Financial Statement

2021-22

Reliance Financial Limited

Independent Auditors' Report

To the Members of Reliance Financial Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Reliance Financial Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows 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 (hereinafter referred to as "the 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, 2022; and its loss and other Comprehensive Income, Change in Equity and its Cash Flows 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 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 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

The Key Audit Matter	How the matter was addressed in our audit
Marked Linked Debentures (MLD) The Company has non-convertible debentures (Marked Linked Debentures) of Rs. 6,54,108 thousands as at March 31, 2022. The rate of interest on which is linked to performance of specified indices	 We carried out following procedures in respect to Marked Linked Debentures : - held discussion with management and obtained understanding of valuation process including

over the period of the debentures. The terms and conditions of the Marked Linked Debentures are detailed in note 20 of the financial statements. Further, Marked Linked Debentures is a key number in the balance sheet and will remain an important funding mechanism for continued growth. Therefore, in our view, Marked Linked Debentures is important to the readers understanding of the financial statements. As a result of these items we consider accounting for Marked Linked Debentures to be a key audit matter at March 31, 2022.	management's determination and approval of assumptions and data inputs. - evaluate the design and tested operating effectiveness of controls related to the data considered in the valuation, related calculations and Valuation reports provided by management's external expert. Based on our audit procedures, we noted no reportable matters regarding MLD classification and its valuation.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Management Discussion & Analysis, Board's Report including Annexure to Board's Report, but does not include the financial statements and our auditor's report thereon. The report containing other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the report containing other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management for the financial statements

The Company's Management and 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, change in equity and cash flows 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. 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 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 and Board of Directors are 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.

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 financial 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 the management.

- Conclude on the appropriateness of management and Board of Directors’ 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Companies Act, 2013, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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, the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and the Statement of Change in Equity dealt with by this report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with relevant rules made thereunder'.

   e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"**Annexure B**"**.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid/provided for any remuneration to its directors during the year.

   h) 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, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note no. 34 of the financial statements;

ii. The Company have derivative contracts as maintained in note 5 & 17 and gain/losses on those contracts as on March 31, 2022 has been recognised in the books of account. Further, there were no long-term 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 the year ended March 31, 2022.

iv. (a) The management has represented to us that, to the best of it's 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 persons or entities, including foreign entity ("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 to us that, to the best of it's knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entity ("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;

(c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2) (h) (iv) (a) & (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

For **Pathak H. D. & Associates LLP**
Chartered Accountants
Firm Registration no**.** 107783W/W100593

Jigar T. Shah
Partner
Membership No.: 161851
UDIN: 22161851AKIFCH9966

Place: Mumbai
Date: April 13, 2022

Annexure A to Auditors' Report

Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report in the Independent Auditors' Report of even date to the members of Reliance Financial Limited on the financial statements as of and for the year ended March 31, 2022

(i) In respect of its Property Plant and Equipment:

(a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of its property, plant and equipment, on the basis of available information except for in some assets where company is in the process of tagging the assets.

(B) Based on the records examined by us and information and explanation given to us the Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment, by which all property, plant and equipment are verified in a phased manner over a period of time. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, a portion of the property, plant and equipment has been physically verified by the Management during the year and no material discrepancies between the book records and the physical assets were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us, we report that, the title deeds of all the immovable properties comprising of a building other than self-constructed properties are held in the name of the Company.

(d) According to information and explanations given to us and books of accounts and records examined by us, Company during the year has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets , hence, the requirements of the said clause i(d) of paragraph 3 of the Order is not applicable to the Company..

(e) According to information, explanations and representation given to us by the management,no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) (a) According to the information and explanations given to us, the Company does not hold any physical inventories. Thus, the reporting requirements under paragraph 3(ii)(a) of the order is not applicable to the Company.

(b) As per the information and explanations given to us and books of accounts and records examined by us, no working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets has been taken by the Company. Therefore, the reporting requirements under paragraph 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) According to information and explanations given to us and books of accounts and records examined by us, the Company's principle business is to give loans, hence the reporting requirements under paragraph 3(iii)(a)(A) & (B) of the Order is not applicable.

(b) In our opinion and according to information and explanations given us and on the basis of our audit procedures, the terms and conditions of all loans made by the Company are not prejudicial to Company's interest. Company has not made any investments or provided any guarantees or given security and has not granted any advances in the nature of loans during the year.

(c) According to the books of accounts and records examined by us in respect of the loans, where the schedule of repayment of principal and payment of interest has been stipulated, the repayments or receipts are generally regular except for loans given to various parties amounting to Rs. 41.78 crore on prudence basis, the Company has not provided interest from April 01, 2020 onwards.

(e) According to information and explanations given to us and books of accounts and records examined by us, the Company principle business is to give loans. Hence, the reporting requirements under paragraph 3(iii)(e) of the Order is not applicable.

(f) In our opinion and according to information and explanation given and records examined by us, the Company has granted loans which are repayable on demand. The details are as follows:

Rs. In Crore

Particulars	**All Parties**	**Promoters**	**Related Parties**
Aggregate amount of loans/ advances in nature of loans - Repayable on demand (A)	61.53	-	8.41
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (A+B)	**61.53**	**-**	**8.41**
Percentage of loans/ advances in nature of loans to the total loans	100%	-	13.67%

(iv) The Company has not granted any loan or provided any guarantee or security in connection with any loan taken by parties covered under section 185 of the Act. Therefore, the provisions of section 185 are not applicable to the Company. The Company is registered as Non Banking Financial Company with RBI. Thus, the provision of section 186 except sub-section (1) of the Act is not applicable to the Company. In our opinion and information and explanations given to us, during the year, the Company has not made any investments through more than two layers of investment companies as mentioned in sub-section (1) of section 186 of the Act.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) According to information & explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Act. Hence, the reporting requirements under paragraph 3(vi) of the order is not applicable to the Company.

(vii) Based on the records examined by us and according to the information and explanations given to us, in respect of statutory dues:

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues as applicable, with the appropriate authorities. There are no undisputed amounts payable in respect to such applicable statutory dues outstanding as at March 31, 2022 for a period of six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and service tax, provident fund, employees' state insurance, income-tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues as at March 31, 2022 which have not been deposited on account of a dispute.

(viii) According to the information and explanations given to us and representation given by the management, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) a) In our opinion and according to the information and explanations given and books of accounts and records examined by us, the Company has not defaulted in repayment of dues to debentures holders of Market linked debentures. The Company does not have any borrowings from banks, financial institutions and government.

b) In our opinion, and according to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.

c) In our opinion, and according to the information and explanations given and records examined by us, the Company does not have any borrowings from banks, financial institutions and government. Hence, the reporting requirements under paragraph 3(ix)(c) of the Order is not applicable.

d) In our opinion, and according to the information and explanations given to us, funds raised on the short-term basis have not been utilized for long term purposes.

e) In our opinion, and according to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Hence, the reporting requirements under paragraph 3(ix)(e) and (f) of the Order is not applicable.

(x) (a) During the year the Company has not raised money by way of initial public offer or further public offer (including debt instruments) hence the reporting requirements under paragraph 3(ix) (a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) as per section 42 and 62 of the Act, hence the reporting requirements under paragraph 3(ix)(b) of the Order is not applicable.

(xi) (a) 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 has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section 12 of section 143 of the Act has been filed by us or by any other auditor in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information, explanations and representation given to us by the management, no whistle-blower complaints have been received during the year by the Company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii)(a), (xii)(b) and (xii)(c) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion, and according to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the company issued till date, for the period under audit.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) (a) The Company is registered under section 45-IA of the Reserve Bank of India Act, 1934.

(b) In our opinion, and according to the information and explanations provided to us and on the basis of our audit procedures, the Company is registered as Non-Banking Financial under section 45-IA of the Reserve bank of India Act, 1934 and holds a valid certificate of registration.

(c) In our opinion, and according to the information and explanations provided to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) As represented by the management, the Group does not have more than one Core Investment Company as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016.

(xvii) In our opinion, and according to the information and explanations provided to us, the Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, 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, except for the loss incurred during the year by the Company 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) With respect to CSR contribution under section 135 of the Act:

(a) According to the information and explanations given to us and on the basis of our audit procedures, in respect of other than ongoing projects, there were no unspent amount that were required to be transferred to a Fund specified in Schedule VII in compliance with second proviso to sub-section 5 of section 135 of the Act.

(b) According to the information and explanations given to us and on the basis of our audit procedures, in respect of ongoing projects there were no unspent amount that were required to be transferred to special account in compliance with provision of sub section 6 of section 135 of the Act.

For **Pathak H. D. & Associates LLP**
Chartered Accountants
Firm Registration no**.** 107783W/W100593

Jigar T. Shah
Partner
Membership No.: 161851
UDIN: 22161851AKIFCH9966

Place: Mumbai
Date: April 13, 2022

Annexure B to the Independent Auditor's Report on the financial statements of Reliance Financial Limited for year ended March 31, 2022

Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013
(Referred to in paragraph 2(f) under 'Report on other legal and regulatory requirements' section of our report of even date) to the members of Reliance Financial Limited for the year ended March 31, 2022)

We have audited the Internal Financial Controls with reference to financial statements of **Reliance Financial Limited** (hereinafter referred to as "the Company") as of March 31, 2022 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 and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('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 Companies Act, 2013 ("the Act").

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial 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 include 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 authorization of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Pathak H. D. & Associates LLP**
Chartered Accountants
Firm Registration no**.** 107783W/W100593

Jigar T. Shah
Partner
Membership No.: 161851
UDIN: 22161851AKIFCH9966

Place: Mumbai
Date: April 13, 2022

Reliance Financial Limited
Balance Sheet as at March 31, 2022

(₹ in thousand)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial Assets			
(a) Cash and cash equivalents	3	3,05,632	18,628
(b) Bank Balance other than (a) above	4	2,00,603	2,60,303
(c) Derivative financial instruments	5	239	13,432
(d) Receivables			
(i) Trade receivables	6	-	-
(ii) Other receivables			
(e) Loans	7	2,86,765	4,50,920
(f) Investments	8	4,06,999	5,23,435
(g) Other Financial assets	9	5,37,033	4,38,619
Non-financial Assets			
(a) Inventories	10	41,607	49,814
(b) Current tax assets (net)	11	25,156	27,023
(c) Deferred tax assets (net)	12	1,07,909	1,07,909
(d) Investment property	13	2,138	2,180
(e) Property, plant and equipment	14	1,169	2,311
(f) Goodwill	15	59,327	59,327
(g) Other intangible assets	15	5,045	6,919
(h) Other non-financial assets	16	536	29,319
Total Assets		**19,80,158**	**19,90,139**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
(a) Derivative financial instruments	17	21	14,988
(b) Payables			
Trade Payables	18		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		757	283
Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(c) Debt securities	19	6,54,109	6,36,254
(d) Subordinated liabilities	20	1,61,182	1,61,182
(e) Other financial libilities	21	1,48,625	96,420
Non-Financial Liabilities			
(a) Provisions	22	3,578	5,609
(b) Other non-financial liabilities	23	62,455	23,537
EQUITY			
(a) Equity share capital	24	2,41,579	2,41,579
(b) Other equity	25	7,07,852	8,10,287
Total Liabilities and Equity		**19,80,158**	**19,90,139**
Significant accounting policies and notes to the financial statement	1 to 51		

The accompanying notes form an integral part of the financial statements.
As per our attached report of even date

