20
GLF Lifestyle Brands Private Limited	Fellow Subsidiary Company	67.14	61.02
GML India Fashion Private Limited	Fellow Subsidiary Company	69.44	37.67
Genesis Colors Limited	Fellow Subsidiary Company	27.55	15.47
Reliance Lifestyle Products Private Limited (formerly known as V&B Lifestyle India Private Limited)	Fellow Subsidiary Company	16.55	12.68
7-India Convenience Retail Limited	Fellow Subsidiary Company	213.40	36.08
Reliance Ritu Kumar Private Limited	Fellow Subsidiary Company	125.16	-
Cover Story Clothing Limited	Fellow Subsidiary Company	267.79	-
Shri Kannan Departmental Store Pvt Ltd	Fellow Subsidiary Company	299.42	-
Jaisuryas Retail Ventures Ltd	Fellow Subsidiary Company	182.06	-
Reliance Bally India Private Limited	Joint Venture of Fellow Subsidiary	10.89	6.45
Diesel Fashion India Reliance Private limited	Joint Venture of Fellow Subsidiary	43.43	38.75
Brooks Brothers India Private Limited	Joint Venture of Fellow Subsidiary	73.85	62.19
Reliance Paul & Shark Fashions Private Limited	Joint Venture of Fellow Subsidiary	12.08	9.99
Zegna South Asia Private Limited	Joint Venture of Fellow Subsidiary	17.87	15.70
Ryohin-Keikaku Reliance India Private Limited	Joint Venture of Fellow Subsidiary	26.81	19.92
Canali India Private Limited	Joint Venture of Fellow Subsidiary	33.25	29.23
2 Professional Services			
Reliance Corporate IT Park Limited	Subsidiary Company	-	-
Reliance Projects & Property Management Services Limited	Holding Company	5,380.00	5,880.00
3 Trade Receivable			
Reliance Projects & Property Management Services Limited	Holding Company	60,105.89	32,188.71
Reliance Corporate IT Park Limited	Fellow Subsidiary Company	-	32.46
Reliance Brands Limited	Fellow Subsidiary Company	306.08	234.38
Reliance Clothing India Private Limited	Fellow Subsidiary Company	88.40	50.07
Reliance Retail Limited	Fellow Subsidiary Company	874.43	17,783.77
Reliance Brands Luxury Fashion Private Limited (formerly known as Genesis Luxury Fashion Private Limited)	Fellow Subsidiary Company	36.49	23.97
Reliance Gas Lifestyle India Private Limited	Fellow Subsidiary Company	25.34	11.53
Reliance-GrandOptical Private Limited	Fellow Subsidiary Company	-	-
Reliance Lifestyle Products Private Limited (formerly known as V&B Lifestyle India Private Limited)	Fellow Subsidiary Company	6.54	3.88
Genesis La Mode Private Limited	Fellow Subsidiary Company	93.05	26.82
GLF Lifestyle Brands Private Limited	Fellow Subsidiary Company	-	17.57
GML India Fashion Private Limited	Fellow Subsidiary Company	31.17	16.76
Genesis Colors Limited	Fellow Subsidiary Company	9.99	5.89
7-India Convenience Retail Limited	Fellow Subsidiary Company	48.94	6.87
Reliance Ritu Kumar Private Limited	Fellow Subsidiary Company	63.29	-
Cover Story Clothing Limited	Fellow Subsidiary Company	315.73	-
Shri Kannan Departmental Store Pvt Ltd	Fellow Subsidiary Company	99.01	-
Jaisuryas Retail Ventures Ltd	Fellow Subsidiary Company	58.74	-
Reliance Bally India Private Limited	Joint Venture of Fellow Subsidiary	4.43	2.22
Diesel Fashion India Reliance Private limited	Joint Venture of Fellow Subsidiary	17.84	11.32
Brooks Brothers India Private Limited	Joint Venture of Fellow Subsidiary	29.98	17.13
Reliance Paul & Shark Fashions Private Limited	Joint Venture of Fellow Subsidiary	5.00	2.73
Zegna South Asia Private Limited	Joint Venture of Fellow Subsidiary	3.98	5.98
Ryohin-Keikaku Reliance India Private Limited	Joint Venture of Fellow Subsidiary	9.25	6.23
Canali India Private Limited	Joint Venture of Fellow Subsidiary	13.17	9.45