For Pathak H. D. & Associates LLP
Chartered Accountants
Firm registration No. 107783W/W100593

Sd/-
Jigar T. Shah
Partner
Membership No.: 161851

For and on behalf of the Board of Directors

Sd/-
Lav Chaturvedi
Director
DIN : 02859336

Sd/-
Homai Daruwalla
Director
DIN : 00365880

Sd/-
Ashish Jagetiya
Chief Financial Officer

Sd/-
Tanvi Salunkhe
Company Secretary
M.no. A57355

Place : Mumbai
Date: April 13, 2022

Reliance Financial Limited
Statement of Profit and Loss for the year ended March 31, 2022

(₹ in thousand)

	Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
A	**Revenue from operations**			
	Interest income	26	66,810	65,923
	Fees, Commission & Other Operating Income	27	69,493	13,001
	Net gain on fair value changes	28	1,73,593	40,427
	Total Revenue from operations		**3,09,896**	**1,19,351**
B	**Other Income**	29	3,047	28,971
C	**Total Income (A + B)**		**3,12,943**	**1,48,322**
	Expenses			
	Finance cost	30	11,653	(82,959)
	Fees and commission expense	31	5,338	284
	Employee benefits expenses	32	1,44,884	92,660
	Depreciation and amortization		2,812	2,932
	Others expenses	33	2,58,423	1,79,655
D	**Total Expenses**		**4,23,110**	**1,92,572**
(I)	**Profit/(Loss) before exceptional items and tax (C-D)**		**(1,10,167)**	**(44,250)**
(II)	Exceptional items			
(III)	**Profit/(Loss) before tax (I -II)**		**(1,10,167)**	**(44,250)**
(IV)	Tax Expense:			
	(1) Current Tax		1,480	1,624
	(2) Deferred Tax		-	(49,328)
	(3) Taxes of earlier years		(9,212)	(2,682)
(V)	**Profit/(Loss) for the year (III-IV)**		**(1,02,435)**	**6,136**
(VI)	**Other Comprehensive Income/(loss)**			
	Items that will not be reclassified to profit or loss			
	Remeasurement of post employment retirement benefit		4	(510)
	Tax on above		(1)	128
	Other Comprehensive Income / (loss) for the year		**3**	**(382)**
(VII)	**Total Comprehensive Income/ (loss) for the year**		**(1,02,432)**	**5,754**
	Earnings per equity share (Amount in ₹)			
	Basic (Rs.)		(4.24)	0.25
	Diluted (Rs.)		(4.24)	0.25
	Significant accounting policies and notes to the financial statement	1 to 51		

The accompanying notes form an integral part of the financial statements.

As per our attached report of even date

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Sd/-
Ashish Jagetiya
Chief Financial Officer

Sd/-
Tanvi Salunkhe
Company Secretary
M.no. A57355

Place : Mumbai
Date: April 13, 2022

Reliance Financial Limited
Statement of Cash Flow for the year ended March 31, 2022

(₹ in thousand)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit/(Loss) before tax:	**(1,10,167)**	**(44,250)**
Adjustments :		
Depreciation, amortisation and impairment	2,812	2,932
Provision for Gratuity	812	789
Provision for doubtful debts & other receivable	2,41,281	1,50,242
Excess Provision written back	(90)	(28,861)
Loss on sale\discardment of property, plant and equipment	245	-
Interest on preference shares	18,486	20,219
Finance Cost	(6,833)	(1,03,178)
Interest on income tax refund	(2,957)	(110)
Accrued interest on long term investments	-	(9)
Profit on sale of mutual funds	(18,980)	(19,716)
Interest on fixed deposit	(18,174)	(22,080)
Interest on bond	(2,922)	(6,723)
Net gain/ (loss) on fair value changes on preference shares	(14,630)	(13,991)
Operating profit before working capital changes	**88,883**	**(64,736)**
Adjustments for (increase)/ decrease in operating assets:		
Inventories	11,130	4,871
Trade receivables	-	-
Loans	22,878	90,561
Other financial assets	(1,96,589)	(3,68,792)
Other non-financial assets	28,783	4,501
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	474	(45,943)
Provisions	(2,848)	(1,291)
Other financial Liabilities	33,808	-
Other non-financial liabilities	38,919	(18,124)
Cash generated from / (used in) operations	**25,438**	**(3,98,953)**
Less : Income taxes paid (net of refunds)	12,562	(8,257)
Net cash inflow / (outflow) from operating activities	**38,000**	**(4,07,210)**
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchases of Investment (Mutual fund)	(2,00,000)	(7,22,923)
Sale of investments	3,50,046	9,68,119
(Investment)/ redemption of Fixed deposit	59,700	2,98,984
Interest received on fixed deposits	16,345	22,181
Net cash inflow / (outflow) from investing activities	**2,26,091**	**5,66,361**
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of Market link debenture (net)	(83,320)	(5,30,571)
Proceeds from issue/redemption of non-convertible debentures (net)	-	62,000
Interest paid	(298)	(571)
Settlement on derivative financial instruments	1,06,531	19,684
Net cash inflow / (outflow) from financing activities	**22,913**	**(4,49,458)**
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	**2,87,004**	**(2,90,307)**
Add : Cash and cash equivalents at beginning of the year	18,628	3,08,935
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	**3,05,632**	**18,628**
Cash and cash equivalents comprise		
Balance with scheduled banks		
-in current accounts	3,05,632	18,628
-in cheque in hand	-	-
Total cash and cash equivalents	**3,05,632**	**18,628**

Reliance Financial Limited
Statement of Cash Flow for the year ended March 31, 2022

Note : (₹ in thousand)

1. Net debt reconciliation

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalent	3,05,632	18,628
Borrowings	(1,61,182)	(1,61,182)
Debt securities	(6,54,109)	(6,36,254)
Net debt	**(5,09,659)**	**(7,78,808)**

Particulars	Cash and cash equivalent	Borrowings	Debt securities	Total
Net debt as at March 31, 2020	**3,08,935**	**(1,61,182)**	**(10,14,372)**	**(8,66,619)**
Cash flows	(2,90,307)	20,219	4,45,900	1,75,812
Interest expense	-	(20,219)	(90,454)	(1,10,673)
Interest paid	-	-	22,672	22,672
Net debt as at March 31, 2021	**18,628**	**(1,61,182)**	**(6,36,254)**	**(7,78,808)**
Cash flows	2,87,004	18,486	83,320	3,88,810
Interest expense	-	(18,486)	(1,01,174)	(1,19,661)
Interest paid	-	-	-	-
Net debt as at March 31, 2022	**3,05,632**	**(1,61,182)**	**(6,54,109)**	**(5,09,659)**

2 The above Statement of Cash Flows has been prepared under the Indirect method as set out in IND AS - 7 on Statement of Cash Flows notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015], as amended.

3 Figures in brackets indicate cash outflow.

4 Figures of previous year are regrouped and reclassified wherever necessary to correspond to figures of the current year.

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

For Pathak H. D. & Associates LLP
Chartered Accountants
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Sd/-
Jigar T. Shah
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Director
DIN : 02859336

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Director
DIN : 00365880

Sd/-
Ashish Jagetiya
Chief Financial Officer

Sd/-
Tanvi Salunkhe
Company Secretary
M.no. A57355

Place : Mumbai
Date: April 13, 2022

Reliance Financial Limited

Statement of changes in equity for the year ended March 31, 2022

(₹ in thousand)

A Equity share capital

Particulars	Number	Amount
As at March 31, 2020	**2,41,57,897**	**2,41,579**
Change in equity share capital due to prior period error	-	-
Restated balance as at March 31,2020	-	-
Change in equity share capital during the year	-	-
As at March 31, 2021	**2,41,57,897**	**2,41,579**
Change in equity share capital due to prior period error	-	-
Restated balance as at March 31,2021	-	-
Change in equity share capital during the year	-	-
As at March 31, 2022	**2,41,57,897**	**2,41,579**

B Other equity

Particulars	Reserves and surplus			Other comprehensive income	Total other equity
	Securities premium	Statutory reserve fund	Retained earnings		
As at March 31, 2020	3,68,421	1,17,695	3,19,200	(783)	8,04,533
Change in accounting policy/prior period errors	-	-	-	-	-
Restated balance as at March 31,2020	-	-	-	-	-
Profit for the year	-	-	6,136	-	6,136
Other comprehensive income /(loss)	-	-	-	(382)	(382)
Total comprehensive income for the year	-	-	6,136	(382)	5,754
Dividends paid	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-
Transfers to Statutory reserve fund	-	1,227	(1,227)	-	-
As at March 31, 2021	**3,68,421**	**1,18,922**	**3,24,109**	**(1,165)**	**8,10,287**
Change in accounting policy/prior period errors					
Restated balance as at March 31,2021					
Profit/(Loss) for the year	-	-	(1,02,435)	-	(1,02,435)
Other comprehensive income	-	-	-	3	3
Total comprehensive income for the year	-	-	(1,02,435)	3	(1,02,432)
Dividends paid	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-
Transfers to Statutory reserve fund	-	-	-	-	-
As at March 31, 2022	**3,68,421**	**1,18,922**	**2,21,674**	**(1,162)**	**7,07,854**

The accompanying notes form an integral part of the financial statements

For Pathak H. D. & Associates LLP
Chartered Accountants
Firm registration No. 107783W/W100593

Sd/-
Jigar T. Shah
Partner
Membership No.: 161851

Place : Mumbai
Date: April 13, 2022

For and on behalf of the Board of Directors

Sd/-
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Director
DIN : 00365880

Sd/-
Ashish Jagetiya
Chief Financial Officer

Sd/-
Tanvi Salunkhe
Company Secretary
M.no. A57355

1 Company information

Reliance Financial Limited was incorporated on August 26, 2005 . The Company is licensed by the Reserve Bank of India to act as a Non-banking financial company. The Regd. Office of the company is 11th Floor, R - Tech IT Park, Nirlon Compound, Western Express Highway, Goregaon (East), Mumbai - 400063.

These financial statement of the Company for the year ended March 31, 2022 were authorised for issue by the board of directors on April 13, 2022. Pursuant to the provision of the section of the Companies Act, 2013 (the 'Act') the Central Government, Income tax authorities, Securities and Exchange Board of India, other statutory regulatory body and under section 131 of the Act, the board of directors of the Company have powers to amend / re-open the standalone financial statements approved by the board / adopted by the members of the Company.

2 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.01 Basis of preparation

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting standards (Ind AS) notified under section 133 of the Companies Act, 2013 ('the Act') [Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act, to the extent notified and applicable as well as applicable guidance note and pronouncements of the Institute of Chartered Accountants of India (ICAI).

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:
• Certain financial assets and liabilities (including derivatives instruments) are measured at fair value;
• Assets held for sale – measured at fair value less cost to sell;
• Defined benefit plans – plan assets measured at fair value.

2.02 Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

(a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

(b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

2.03 Financial assets

(i) Classification and subsequent measurement

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:
• Fair value through profit or loss (FVPL);
• Fair value through other comprehensive income (FVOCI); or
• Amortised cost

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables.

Classification and subsequent measurement of debt instruments depend on:
(i) the Company's business model for managing the asset; and
(ii) the cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

Amortised cost: Assets that are held for collection of contractual Cash flows where those Cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortized cost. The carrying amount of these Assets is adjusted by any expected credit loss allowance recognized and measured as described in note 44. Interest income from these financial Assets is recognized using The effective interest rate method.

Fair value through other comprehensive income: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortized cost which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Fair value option for financial assets: The Company may also irrevocably designate financial assets at fair value through profit or loss if doing so significantly reduces or eliminates an accounting mismatch created by assets and liabilities being measured on different bases.

Business model: The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Company in determining the business model for a Company of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

Interest income
Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

a) Purchased financial assets, for which the original credit-adjusted effective interest rate is applied to the amortized cost of the financial asset.
b) Financial assets that have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortized cost (i.e. net of the expected credit loss provision).

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortized cost before any impairment allowance) or to the amortized cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Company subsequently measures all equity investments at fair value.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in net gain/loss on fair value changes in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Gains and losses on equity investments at FVPL are included in the statement of profit or loss.

(ii) Impairment

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and FVOCI. The Company recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

• An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

• The time value of money; and

• Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses).

Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 44, which also sets out key sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL detailed information about the judgements and estimates made by the Company in the above areas is set out in note 44.

(iii) Modification of loans

The Company sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Company assesses whether or not the new terms are substantially different to the original terms. The Company does this by considering, among others, the following factors:

• If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.

• Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.

• Significant extension of the loan term when the borrower is not in financial difficulty.

• Significant change in the interest rate.

• Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Company de-recognizes the original financial asset and recognizes a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Company also assesses whether the new financial asset recognized is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognized in profit or loss as a gain or loss on de-recognition.

If the terms are not substantially different, the renegotiation or modification does not result in de-recognition, and the Company recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognizes a modification gain or loss in the statement of profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The impact of modifications of financial assets on the expected credit loss calculation is discussed in note 44.

(iv) Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognized when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Company transfers substantially all the risks and rewards of ownership, or (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control. The Company directly reduces the gross carrying amount of a financial asset when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

2.04 Financial liabilities

(i) Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified as subsequently measured at amortized cost, except for:

• Financial liabilities at fair value through profit or loss: this classification is applied to derivatives, financial liabilities held for trading and

• Financial liabilities arising from the transfer of financial assets which did not qualify for de-recognition, whereby a financial liability is recognized for the consideration received for the transfer. In subsequent periods, the Company recognizes any expense incurred on the financial liability.

Market linked debentures (MLDs)

The Company has issued certain non-convertible debentures, the rate of interest on which is linked to performance of specified indices over the period of the debentures. The Company has opted to designate the entire hybrid contract at FVTPL as the embedded derivative significantly modifies the cash flows that otherwise would be required by the contract. Further, the embedded derivative is not closely related to the financial liability host contract. The Company hedges its interest rate risk on MLD by taking positions in future & options based on specified indices. Any gain / loss on these hedge positions is recognized in Statement of Profit and Loss.

(ii) Derecognition

Financial liabilities are derecognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expires.

The exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortized over the remaining term of the modified liability.

2.05 Derivatives and hedging activities

Derivatives are initially recognized at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The method of recognizing the resulting fair value gain or loss depends on whether the derivative is designated and qualifies as a hedging instrument, and if so, the nature of the item being hedged.

(i) Derivatives that are not designated as hedges :

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

2.06 Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

The Company applies the five-step approach for recognition of revenue:

• Identification of contract(s) with customers;
• Identification of the separate performance obligations in the contract;
• Determination of transaction price;
• Allocation of transaction price to the separate performance obligations; and
• Recognition of revenue when (or as) each performance obligation is satisfied.

(i) Interest income
Interest income is recognized using the effective interest rate (refer note 2.03)

(ii) Dividend income
Dividend income is recognized in the statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

For all equity instruments (in the nature of equity) measured at amortized cost, interest income (refer note 26) is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument. Interest income is included in net gain on fair value changes in the statement of profit and loss.

(iii) Processing fees
Processing fees on loan disbursement is amortized over the life of loan using the "effective interest rate" method.

(iv) Delay payment interest
Delay payment interest is recognised on an accrual basis.

(v) Income from trading in derivatives
Derivatives are initially recognized at fair value at the date the derivative contracts are entered into, and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in the statement of profit and loss immediately. Other payments made in connection with the acquisition of derivatives are recognized in the statement of profit and loss.

2.07 Income Tax

The income tax expense or credit for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.08 Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases.

2.09 Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.10 Cash and cash equivalents

Cash and cash equivalents includes cash at banks and on hand, cheques on hand, short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

2.11 Property, plant and equipments

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives & residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

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

Asset	Useful life
Office Equipments	5 years
Furniture and Fixtures	10 years
Data Processing Equipments	
(i) Servers and networks	6 years
(ii) End user devices (desktops, laptops, etc.)	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit or loss.

Asset costing less than ₹ 5,000 are fully depreciated at the time of acquisition.

2.12 Intangible assets

Intangible assets are recognized where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment, if any.

Goodwill on acquisition of the subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Expenditure incurred on acquisition/development of intangible assets which are not put/ready to use at the reporting date is disclosed under intangible assets under development. The Company amortizes intangible assets on a straight-line basis over the useful lives of the assets commencing from the month in which the asset is first put to use. The Company provides pro-rata depreciation from the day the asset is put to use.

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

Asset	Useful life
Software	6 years

2.13 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is de-recognized.

Investment properties are depreciated using the straight-line method over their estimated useful lives. The useful life has been considered as 60 years as prescribed in Part C of Schedule II of the Company Act, 2013.

2.14 Off-setting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.15 Inventories

Financial instruments held as inventory are measured at fair value through profit or loss.

2.16 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

2.17 Provisions, Contingent Liabilities and Contingent Asset

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

Contingent liability is a possible obligation that arises from past events and whose existence 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. Contingent liability is not recognised as it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with reliablity. Contingent Liabilities are not recognised but are disclosed in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence 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. A contingent asset is not recognised however disclosed in the financial statements, if any.

2.18 Employee benefits

(i) Short-term obligations

Liabilities for salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) Gratuity; and

(b) Provident fund.

Defined Benefits plans

Gratuity Obligations

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in other equity in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Defined contribution plans

Provident fund

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Other long-term employee benefit obligations

Leave encashment

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the statement of profit or loss.

2.19 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

For all equity instruments (in the nature of equity) measured at amortized cost, interest expenses (refer note 30) is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments over the expected life of the financial instrument. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument. Interest expense is included in finance cost in the statement of profit and loss.

2.20 Earnings per share

(a) Basic earnings per share

Earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial Year, adjusted for bonus element in equity shares issued during the Year (Note 38).

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.21 Foreign currency translations

Initial recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Subsequent recognition

As at the reporting date, foreign currency monetary items are translated using the closing rate and non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction.

Exchange gains and losses arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the year or in previous financial statements are recognised in statement of profit or loss in the year in which they arise.

2.22 Functional and presentation currency

The financial statements are presented in Indian Rupees and all amounts disclosed in the financial statements and notes have been rounded off upto the nearest thousand and zero decimals (as per the requirement of Schedule III) unless otherwise stated.

2.23 Critical accounting estimates and judgements

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit or loss. The actual amounts realised may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about significant areas of estimation/uncertainty and judgements in applying accounting policies that have the most significant effect on the consolidated financial statements are as follows:

(a) Estimation of deferred tax -Note 36.3
(b) Estimation of defined benefit obligation-Note 37
(c) Measurement of fair values and Expected Credit Loss (ECL)-Note 44

2.24 Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, in "**Ind AS 103, IndAs 16, Ind AS 37, Ind AS 109 & Ind AS 116.**"

(₹ in thousand)

Note 3 - Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
Balance with banks in current accounts	3,05,632	18,628
Total	**3,05,632**	**18,628**

Note 4 - Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed deposit accounts		
- Under lien (note a)	603	603
- Under margin (note b)	1,50,000	2,09,700
- Under lien for OD (note c)	50,000	50,000
Total	**2,00,603**	**2,60,303**

In respect of balances with banks in fixed deposit accounts above includes:
(a) Rs. 603 thousands (March 31, 2021 - Rs. 603 thousands) kept as deposit with Sales Tax Authority of which Rs. 350 thousands (March 31, 2021 - Rs. 350 thousands) are utilised for issuing Bank guarantees.
(b) Rs. 15,00,00 thousands (March 31, 2021 - Rs. 20,97,00 thousands) placed as margin favouring National Securities Clearing Corporation Limited.
(c) Rs. 50,000 thousands (March 31, 2021 - Rs. 50,000 thousands) are liened against bank overdraft facility.

Note 5 - Derivative financial instruments

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Company has elected not to apply hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets together with their notional amounts. The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

Particulars	Notional value	Fair value of assets
As at March 31,2022		
Equity derivatives	**2,63,955**	**239**
	2,63,955	**239**

Particulars	Notional value	Fair value of assets
As at March 31, 2021		
Equity derivatives	**6,07,215**	**13,432**
	6,07,215	**13,432**

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are Market linked debentures.

(₹ in thousand)

Note 6 - Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Secured, considered good;	-	-
Less : Impairment loss allowance	-	-
(b) Unsecured considered good; and	-	-
Less : Impairment loss allowance	-	-
(c) Other receivables - credit impaired	575	575
Less : Impairment loss allowance	(575)	(575)
Total	**-**	**-**

Note 7 - Loans

Particulars	%	As at March 31, 2022	%	As at March 31, 2021
At amortised cost				
Loans against securities	10%	70,675	10%	72,803
Loans repayable on demand	77%	5,31,150	69%	4,90,500
Loans to related parties	12%	84,100	21%	1,45,500
Total (Gross)		**6,85,925**		**7,08,803**
Less : Impairment loss allowance		(3,99,160)		(2,57,883)
Total (Net)		**2,86,765**		**4,50,920**
Of above				
Secured by shares		70,675		72,803
Unsecured		6,15,250		6,36,000
Total (Gross)		**6,85,925**		**7,08,803**
Less : Impairment loss allowance		(3,99,160)		(2,57,883)
Total (Net)		**2,86,765**		**4,50,920**
Related parties		84,100		1,45,500
Individual		70,627		72,755
Company		5,31,197		4,90,547
Total (Gross)		**6,85,925**		**7,08,803**
Less : Impairment loss allowance		(3,99,160)		(2,57,883)
Total (Net) (C)		**2,86,765**		**4,50,920**
(I) Loan In india				
(i) Public Sector		-		-
(ii) Others		6,85,925		7,08,803
Total (Gross) (D) (I)		**6,85,925**		**7,08,803**
Less : Impairment loss allowance		(3,99,160)		(2,57,883)
Total (Net) (D) (I)		**2,86,765**		**4,50,920**
(II) Loan outside India		**-**		**-**
Less : Impairment loss allowance		-		-
Total (Net) (D) (II)		**-**		**-**
Total (D) (I) and (D) (II)		**2,86,765**		**4,50,920**

Note : During the year the Company has accounted for expected credit loss on ICD's aggregating to Rs. 1,41,277 thousand (as on March 31, 2021 - Rs. 1,50,242 thousand).

Financial statements for the year ended March 31, 2022 (₹ in thousands)

Note 7 - Loans

7.1 Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis are disclosed in note 44.