Reliance SMSL Limited**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023**

(₹. in Lakhs)

4 Trade Payable			
Reliance Projects & Property Management Services Limited	Holding Co.	578.15	3,823.20
Reliance Industries Limited	Ultimate Holding Co.	0.56	
Reliance Corporate IT Park Limited	Fellow Subsidiary Company	-	2.76
Reliance Retail Limited	Fellow Subsidiary Company	195.82	611.81
Reliance Jio Infocomm Limited	Fellow Subsidiary Company	986.82	319.01
Reliance-GrandOptical Private Limited	Fellow Subsidiary Company	0.00	0.00
7-India Convenience Retail Limited	Fellow Subsidiary Company	-	0.05
GLF LIFESTYLE BRANDS PRIVATE LIMITED	Fellow Subsidiary Company	1.09	-
5 Services Received			
Reliance Industries Limited	Ultimate Holding Co.	4.19	17.13
Reliance Retail Limited	Fellow Subsidiary Company	-	-
Reliance Corporate IT Park Limited	Fellow Subsidiary Company	13.95	1.64
Reliance Jio Infocomm Limited	Fellow Subsidiary Company	6,676.91	6,842.62

RELIANCE SMSL LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023

19 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.

19 Gearing ratio

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

	As at 31st March, 2023	Rs. in Lakhs As at 31st March, 2022
Debt	-	-
Cash and bank balance	174.22	22.06
Net debt	(174.22)	(22.06)
Total Equity	8237.94	3,740.45
Net debt to equity ratio	-	-

Debt is defined as long-term and short-term borrowings.

20 Financial Instruments

A) Fair valuation measurement hierarchy

(₹. in Lakhs)

Particulars	As at 31st March, 2023			As at 31st March, 2022				
	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								
Trade Receivables	622 49.43	-	-	-	131 05.59	-	-	-
Cash and Cash Equivalents	1 74.22	-	-	-	22.06	-	-	-
Other Financial Assets	12 52.28	-	-	-	384 51.68	-	-	-
At FVTPL								
Investments	-	-	-	-	-	-	-	-
Financial Liabilities								
At Amortised Cost								
Borrowings	-	-	-	-	-	-	-	-
Trade Payables	21 02.78	-	-	-	58 38.84	-	-	-
Other Financial Liabilities	-	-	-	-	-	-	-	-

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

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

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

RELIANCE SMSL LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023

- 21 Details of Loan given, investments made, guarantees given and securities provided covered us 186 (4) of the Companies Act 2013.
- i) Loan given Rs. NIL (Previous Year Rs. NIL).
 - ii) Investments made Rs. NIL (Previous Year Rs. NIL).
 - iii) Guarantees given and Securities provided by the Company in respect of Loan Rs. NIL (Previous Year Rs. NIL).
- 22 The Company is engaged in the business of providing integrated manpower solutions including sourcing, recruitment, training, engagement and staffing services to other companies in India. All the activities of the company revolve around this main business. Accordingly, the Company has only one identifiable segment reportable under Ind AS-108 "Operating Reporting". The Board (the 'Chief Operating Decision maker' as defined in Ind AS 108 'Operating Segments'), who is responsible for allocating resources and assessing performance, obtaining financial information.
- Revenue from two Customers contributed 10% or more to the Company's revenue for 2022-23 and revenue from two Customers contributed 10% or more to the Company's revenue for 2021-22.
- 23 **Other Statutory Information**
- i) As per section 248 of the Companies Act, 2013, there are no balances outstanding with struck off companies.
 - ii) The Company do not have any Capital-work-in progress or intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.
 - iii) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediaries shall :
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - iv) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - v) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.