Internal rating grade	**As at March 31, 2022**			**Total**	**As at March 31, 2021**			**Total**
	Stage 1	**Stage 2**	**Stage 3**		**Stage 1**	**Stage 2**	**Stage 3**	
Performing								
High grade	-	-	-	-	-	-	-	-
Standard grade	2,81,550			2,81,550	4,50,920	-	-	4,50,920
Sub-standard grade	-	-	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-	-
Non- performing								
Individually impaired	-	-	4,04,375	4,04,375	-	-	2,57,883	2,57,883
Total	**2,81,550**	**-**	**4,04,375**	**6,85,925**	**4,50,920**	**-**	**2,57,883**	**7,08,803**

Analysis of changes in the gross carrying amount of loans

Particulars	**As at March 31, 2022**			**Total**	**As at March 31, 2021**			**Total**
	Stage 1	**Stage 2**	**Stage 3**		**Stage 1**	**Stage 2**	**Stage 3**	
Opening balance	4,50,920	-	2,57,883	7,08,803	6,97,747	-	72,755	7,70,503
New assets originated or purchased	-	-	-	-		-	1,85,128	1,85,128
Assets derecognised or repaid (net)	-	-	(22,878)	(22,878)	(2,46,827)	-	-	(2,46,827)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 3	(1,69,370)	-	1,69,370	-	-	-	-	-
Closing balance	**2,81,550**	**-**	**4,04,375**	**6,85,925**	**4,50,920**	**-**	**2,57,883**	**7,08,803**

Reconciliation of ECL balance

Particulars	**As at March 31, 2022**			**Total**	**As at March 31, 2021**			**Total**
	Stage 1	**Stage 2**	**Stage 3**		**Stage 1**	**Stage 2**	**Stage 3**	
Opening balance	25,230	-	2,32,653	2,57,883	34,885	-	-	34,885
New assets originated or purchased	2,925	-	1,38,352	1,41,277	-	-	2,32,653	2,32,653
Assets derecognised or repaid	-	-	-	-	(9,655)	-	-	(9,655)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Closing balance	**28,155**	**-**	**3,71,005**	**3,99,160**	**25,230**	**-**	**2,32,653**	**2,57,883**

Reliance Financial Limited

Financial statements for the year ended March 31, 2022

Note 8 - Investments

Particulars	As at March 31, 2022				
	Amortised cost	At Fair value			Total
		Through OCI	Through P/L	Subtotal	
Mutual funds (quoted)	-	-	73,474	73,474	73,474
National savings certificate (quoted)	20	-	-	-	20
Preference Shares (unquoted)	-	-	3,33,505	3,33,505	3,33,505
Total – Gross (A)	20	-	4,06,979	4,06,979	4,06,999
(i) Overseas Investments	-	-	-	-	-
(ii) Investments in India	20	-	4,06,979	4,06,979	4,06,999
Total (B)	20	-	4,06,979	4,06,979	4,06,999
Less: Allowance for Impairment loss (C)	-	-	-	-	-
Total – Net D= (A)- (C)	**20**	**-**	**4,06,979**	**4,06,979**	**4,06,999**

Particulars	As at March 31, 2021				
	Amortised cost	At Fair value			Total
		Through OCI	Through P/L	Subtotal	
Mutual funds (quoted)	-	-	2,04,540	2,04,540	2,04,540
National savings certificate (quoted)	20	-	-	-	20
Preference Shares (unquoted)	-	-	3,18,875	3,18,875	3,18,875
Total – Gross (A)	20	-	5,23,415	5,23,415	5,23,435
(i) Overseas Investments	-	-	-	-	-
(ii) Investments in India	20	-	5,23,415	5,23,415	5,23,435
Total (B)	20	-	5,23,415	5,23,415	5,23,435
Less: Allowance for Impairment loss (C)	-	-	-	-	-
Total – Net D= (A)- (C)	**20**	**-**	**5,23,415**	**5,23,415**	**5,23,435**

Financial statements for the year ended March 31, 2022 (₹ in thousands)

Note 8 : Investment (Continued)

(i) Mutual Funds :

Market value of investments in quoted mutual funds represents the repurchase price of the units issued by the mutual funds. These units of mutual funds are invested in growth scheme of various funds.

Mutual funds	**Units**	**As at March 31, 2022**	**Units**	**As at March 31, 2021**
Franklin India Income Opportunities Fund - Direct - Growth	-	-	33,04,989	80,516
Franklin India Credit Risk Fund - Direct - Growth	3,00,109	7,209	28,87,132	63,653
Kotak Medium Term Fund - Direct Growth	0	0	0	0
Aditya Birla Sun Life Medium Term Plan - Growth - Direct Plan	21,01,270	58,978	21,01,270	53,533
Aditya Birla Sun Life Credit Risk Fund- Segregated Portfolio 1- Direct Plan-	12,81,805	218	12,81,805	533
Aditya Birla Sun Life Medium Term Plan- Segregated Portfolio 1-Growth -	42,03,340	2,394	42,03,340	5,856
Nippon India Credit Risk Fund - Segregated Portfolio 1 - Direct Plan -	-	-	29,51,762	364
Aditya Birla Sun Life Credit Risk Fund - Direct Plan - Growth	0	0	0	0
Nippon India Liquid Fund - Direct Plan Growth Plan - Growth Option	0	2	0	1
Franklin India SHORT TERM INCOME PLAN - Direct - GROWTH	2	8	18	77
Axis Liquid Fund - Direct Plan - Growth Option	0	0	0	0
ICICI Prudential Liquid Fund - Growth	0	0	0	0
Nippon India Credit Risk Fund - Segregated Portfolio 2 - Direct Plan -	-	-	1	-
Nippon India Money Market Fund - Direct Plan Growth Plan - Growth	1	3	1	3
Nippon India Liquid Fund - Direct Plan Growth Plan - Growth Option	-	-	0	2
Nippon India Low Duration Fund - Direct Plan Growth Plan - Growth	0	0	0	1
ICICI Prudential Medium Term Bond Fund - Direct Plan - Growth	1	0	1	0
Axis Strategic Bond Fund - Direct Plan - Growth Option	1	0	1	0
Nippon India Credit Risk Fund - Direct Plan - Growth Plan	1	-	1	-
Kotak Credit Risk Fund - Growth - Direct	0	-	0	0
Aditya Birla Sun Life Savings Fund - Growth - Direct Plan		-	0	0
Franklin MF-Franklin India Credit Risk Fund SEG Port2-	32,40,532	1,758	35,52,047	-
Franklin MF-Franklin India Income Opportunities Fund Seg Port2-10.90%VODA2SEP23 Direct Growth	27,76,041	1,414	30,42,903	-
Franklin MF-Franklin India Short Term Income PL-RTLSEG PORT2-	16,060	1,490	17,606	-
Frank STISP3 R-DGRW	19,122	-	19,122	-
Frank CRFSP3 D-GROW	38,57,985	-	38,57,985	-
ICICI Prudential Savings Fund - Direct Plan - Growth	-	-	1	1
Total		**73,474**		**2,04,540**

(ii) Investments in Preference shares :

The Company has been invested in 0 % Compulsorily Covertible Preference Shares Qty 2,50,00,000 (Previous Year Qty. 2,50,00,000) of ` 10 each of Reliance Securities Limited as per below terms :-

Particulars	**Terms**
Instrument	0% Compulsorily Convertible Optionally Redeemable preference shares (‘CCPS’) (with Guaranteed yield - 6%).
Conversion terms	**A**. 2 fully paid equity shares for 5 preference shares held. **B.** During the tenor of the shares, the issuer thereof shall have the option to convert the CCPS (along with guaranteed yield accrued thereon till date) at any time during the tenor of the instrument into fully paid equity shares in the conversion ratio mentioned above. **C**. To the extent the issuer has not exercised its option to convert into equity shares during the tenor of the shares, and further if the issuer has not exercised its redemption option as stated below, then it shall be compulsorily converted into fully paid equity shares (along with guaranteed yield accrued thereon till date) at the end of the tenor of the CCPS. **D.** To determine the number of shares to be issued against guaranteed yield accrued till the date of conversion, amount of yield accrued will be divided by Rs.25 (i.e. value per share). **E**. The issue price of equity shares on conversion would be Rs. 25/- per share comprising of face Value of Rs. 10/- each and a premium of Rs. 15 per share.
Redemption Option	The issuer shall have an option to redeem (along with guaranteed yield accrued till date) which can be exercised before the expiry of tenor of CCPS (i.e. 10 years from issue date).
Yield payments	The issuer has a discretion to pay the yield on CCPS in cash.

(₹ in thousands)

Note 8 - Investments

8.1 Investments measured at fair value through profit and loss

The table below shows the credit quality and the maximum exposure to credit risk per based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 44.

Internal rating grade	As at March 31, 2022			Total	As at March 31, 2021			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Performing								
High grade								
Mutual Fund	73,474	-	-	73,474	2,04,540	-	-	2,04,540
Preference shares	3,33,505	-	-	3,33,505	3,18,875	-	-	3,18,875
Standard grade	-	-	-	-	-	-	-	-
Sub-standard grade	-	-	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-	-
Non- performing								
Individually impaired	-	-	-	-	-	-	-	-
Total	**4,06,979**	**-**	**-**	**4,06,979**	**5,23,415**	**-**	**-**	**5,23,415**

An analysis of changes in the gross carrying amount and the corresponding ECLs is, as follows

Particulars	As at March 31, 2022			Total	As at March 31, 2021			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Opening balance	5,23,415	-	-	5,23,415	6,34,788	-	-	6,34,788
New assets originated or purchased	-	-	-	-	7,71,371	-	-	7,71,371
Assets derecognised or repaid	(1,16,436)	-	-	(1,16,436)	(8,82,745)	-	-	(8,82,745)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Closing balance	**4,06,979**	**-**	**-**	**4,06,979**	**5,23,415**	**-**	**-**	**5,23,415**

Reconciliation of ECL balance

Particulars	As at March 31, 2022			Total	As at March 31, 2021			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Opening balance	-	-	-	-	-	-	-	-
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Closing balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(₹ in thousands)

8.2 Investments measured at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk per based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 44.

Internal rating grade	As at March 31, 2022			Total	As at March 31, 2021			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Performing								
High grade		1 to 51						
National savings certificate	20	-	-	20	20	-	-	20
Bonds	-	-	-	-	-	-	-	-
Preference shares	-	-	-	-	-	-	-	-
Standard grade	-	-	-	-	-	-	-	-
Sub-standard grade	-	-	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-	-
Non- performing								
Individually impaired	-	-	-	-	-	-	-	-
Total	**20**	**-**	**-**	**20**	**20**	**-**	**-**	**20**

An analysis of changes in the gross carrying amount and the corresponding ECLs is, as follows

Particulars	As at March 31, 2022			Total	As at March 31, 2021			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Opening balance	20	-	-	20	1,00,140	-	-	1,00,140
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid	-	-	-	-	(1,00,120)	-	-	(1,00,120)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Closing balance	**20**	**-**	**-**	**20**	**20**	**-**	**-**	**20**

Reconciliation of ECL balance

Particulars	As at March 31, 2022			Total	As at March 31, 2021			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Opening balance	-	-	-	-	-	-	-	-
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Closing balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Financial statements for the year ended March 31, 2022 (₹ in thousand)

Note 9 - Other Financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Margin money placed with broker	4,85,050	3,36,821
Accrued Interest		
On loans and advances	10,592	1,457
On fixed deposits	1,829	48
Other deposits	27	27
Other receivables	1,39,539	1,00,266
Provision on other receivable	(1,00,004)	-
Total	**5,37,033**	**4,38,619**

Note : During the previous year Company had sold Monsoon Studio Bond (ISIN INE955X07016) of Rs. 1,00,004 thousand to Quant Capital Private Limited and said amount has been fully provided for during the year.

Note 10 - Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
Shares & Securities*	41,607	49,814
Total	**41,607**	**49,814**
(i) Overseas Investments	-	-
(ii) Investments in India	41,607	49,814
Total	**41,607**	**49,814**
Less: Allowance for Impairment loss		-
Total	**41,607**	**49,814**

*** Financial instruments held as inventory are measured at fair value through profit or loss.**

Note 11 - Current tax assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance payment of tax and tax deducted at source (Net of Provision)	25,156	27,023
Total	**25,156**	**27,023**

Note 12 - Deferred tax assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets / (liabilities) (Net)	1,07,909	1,07,909
Total	**1,07,909**	**1,07,909**

(₹ in thousand)

Note 13 - Investment property

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Gross block		
Opening gross carrying amount	**2,347**	**2,347**
Additions	-	-
Disposals	-	-
Closing gross carrying amount	**2,347**	**2,347**
Accumulated depreciation		
Opening accumulated depreciation	**168**	**126**
Depreciation charge	42	42
Disposals	-	-
Closing accumulated depreciation	**210**	**168**
Net carrying amount	**2,138**	**2,180**

Fair market value of the property is Rs. 2,837 thousands as on March 31, 2022 (Rs. 2,733 thousands as on March 31, 2021).

Reliance Financial Limited

Financial statements for the year ended March 31, 2022 **(₹ in thousands)**

Note 10 - Inventories (Continue)

Particulars		**As at March 31, 2022**		**As at March 31, 2021**	
Debt Securities	**Face Value**	**Quantity**	**Amount**	**Quantity**	**Amount**
ECL Finance Limited SEC RED NCD SR. II	1,000	315	426	315	389
ECL Finance Limited SEC RED NCD SR. IV	1,000	610	803	610	720
ECL Finance Limited SEC RED NCD SR. V	1,000	2,965	4,109	2,965	3,499
8.00% L&T Finance Limited	100			30,000	3,150
8.52% IDFC BANK LTD	10,00,000	1	1,000	1	979
Reliance Capital Limited NIFTY-9-3-20-PVT	1,00,000	75	1,875	75	1,875
Reliance Capital Limited B-/353A	1,00,000	50	1,250	50	1,250
Reliance Capital Limited B-/359-III	1,00,000	195	4,875	195	4,875
Reliance Capital Limited B-/433A	1,00,000			1,000	25,000
Reliance Home Finance Limited-NIFTY-16-8-22-PVT	5,00,000	25	3,125	25	3,125
Reliance Assets Reconstruction Company Limited A03	1,00,000	-	-	15	1,818
Reliance Assets Reconstruction Company Limited NIFTY-30-3-21	1,00,000	-	-	15	1,813
Reliance Securities Limited 180731	1,00,000	25	3,376	5	659
Reliance Securities Limited NIFTY-20-6-23-PV	1,00,000	5	982	5	662
Torus Financial Market	1,00,000	4	4,000	-	-
Anheuser Busch Inbev	10	5,000	1,945	-	-
Sterlite Power	2	2,500	3,751	-	-
Hdb Fin Ser Ltd	10	10,000	9,001	-	-
Market Simplife	10	13,597	1,088	-	-
			41,606		**49,814**

Reliance Financial Limited
Financial statements for the year ended March 31, 2022

(₹ in thousand)

Note 14 - Property, plant and equipment

Particulars	Leasehold Improvements	Office equipments	Furniture and fixtures	Data processing machineries	Total
Net carrying amount as at March 31, 2022					
Opening gross carrying amount	975	746	184	1,592	3,496
Additions	-	-	-	-	-
Additions (At cost)	-	-	-	-	-
Disposals and transfers	-	-	-	(580)	(580)
Closing gross carrying amount	**975**	**746**	**184**	**1,012**	**2,916**
Accumulated depreciation					
Opening accumulated depreciation	329	157	18	680	1,185
Depreciation charge	323	147	18	474	963
Disposals and transfers	-	-	-	(400)	(400)
Closing accumulated depreciation	**652**	**304**	**36**	**754**	**1,748**
Net carrying amount as at March 31, 2022	**323**	**441**	**147**	**258**	**1,169**

Particulars	Leasehold Improvements	Office equipments	Furniture and fixtures	Data processing machineries	Total
Net carrying amount as at March 31, 2021					
Opening gross carrying amount	975	746	184	1,592	3,496
Additions	-	-	-	-	-
Additions (At cost)	-	-	-	-	-
Disposals and transfers	-	-	-	-	-
Closing gross carrying amount	**975**	**746**	**184**	**1,592**	**3,496**
Accumulated depreciation					
Opening accumulated depreciation	-	-	-	126	125
Depreciation charge	330	157	18	554	1,060
Disposals and transfers	-	-	-	-	-
Closing accumulated depreciation	**330**	**157**	**18**	**680**	**1,185**
Net carrying amount as at March 31, 2021	**645**	**588**	**166**	**912**	**2,311**

Note 15 - Other intangible assets
A. Goodwill

Particulars	Goodwill on business acquisition	Total
Year ended Mar 31, 2022		
Gross carrying amount		
Opening gross carrying amount	59,327	59,327
Additions	-	-
Disposals and transfers	-	-
Closing gross carrying amount	**59,327**	**59,327**
Accumulated amortisation	-	-
Amortisation during the year	-	-
Disposals and transfers	-	-
Closing accumulated depreciation	**-**	**-**
Net carrying amount as at March 31, 2022	**59,327**	**59,327**

(₹ in thousand)

Particulars	Goodwill on business acquisition	Total
Year ended March 31, 2021		
Gross carrying amount		
Opening gross carrying amount	59,327	59,327
Additions	-	-
Disposals and transfers	-	-
Closing gross carrying amount	**59,327**	**59,327**
Accumulated amortisation	-	-
Amortisation during the year	-	-
Disposals and transfers	-	-
Closing accumulated depreciation	**-**	**-**
Net carrying amount as at March 31, 2021	**59,327**	**59,327**

Note:-

1) The recoverable amount is based on its value in use. The value in use is estimated using discounted cash flows over a period of 5 years. Cash flows beyond 5 years is estimated by capitalising the future maintainable cash flows by an appropriate capitalization rate and then discounted using pre-tax discount rate. Operating margins and growth rates for the five year cash flow projections have been estimated based on past experience and after considering the financial budgets/forecasts provided by the management. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industry and have been based on historical data from both external and internal sources. The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount.

B. Other intangible assets

Particulars	Computer softwares/ Licensing cost	Total
Year ended March 31, 2022		
Gross carrying amount		
Opening gross carrying amount	10,185	10,185
Additions	-	-
Disposals and transfers	-99	(99)
Closing gross carrying amount	**10,086**	**10,086**
Accumulated amortisation	3,266	3,266
Amortisation during the year	1,808	1,808
Disposals and transfers	-33	(33)
Closing accumulated depreciation	**5,041**	**5,041**
Net carrying amount as at March 31, 2022	**5,045**	**5,045**

Particulars	Computer softwares/ Licensing cost	Total
Year ended March 31, 2021		
Gross carrying amount		
Opening gross carrying amount	10,185	10,185
Additions	-	-
Disposals and transfers	-	-
Closing gross carrying amount	**10,185**	**10,185**
Accumulated amortisation	1,436	1,436
Amortisation during the year	1,830	1,830
Disposals and transfers	-	-
Closing accumulated depreciation	**3,266**	**3,266**
Net carrying amount as at March 31, 2021	**6,919**	**6,919**

Note:-

i) In respect of Intangible assets it is other than internally generated.

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Note 16 - Other non-financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	46	669
Service tax / GST input credit	-	28,197
Advance given to vendors	490	453
Total	**536**	**29,319**

Note 17 - Derivative financial instruments

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Company has elected not to apply hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as liabilities together with their notional amounts. The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

Particulars	Notional amounts	Fair value of liabilities
March 31, 2022		
Equity derivatives	13,073	21
Total	13,073	21

Particulars	Notional amounts	Fair value of liabilities
March 31, 2021		
Equity derivatives	1,66,778	14,988
Total	1,66,778	14,988

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are Market linked debentures.
The Company's risk management strategy and how it is applied to manage risk are explained in Note 44.

Note 18 - Trade Payables

Particulars	As at March 31, 2022	As at March 31, 2021
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	757	283
Total	**757**	**283**

The information as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) has been determined to the extent such parties have been identified on the basis of information received from suppliers regarding their status under the said act as available with the Group and relied upon by the auditors, is as follows:

According to the information available with the Company there are no dues (Previous year Rs Nil) payable to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2022.

Financial statements for the year ended March 31, 2022 (₹ in thousand)

Note 19 - Debt securities

Particulars	As at March 31, 2022	As at March 31, 2021
At fair value through profit and loss		
Market linked debentures (Secured)	6,54,109	6,36,254
Total (A)	**6,54,109**	**6,36,254**
Debt securities in India	6,54,109	6,36,254
Debt securities outside India		
Total (B)	**6,54,109**	**6,36,254**
Related party	-	1,054
others	6,54,109	6,35,200
Total (C)	**6,54,109**	**6,36,254**

Security clause in respect to debentures
Market linked non convertible debentures (MLD) are secured by way of first ranking mortgage and charge over the Company's Immovable property situated at 4th Floor, Tower C, Siddhi Vinayak Towers, Makarba, Ahmedabad, Gujarat and on all present and future book debts/ business receivable of the Company as specifically mentioned in the Trust deed.

In addition to the above, for each category of debentures the following respective additional security shall be available :

Category A Debentures :
A first pari passu charge on the present and future investments (investments includes non-current investments, current investments and stock in trade and excludes investments in equity and preference shares) of the Company; within a minimum asset cover of 100% at all time during the tenor of debentures.

Note 20 - Subordinated liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Preference Shares other than those that qualify as Equity	1,61,182	1,61,182
Total (A)	**1,61,182**	**1,61,182**
Subordinated Liabilities in India	1,61,182	1,61,182
Subordinated Liabilities outside India		
Total (B)	**1,61,182**	**1,61,182**

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Terms of preference shares :

March 2022

12% Non-convertible Cumulative Redeemable Preference Shares of ₹ 10/-each

The 12% Non-Convertible Cumulative Redeemable Preference Share (NCCRPS) holders shall be entitled to such rights and privileges as are available to them under the Companies Act, 2013.
They shall carry a preferential rights vis-a-vis equity shares of Company in respect of payment of capital and dividend in case of a winding up and shall be non participating in surplus of the Company.

'NCCRPS' were redeemable at issue price along with accumulated unpaid dividend on March 25, 2022. further, in relation to extension request of the same was discussed during the Committee of Creditors ("CoC") meeting of Reliance Capital Limited dated March 22, 2022 and the agenda was approved by CoC saying that "the extension request for a period of 1 year or plan getting approved from final authority whichever is earlier is hereby approved"

12% Non- Convertible Cumulative Redeemable Preference Shares (Qty 13000 Face Value Rs. 10) were issued on March 26, 2020 pursuant to the scheme of arrangement of Reliance Money Solutions Private Limited with the Company.
'NCCRPS' are redeemable at issue price along with accumulated unpaid dividend after the expiry of 10 years from the date of allotment i.e. March 26, 2020.