RELIANCE SMSL LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023

24 Ratio Analysis :-

Sr. no.	Particulars	2022-23	2021-22	% Changes
1	Current Ratio	1.21	1.12	8.23%
2	Debt-Equity Ratio	N.A.	N.A.	
3	Debt Service Coverage Ratio	N.A.	N.A.	
4	Return on Equity Ratio*	0.68	0.96	-29.10%
5	Inventory Turnover Ratio	N.A.	N.A.	
6	Trade Receivables Turnover Ratio @	13.62	34.65	-60.68%
7	Trade Payables Turnover Ratio @	118.17	69.72	69.49%
8	Net Capital Turnover Ratio @	50.78	63.39	-19.89%
9	Net Profit Ratio @	0.01	0.01	0.00%
	Return on Capital Employed (Excluding Working Capital Financing) @	0.52	1.93	-73.14%
11	Return on Investment #	1.44	0.01	14300.00%

* Change in Return on Equity is due to increase in profit as compared to the previous years.

@ Due to increase in Operations of the Company in Current Financial Year as compared to Previous Financial Year.

Change in Return on Investment is due to NIL Investment in Current Financial Year.

24.1 Formulae of computation of ratios are as follows :

Sr. no.	Particulars	Formula
1	Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
2	Debt-Equity Ratio	Not Applicable
3	Debt Service Coverage Ratio	Not Applicable
4	Return on Equity Ratio	$\frac{\text{Profit After Tax (Attributable to Owners)}}{\text{Average Net Worth}}$
5	Inventory Turnover Ratio	Not Applicable
6	Trade Receivables Turnover Ratio	$\frac{\text{Revenue from Operations}}{\text{Average Trade Receivables}}$
7	Trade Payables Turnover Ratio	$\frac{\text{Employee Benefit Expenses}}{\text{Average Trade Payables}}$
8	Net Capital Turnover Ratio	$\frac{\text{Revenue from Operations}}{\text{Average Working Capital (Current Assets - Current Liabilities)}}$
9	Net Profit Ratio	$\frac{\text{Profit After Tax (after exceptional items)}}{\text{Revenue from Operations}}$
10	Return on Capital Employed (Excluding Working Capital Financing)	$\frac{\text{Net Profit After Tax + Deferred Tax Expense/(Income) - Other Income}}{\text{Average Capital Employed**}}$
11	Return on Investment	$\frac{\text{Other Income}}{\text{Average Cash, Cash Equivalents \& Other Marketable Securities}}$

**Capital employed includes Equity, Borrowings, Deferred Tax Liabilities, Creditor for Capital Expenditure and reduced by Investments, Cash and Cash Equivalents, Capital Work-in-Progress and Intangible Assets under Development.

RELIANCE SMSL LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023

25 EVENTS AFTER THE REPORTING PERIOD :

There is no major subsequent events after the reporting period for FY 22-23.

26 As on March 31, 2023, the Composite Scheme of Amalgamation of Reliance Infratel Limited ("RITL") and the Company with Reliance Projects & Property Management Services Limited ("RPPMSL") and their respective shareholders and creditors, ("Scheme") having appointed date 31st March 2023 is pending for approval at the Hon'ble National Company Law Tribunal ("NCLT") at Mumbai Bench and Ahmedabad Bench.

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

28 Approval of financial statements

The financial statements were approved for issue by the board of directors on 18th April, 2023

As per our Report of even date
For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Regn No. - 101720W / W100 355

For and on behalf of the Board

Sanjay Jog
Director
DIN : 01727602

Jignesh Mehta
Partner
Membership No. - 102749

Pramod Bhawalkar
Director
DIN : 01114946

April 18, 2023

Gulur Venkatesh
Director
DIN : 02813390

Jayashri Rajesh
Director
DIN : 07559698