March 2021

12% Non-convertible Cumulative Redeemable Preference Shares of ₹ 10/-each

The 12% Non-Convertible Cumulative Redeemable Preference Share (NCCRPS) holders shall be entitled to such rights and privileges as are available to them under the Companies Act, 2013.
They shall carry a preferential rights vis-a-vis equity shares of Company in respect of payment of capital and dividend in case of a winding up and shall be non participating in surplus of the Company.
'NCCRPS' are redeemable at issue price along with accumulated unpaid dividend after the expiry of 4 years from the date of allotment i.e. March 26, 2018.

12% Non- Convertible Cumulative Redeemable Preference Shares (Qty 13000 Face Value Rs. 10) were issued on March 26, 2020 pursuant to the scheme of arrangement of Reliance Money Solutions Private Limited with the Company.
'NCCRPS' are redeemable at issue price along with accumulated unpaid dividend after the expiry of 10 years from the date of allotment i.e. March 26, 2020.

Note 21 - Other financial libilities

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Divided payable on preference shares	73,898	55,411
Provision for expenses	74,727	41,009
Total	**1,48,625**	**96,420**

Note 22 - Provisions

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Provision for gratuity	1,075	3,059
Contingent provision against standard assets	2,503	2,550
Total	**3,578**	**5,609**

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Movement of provisions other than employee benefit and loan commitment :

Particulars	
As at March 31, 2020	3,840
Add: Additions during the year	-
Less: Utilised during the year	(1,290)
Any other movement, specify	-
As at March 31, 2021	2,550
Add: Additions during the year	-
Less: Utilised during the year	(46)
Any other movement, specify	-
As at March 31, 2022	2,503

Note 23 - Other non-financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory liabilities	61,830	22,154
Advance from clients	230	1,152
Payable to or on behalf of employees	395	231
Total	**62,455**	**23,537**

Reliance Financial Limited
Financial statements for the year ended March 31, 2022

Note 19-Debt Securities (continue)

(₹ in Thousand)

Maturity Pattern of non-convertible market linked debentures are set out below:

Description	Issue Date	Face Value (In Thousand)	2022-23	2023-24	2024-25	Total
B/190116	17-01-2019	10,000	17,566	-	-	17,566
B/190116/II	25-01-2019	13,000	22,836	-	-	22,836
B/190116/III	25-01-2019	20,000	35,132	-	-	35,132
B/190116/IV	01-02-2019	10,000	17,566	-	-	17,566
B/190116/V	07-02-2019	49,500	86,952	-	-	86,952
B/190116/VI	11-02-2019	30,000	52,698	-	-	52,698
B/190314	15-03-2019	10,000	-	16,562	-	16,562
B/190314/II	20-03-2019	30,000	-	49,686	-	49,686
B/190314/III	29-03-2019	40,000	-	66,248	-	66,248
B/190314 - 4	11-04-2019	50,000	-	82,810	-	82,810
B/190314 - 5	10-05-2019	20,000	-	33,124	-	33,124
B/190314 - 6	28-05-2019	20,000	-	33,124	-	33,124
B/190314 - 7	12-06-2019	20,000	-	33,124	-	33,124
B/190314 - 8	17-07-2019	10,000	-	16,562	-	16,562
B/190314 - 9	29-08-2019	10,500	-	17,390	-	17,390
B/200907 /I	08-09-2020	5,000	-	-	6,404	6,404
B/200907/II	08-09-2020	5,000	-	-	5,979	5,979
B/200907/I - 2	17-12-2020	2,000	-	-	2,562	2,562
B/201214	15-12-2020	10,000	-	-	11,557	11,557
B201214/2	12-01-2021	10,000	-	-	11,557	11,557
B201214/3	19-01-2021	10,000	-	-	11,557	11,557
B201214/4	02-02-2021	10,000	-	-	11,557	11,557
B201214/5		10,000	-	-	11,557	11,557
Total			**2,32,750**	**3,48,630**	**72,729**	**6,54,109**

Reliance Financial Limited
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(₹ Thousands)

Note 18.1 - Trade Payables ageing

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	757	-	-	-	757
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	757	**-**	**-**	**-**	**757**

As at 31 March 2021

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	282	-	-	1	283
(iii) Disputed dues – MSME	-	-	-	-	
(iv) Disputed dues - Others	-	-	-	-	
	282	**-**	**-**	**1**	**283**

(Amount in ₹)

Note 24 - Equity share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	No.	Amount	No.	Amount
Authorised Capital				
Equity Shares of ₹ 10 each	2,50,00,000	2,50,000	2,50,00,000	2,50,000
Preference Shares of ₹ 10 each	3,50,00,000	3,50,000	3,50,00,000	3,50,000
	6,00,00,000	**6,00,000**	**6,00,00,000**	**6,00,000**

Particulars	As at March 31, 2022		As at March 31, 2021	
	No.	Amount	No.	Amount
Issued, subscribed and paidup Capital				
Equity Shares of ₹ 10 each fully paid up	2,41,57,897	2,41,579	2,41,57,897	2,41,579
	2,41,57,897	**2,41,579**	**2,41,57,897**	**2,41,579**

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year.

Particulars	As at March 31, 2022		As at March 31, 2021	
	No.	Amount	No.	Amount
Outstanding at the beginning of the year	2,41,57,897	2,41,579	2,41,57,897	2,41,579
Shares issued during the year/period	-	-	-	-
Outstanding at the end of the year/period	**2,41,57,897**	**2,41,579**	**2,41,57,897**	**2,41,579**

(b) Terms and Rights attached to equity shares

The Company has only one class of equity share having a par value of ₹ 10/- per share. Each holder of equity share is entitle to one vote per share.

In the event of liquidation of the company, the holder of equity shares will be entitled to receive any of the remaining asset of the Company after distribution of all preferential amount.

(c) Shares of the Company held by the holding Company

Particulars	As at March 31, 2022		As at March 31, 2021	
	No.	% holding	No.	% holding
Reliance Capital Limited (the holding Company) and its nominees	2,41,57,897	100%	2,41,57,897	100%

(d) Details of shareholders holding more than 5% of the shares in the Company

Particulars	As at March 31, 2022		As at March 31, 2021	
	No.	% holding	No.	% holding
Reliance Capital Limited (the holding Company) and its nominees	2,41,57,897	100%	2,41,57,897	100%

(e) Shares held by promoters at the end of the year

Particulars	As at March 31, 2022		As at March 31, 2021	
	No.	% holding	No.	% holding
Reliance Capital Limited (the holding Company) and its nominees	2,41,57,897	100%	2,41,57,897	100%

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Note 25 - Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Securities premium		
Opening balance	3,68,421	3,68,421
Ass: Issued during the year	-	-
Add/(Less) : Changes during the year	-	-
Closing balance	3,68,421	3,68,421
Statutory reserve fund		
Opening balance	1,18,923	1,17,696
Add: Amount transferred from Statement of Profit and loss	-	1,227
Closing balance	1,18,923	1,18,923
Retained earnings		
Opening balance	3,24,108	3,19,199
Add: Amount transferred from Statement of Profit and loss	(1,02,435)	6,136
Less: Transfer to statutory reserve fund	-	(1,227)
Closing balance	2,21,673	3,24,108
Other comprehensive income		
Opening balance	(1,165)	(783)
Other comprehensive income for the year	3	(382)
Closing balance	(1,162)	(1,165)
Total	**7,07,852**	**8,10,287**

Nature and purpose of reserve

(a) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(b) Statutory reserve fund

Statutory reserve fund is created by tranferring 20% of the profit for the year pursuant to section 45-IC of the Reserve Bank of India Act, 1934 for NBFC Companies.

(c) Retained earnings

Retained earnings represents accumulated surplus of profit and loss.

(d) Other comprehensive income

Other comprehensive income represents actuarial gains / (losses) arising on recognition of defined benefit plans.

(₹ in thousand)

Note 26 - Interest income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
On financial assets measured at amortised costs:		
Interest on loans	48,551	43,416
Interest income from investments	-	9
Interest on deposits with banks	18,174	22,080
Interest income from current investments	85	418
Total	**66,810**	**65,923**

Note 27 - Fees, Commission & Other Operating Income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Commission and fees	69,492	13,001
Total	**69,492**	**13,001**

Note 28 - Net gain on fair value changes

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
(i) Mutual Fund	18,980	19,716
(ii) Net gain/(loss) on derivatives	1,37,061	-
(iii) Bonds	1,236	6,723
(iv) Unlisted Shares	1,686	-
(B) Net gain/ (loss) on fair value changes on preference shares	14,630	13,988
Total Net gain/(loss) on fair value changes	**1,73,593**	**40,427**
Fair Value changes:		
Realised	1,70,635	18,259
Unrealised	2,958	22,168
Total Net gain/(loss) on fair value changes	1,73,593	40,427

Note 29 - Other Income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest on income tax refund	2,957	110
Provision written back / Miscellaneous income	90	28,861
Total	**3,047**	**28,971**

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(₹ in thousand)

Note 30 - Finance cost

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
On financial liabilities measured at amortised cost:		
Interest on preference shares	18,486	20,219
Interest on borrowings	298	571
On financial liabilities measured at FVTPL:		
Interest on debentures	1,01,174	90,454
Hedging gain on derivatives	(1,08,305)	(1,94,203)
Total	**11,653**	**(82,959)**

Note 31 - Fees and commission expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Fees and commission expense	5,338	284
Total	**5,338**	**284**

Note 32 - Employee benefits expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and wages	1,41,708	89,440
Contribution to provident and other funds	2,930	3,154
Staff welfare expenses	246	66
Total	**1,44,884**	**92,660**

Note 33 - Others expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Rent and electricity	2,119	2,616
Rates and taxes	191	412
Professional charges	6,134	3,876
Insurance	1,020	667
Membership and subscription	1,358	249
Miscellaneous expenses	4	0
Bank Charges	44	3
Communication Expenses	15	13
Printing and Stationery	-	3
Travelling, conveyance	211	354
Reversal of interest income earlier year	1,457	17,655
Software expenses	851	1,071
Provision for doubtful assets	1,00,004	-
- non performing assets	1,41,277	1,50,242
Bad Debts	1,778	-
Auditors' remuneration	-	-
- Audit fees	450	450
- Limited review & Other Fees	190	245
Corporate social responsibility expenditure	746	1,742
Office administration expenses	329	57
Loss on sale\discardment of property, plant and equipment	245	-
Total	**2,58,423**	**1,79,655**

Notes to financial statements for the year ended March 31, 2022 (₹ in thousands)

34 Contingent Liabilities and commitments

Particulars	As at March 31, 2022	As at March 31, 2021
Guarantees given by scheduled banks on behalf of the Company towards		
Security deposit in favour of VAT Authorities of four States.	350	350

35 Segment Information for the year ended March 31, 2022

The Company has reported segment wise information as per IND AS 108 "Operating Segment", notified under the Companies (Indian Accounting Standards) Rules, 2015. The operations of the Company are conducted within India, there is no separate reportable geographical segment and the Company reported the following business segments:

(i) Financing and Investing activity : This comprise of investments & lending against shares/securities/commodities.

(ii) Commission and Fees: Commission and Fees activities includes distribution of financial product distribution, etc.

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
1. Segment Revenue		
a. Financing and investing activity	2,40,404	1,15,841
b. Commission and Fees	69,492	13,001
c. Unallocable	3,047	19,480
Total Segment Revenue	**3,12,943**	**1,48,322**
2. Segment Results		
a. Financing and investing activity	(1,21,824)	(43,305)
b. Commission and Fees	28,483	2,230
c. Unallocable	(16,826)	(3,175)
Total Segment Profit before tax	**(1,10,167)**	**(44,250)**
3. Segment Assets		
a. Financing and investing activity	18,45,425	18,54,265
b. Commission and Fees	1,641	915
c. Unallocable	1,33,092	1,34,959
Total Segment Assets	**19,80,158**	**19,90,139**
Segment Liabilities		
a. Financing and investing activity	7,95,647	7,21,680
b. Commission and Fees	-	-
c. Unallocable	2,35,080	2,16,593
Total Segment Liability	**10,30,727**	**9,38,273**

36 Income tax

36.1 The components of income tax expense for the year ended March 31, 2022 and March 31, 2021 are:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current tax	1,480	1,624
Adjustment in respect of current income tax of prior years	(9,212)	(2,682)
Deferred tax	-	(49,200)
Total	**(7,732)**	**(50,258)**

Notes to financial statements for the year ended March 31, 2022 (₹ in thousands)

36.2 Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2022 and March 31, 2021 is, as follows:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit before tax	(1,10,167)	(44,250)
Tax at India's statutory income tax rate of 25.17% (previous year 25.17%)	**(27,727)**	**(11,137)**
Tax effect of the amount which are not taxable in calculating taxable income :		
Non deductible expense as per Income tax	188	411
Tax expenses at special rate	(691)	-
Deferred tax assets not created on temprory difference	29,710	(36,849)
Earlier year taxes	(9,212)	(2,682)
Income tax expense at effective tax rate	**(7,732)**	**(50,258)**
Effective tax rate	**7.02%**	**113.58%**

36.3 Deferred tax assets/liabilities

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax assets / liabilities:

Particulars	As at March 31, 2020	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at March 31, 2021
Deferred tax liability :				
Depreciation	(3,322)	2,268	-	(1,054)
Unrealised gain on units of Mutual funds	(2,979)	(2,483)	-	(5,462)
Unrealised gain on Futures	-	-	-	-
	(6,301)	**(215)**	**-**	**(6,516)**
Deferred tax asset :				
Provision for gratuity	458	312	-	770
Provision for expense	5,793	(4,848)	-	945
Provision for standard assets	998	(998)	-	-
Provision for doubtful debts	28,136	36,913	-	65,049
Provision on GST / service tax input credit	3,120	(3,120)	-	-
MTM Loss on open future & option position	4,479	14,497	-	18,976
MAT credit entitlement	16,912	(16,912)	-	-
BFL	4,986	23,699	-	28,685
	64,882	**49,543**	**-**	**1,14,425**
Net deferred tax asset/(liability)	**58,581**	**49,328**	**-**	**1,07,909**

Particulars	As at March 31, 2021	Charged/ (credited) to profit	Charged/ (credited) to OCI	As at March 31, 2022
Deferred tax liability :				
Depreciation	(1,054)	8,014	-	6,960
Unrealised gain on options	-	10,724	-	10,724
Unrealised gain on units of Mutual funds	(5,462)	(1,742)	-	(7,205)
	(6,516)	**16,995**	**-**	**10,480**
Deferred tax asset :				
Provision for gratuity	770	(500)	-	270
Provision for expense	945	163	-	1,108
Provision for standard assets	-	1,00,605	-	1,00,605
Provision for doubtful debts	65,049	(39,880)	-	25,169
MTM Loss on open future & option position	18,976	(8,252)	-	10,724
Unrealised loss on units of Mutual funds	-	(7,205)	-	(7,205)
Unamortised processing fees revenue	28,685	3,891	-	32,576
	1,14,425	**48,823**	**-**	**1,63,248**
Net deferred tax asset/(liability)	**1,07,909**	**65,819**	**-**	**1,73,728**

Note The Company's deferred tax constitute mainly temporary differences in tax assets and liabilities, the company has decided to restrict deferred tax assets recognistion upto Rs. 1,07,909 on conservative basis.

Notes to financial statements for the year ended March 31, 2022 (₹ in thousands)

37 Employee Benefits

The Company has classified the various benefits provided to employees as under:

(A) Defined contribution plans

The Company has a defined contribution plan in respect of provident fund. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Employer's Contribution to Provident Fund (includes administration charges) Refer Note No. 32	2,930	3,154

(B) Defined Benefit Plans:

Gratuity and Leave Encashment:

The employees' gratuity fund scheme managed by a Trust (Reliance Financial Limited Employees Gratuity Assurance Scheme) is a 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 leave encashment is recognised in the same manner as gratuity.

Employee Benefit Obligation (Gratuity and Leave Encashment)

	Gratuity Benefits (Funded)	
I. Change in present value of obligation:	**FY 2021-22**	**FY 2020-21**
Present value of obligations at the beginning of the year	9,110	1,807
Interest Cost	619	124
Current Service Cost	870	1,101
Liability for Transferred In / (out)	1	5,519
Benefit Paid	(262)	(121)
Acturial loss / (gain) arising from change in financial assumptions	(488)	42
Acturial loss / (gain) arising from change in demographic assumptions	(32)	20
Acturial loss / (gain) arising on account of experience changes	444	619
Present value of obligations at the end of the year	10,262	9,110

II. Change in the fair value of Plan Assets :	**FY 2021-22**	**FY 2020-21**
Fair Value of Plan Assets at the beginning of the year	6,051	451
Interest income	411	31
Assets for Transferred In / (out)	1	5,519
Contributions	3,059	-
Benefit Paid	(262)	(121)
Actuarial gain/(loss) on Plan Assets	(73)	171
Fair Value of Plan Assets at the end of the year	**9,188**	**6,051**

III. Reconciliation of present value of obligation and fair value of assets :	**FY 2021-22**	**FY 2020-21**
Liability at the end of the year	10,262	9,110
Fair value of plan assets at the end of the year	9,188	6,051
(Asset)/Liability Recognised in the Balance Sheet*	**1,074**	**3,059**

* Included under 'provisions' (Refer Note 22)

IV. Expenses recognised during the year :	**FY 2021-22**	**FY 2020-21**
Current Service Cost	870	1,101
Interest Cost	619	124
Expected Return on Plan Assets	(411)	(31)
Net Actuarial (Gain)/Loss recognised	(4)	510
	1,074	**1,703**
Disclosed under OCI	4	(510)
Expense Recognised in Statement of profit and loss	**1,078**	**1,193**

V. Amount recorded in Other comprehensive Income (OCI)	**FY 2021-22**	**FY 2020-21**
Actuarial (Gains)/Losses on Obligation For the Period	(77)	680
Return on Plan Assets, Excluding Interest Income	73	(170)
Net (Income)/Expense For the Period Recognized in OCI	**(4)**	**510**

V. Investment details :
Total value of investments for employees gratuity fund scheme is managed by insurance Company.

VI. Assumptions :	**FY 2021-22**	**FY 2020-21**
Discount Rate (per annum)	7.23%	6.80%
Expected Return on Plan Assets	7.23%	6.80%
Salary Escalation	6.00%	6.00%
Rate of Employee Turnover	For 0 yrs to 4 yrs 26.00% p.a. & 2% thereafter	For 0 yrs to 4 yrs 20.00% p.a. & 2% thereafter
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)

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.

Notes to financial statements for the year ended March 31, 2022 (₹ in thousands)

VII. Particulars of amounts of gratuity for the year	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18
Present value of obligations at the beginning of the year	10,262	9,110	1,807	807	525
Fair value of plan assets at the end of the year	9,188	6,051	451	563	66
Excess of Obligation Over Plan Asset	1,074	3,059	1,356	244	459
Experience and Financial Assumption					
Adjustment on Plan Liability (Gain)/Loss	(45)	661	842	(100)	298
Actuarial Gain /(Loss) due to Plan Asset	(73)	171	12	33	(60)

(C) Sensitivity analysis:
The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

Particulars			Impact on defined benefit obligation			
	Change in assumption		Increase in assumption		Decrease in assumption	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Discount Rate	1%	1%	(1,030)	(969)	1,183	1,121
Salary growth rate	1%	1%	1,185	1,119	(1,051)	(985)
Employee Turnover	1%	1%	95	59	(105)	(65)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined obligation calculated with the projected unit credit method at the end of reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.
The methods and types of assumptions used un preparing the sensitivity analysis did not change compared to the prior year.

(D) Major Category of Plan Asset as a % of total Plan Assets

Category of Assets (% Allocation)	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	%		Amount	
Insurer managed funds	100%	100%	9,188	6,051
Total	**100%**	**100%**	**9,188**	**6,051**

(F) Risk exposure
Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility
The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. The gratuity fund is administered through Reliance Nippoin Life Insurance Ltd. (insurer) under its group gratuity scheme. Accordingly almost the entire plan asset investments is maintained by the insurer. These are subject to interest rate risk which is managed by the insurer.

Changes in bond yields
A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' assets maintained by the insurer.

The gratuity fund is administered through insurer under its Group Gratuity Scheme. Unique advantage of this scheme is that contribution made by the Company and interest credited by insurer are irreversible. This ensures higher level of safety for the total corpus and consistency in future contribution. The total corpus comprising of money contributed by the Company and the interest credited by insurer is available for claim settlements to 100% subject to availability of funds. On the exit of the employees due to retirement/ death /resignation the gratuity trust makes a claim on insurer which is then paid to the employees after receipt of such claim. The investment risk in this case is not borne by the Company.

(G) Defined benefit liability and employer contribution

The Company generally eliminates the deficit in the defined benefit gratuity plan with in next one year.

Expected contribution to the post employment benefit plan (Gratuity) for the year ending **March 31, 2023 are Rs. 1938.45** thousands
The expected maturity analysis of undiscounted post employment benefit plan (gratuity) is as follows :

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
As at March 31, 2022					
Defined benefit obligation (gratuity)	249	581	886	22,604	24,319
As at March 31, 2021					
Defined benefit obligation (gratuity)	219	230	1,031	20,056	21,536

38 Earnings per share

Particulars	March 31, 2022	March 31, 2021
Net profit/(loss) after tax as per statement of profit and loss	(1,02,435)	6,136
Profit/(Loss) attributable to equity shareholders	**(1,02,435)**	**6,136**
Weighted average number of equity shares outstanding during the year	2,41,57,897	2,41,57,897
Nominal value per equity share	10	10
Basic and diluted earnings per share	**(4.24)**	**0.25**

Notes to financial statements for the year ended March 31, 2022 (₹ in thousands)

39 Key ratios:

Particulars	**March 31, 2022**	**March 31, 2021**
The following table set forth, the year indicated, the key financial ratios:		
Gross NPA as a percentage of total loans and advance	58.06%	57.44%
Net NPA as a percentage of total loans and advance	4.79%	24.68%
Book value per share - Note (a)	39.30	43.54
Debt to equity ratio (Refer note 45)	0.94	0.81

(a) Book value per share = Networth/Equity shares. Networth =Equity Share capital + Reserves and surplus

40 Foreign currency transactions

Particulars	**March 31, 2022**	**March 31, 2021**
Details of foreign currency transactions are as follows:		
Expenditure incurred in foreign currency*	NIL	NIL
Income earned in foreign currency*	NIL	NIL

*During the year the Company had no unhedge foreign currency exposures.

41 Capital management

The primary objectives of the Company's capital management policy are to ensure that the company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities.
No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Regulatory Capital

The following additional information is disclosed in terms of the RBI circular (Ref No. DNBR.PD.008 / 03.10.119 / 2016-17 dated September 01, 2016) and RBI circular DNBR(PD) CC No. 053 / 03.10.119 / 2015-16 :

(₹ in Thousand)

Capital to risk assets ratio (CRAR):	**As at March 31, 2022**	**As at March 31, 2021**
Tier I capital	3,51,148	4,31,489
Tier II capital	1,63,686	1,63,732
Total capital	**5,14,834**	**5,95,221**
CRAR (%)	45.36%	48.18%
CRAR - Tier I capital (%)	30.94%	34.93%
CRAR - Tier II capital (%)	14.42%	13.25%
Amount of subordinated debt considered as Tier II capital	1,61,182	1,61,182

Regulatory capital Tier I capital, which comprises share capital, share premium, special reserves, share option outstanding account, retained earnings including current year profit less accrued dividends. Certain adjustments are made to Ind AS based results and reserves, as prescribed by the Reserve Bank of India.

Reliance Financial Limited
Notes to financial statements for the year ended March 31, 2022

(₹ in thousands)

42 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	3,05,632	-	3,05,632	18,628	-	18,628
Bank Balance other than (a) above	2,00,350	253	2,00,603	1,10,303	1,50,000	2,60,303
Derivative financial instruments	239	-	239	7,808	5,624	13,432
Receivables						
(i) Trade receivables	-	-	-	-	-	-
(ii) Other receivables	-	-	-	-	-	-
Loans	2,86,765	-	2,86,765	4,50,920	-	4,50,920
Investments	73,474	3,33,525	4,06,999	2,04,540	3,18,895	5,23,435
Other Financial assets	5,37,006	27	5,37,033	4,38,564	55	4,38,619
Non-financial Assets						
Inventories	41,607	-	41,607	49,814	-	49,814
Current tax assets (net)	-	25,156	25,156	-	27,023	27,023
Deferred tax assets (net)	-	1,07,909	1,07,909	-	1,07,909	1,07,909
Investment property	-	2,138	2,138	-	2,180	2,180
Property, plant and equipment	-	1,169	1,169	-	2,311	2,311
Goodwill	-	59,327	59,327		59,327	59,327
Other intangible assets	-	5,045	5,045	-	6,919	6,919
Other non-financial assets	536	-	536	1,122	28,197	29,319
Total assets	**14,45,609**	**5,34,549**	**19,80,159**	**12,81,699**	**7,08,439**	**19,90,138**

Reliance Financial Limited
Notes to financial statements for the year ended March 31, 2022

(₹ in thousands)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Financial liabilities						
Derivative financial instruments	21	-	21	14,682	306	14,988
Payables						
Trade Payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	757	-	757	283	-	283
Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Debt securities	2,32,750	4,21,359	6,54,109	80,555	5,55,699	6,36,254
Borrowings	-	-	-	-	-	-
Subordinated liabilities	1,61,052	130	1,61,182	-	1,61,182	1,61,182
Other financial libilities	1,48,603	22	1,48,625	96,420	-	96,420
	1 to 51					
Non-financial Liabilities						
Current tax liabilities (net)	-	-	-	-	-	-
Provisions	3,578	-	3,578	5,609	-	5,609
Deferred tax liabilities (net)	-	-	-	-	-	-
Other non-financial liabilities	62,455	-	62,455	23,537	-	23,537
Total liabilities	**6,09,216**	**4,21,512**	**10,30,727**	**2,21,086**	**7,17,187**	**9,38,273**
Net	**8,36,393**	**1,13,037**	**9,49,431**	**10,60,613**	**(8,748)**	**10,51,865**

Notes to financial statements for the year ended March 31, 2022 (₹ in thousands)

43 Fair value measurements

(a) Financial instruments by category

Particulars	March 31, 2022		March 31, 2021	
	Fair value through profit or loss	Amortised cost	Fair value through profit or loss	Amortised cost
Financial Assets				
Loans	-	2,86,765	-	4,50,920
Investments				
- Mutual Funds	73,474	-	2,04,540	-
- National Savings certificate		20		20
- Debentures	-	-	-	-
- Preference shares	3,33,505	-	3,18,875	-
Derivative financial instruments	239	-	13,432	-
Trade and other receivables	-	-	-	-
Cash and cash Equivalents	-	3,05,632	-	18,628
Other bank balances	-	2,00,603	-	2,60,303
Other financials assets	-	5,37,033	-	4,38,619
Total Financial Assets	**4,07,218**	**13,30,053**	**5,36,847**	**11,68,490**
Financial Liabilities				
Derivative financial instruments	21	-	14,988	-
Trade payables		757		283
Debt Securities	6,54,109	-	6,36,254	-
Borrowings (including interest)	-	-	-	-
Subordinated Liabilities				
- Preference shares	-	1,61,182	-	1,61,182
Other financial liabilities	-	1,48,625	-	96,420
Total Financial Liabilities	**6,54,129**	**3,10,564**	**6,51,241**	**2,57,886**

Fair value hierarchy

The following section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value through profit or loss. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial investments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

b) Fair value hierarchy for assets

Assets and liabilities measured at fair value - recurring fair value measurements as at 31 March 2022

Particulars	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets				
Loans	-	-	-	-
Investments	-	-	-	-
- Mutual Funds	73,474	-	-	73,474
- National Savings certificate	-	-	-	-
- Debentures	-	-	-	-
- Preference shares	-	-	3,33,505	3,33,505
Derivative financial instruments	239	-	-	239
Trade and other receivables	-	-	-	-
Cash and cash Equivalents	-	-	-	-
Other bank balances	-	-	-	-
Other financials assets	-	-	-	-
Total Financial Assets	**73,713**	**-**	**3,33,505**	**4,07,218**
Financial Liabilities				
Derivative financial instruments	21	-	-	21
Trade payables	-	-	-	-
Debt Securities	-	-	6,54,109	6,54,109
Borrowings (including interest)	-	-		-
Subordinated Liabilities	-	-	-	-
- Preference shares	-	-	-	-
Other financial liabilities	-	-	-	-
Total Financial Liabilities	**21**	**-**	**6,54,109**	**6,54,129**

Notes to financial statements for the year ended March 31, 2022 (₹ in thousands)

Assets and liabilities measured at fair value - recurring fair value measurements as at 31 March 2021

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Loans	-	-	-	-
Investments	-	-	-	-
- Mutual Funds	2,04,540	-	-	2,04,540
- National Savings certificate	-	-	-	-
- Debentures	-	-	-	-
- Preference shares	-	-	3,18,875	3,18,875
Derivative financial instruments	13,432	-	-	13,432
Trade and other receivables	-	-	-	-
Cash and cash Equivalents	-	-	-	-
Other bank balances	-	-	-	-
Other financials assets	-	-	-	-
Total Financial Assets	**2,17,972**	**-**	**3,18,875**	**5,36,847**
Financial Liabilities				
Derivative financial instruments	14,988	-	-	14,988
Trade payables	-	-	-	-
Debt Securities	-	-	6,36,254	6,36,254
Borrowings (including interest)	-	-		-
Subordinated Liabilities	-	-	-	-
- Preference shares	-	-	-	-
Other financial liabilities	-	-	-	-
Total Financial Liabilities	**14,988**	**-**	**6,36,254**	**6,51,241**

Notes:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between levels 1, 2 and 3 during the year. For transfers in and out of level 3 measurements see (d) below.

(c) Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

· Listed equity investments (other than subsidiaries and associates) - Quoted bid price on stock exchange
· Mutual fund - Net asset value of the scheme quoted on last trading day of the reporting year.
· Debentures or bonds - based on market yield for instruments with similar risk / maturity, etc.
· Other financial instruments – discounted cash flow analysis.

(d) Fair value measurements using significant unobservable inputs (level 3)
The following table presents the changes in level 3 items for the periods ended 31 March 2022 and 31 March 2021:

Particulars	Preference Share	Bonds	Total
As at March 31, 2020	3,04,887	1,00,120	4,05,007
Additions		-	-
Disposals		(1,00,120)	(1,00,120)
Gains/(losses) recognised in statement of profit and loss	13,988		13,988
As at March 31, 2021	**3,18,875**	**-**	**3,18,875**
Additions		-	-
Disposals		-	-
Gains/(losses) recognised in statement of profit and loss	14,630	-	14,630
As at March 31, 2022	**3,33,505**	**-**	**3,33,505**

Notes to financial statements for the year ended March 31, 2022 (₹ in thousands)

(e) Valuation processes

The finance department of the Company includes a team that performs the valuations of non-property items required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO and the valuation team at least once every six months, in line with the company's half-yearly reporting periods.

The main level 3 inputs used by the group are derived and evaluated as follows:
· Discount rates for financial assets and financial liabilities are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
· Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from credit risk gradings determined by company's internal credit risk management group.
· Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.
· Contingent consideration – expected cash inflows are estimated based on the terms of the sale contract and the entity's knowledge of the business and how the current economic environment is likely to impact it.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the half-yearly valuation discussion between the CFO, AC and the valuation team. As part of this discussion the team presents a report that explains the reason for the fair value movements.

(f) Fair value of financial assets and liabilities measured at amortised cost

Particulars	March 31, 2022		March 31, 2021	
	Carrying Value	Fair value	Carrying Value	Fair value
Financial Assets				
Loans	2,86,765	2,86,765	4,50,920	4,50,920
Investments				
- National Savings certificate	20	20	20	20
- Debentures	-	-	-	-
Trade and other receivables	-	-	-	-
Cash and cash Equivalents	3,05,632	3,05,632	18,628	18,628
Other bank balances	2,00,603	2,00,603	2,60,303	2,60,303
Other financials assets	5,37,033	5,37,033	4,38,619	4,38,619
Total Financial Assets	**13,30,053**	**13,30,053**	**11,68,490**	**11,68,490**
Financial Liabilities				
Trade payables	757	757	283	283
Subordinated Liabilities				
- Preference shares	1,61,182	1,61,182	1,61,182	1,61,182
Other financial liabilities	1,48,625	1,48,625	96,420	96,420
Total Financial Liabilities	**3,10,564**	**3,10,564**	**2,57,886**	**2,57,886**

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, Trade receivables, cash and cash equivalents, bank deposits and trade payables. Such amounts have been classified as Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

The fair values for loans, security deposits and investment in preference shares were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of debt securities are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

(₹ in thousands)

44 Financial risk management

Financial risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee holds regular meetings and report to board on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management of risk
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis Credit ratings	Online Monitoring of the LTV for Loans Given Against Shares/Funding of Shares
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of surplus cash, committed credit lines and borrowing facilities
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Regular monitoring to keep the net exposure at an acceptable level, with option of taking Forward foreign exchange contracts if deemed necessary.
Price Risk	Investments in mutual funds	Credit ratings	Portfolio diversification and regular monitoring

44.1 Credit risk

Credit risk is the risk of suffering financial loss, should any of the Company's customers, clients or market counterparties fail to fulfil their contractual obligations to the Company. Credit risk arises mainly from loans and advances, and loan commitments arising from such lending activities.

The Company is also exposed to other credit risks arising from investments in debt securities.

Credit risk is the single largest risk for the Company's business, management therefore carefully manages its exposure to credit risk. The credit risk management and control are centralised in a credit risk management team which reports regularly to the Board of Directors.

44.1(a) Loans and advances

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Company measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). This is similar to the approach used for the purposes of measuring Expected Credit Loss (ECL) under Ind AS 109.

(₹ in thousands)

44.1(b) Credit risk grading

The Company uses internal credit risk gradings that reflect its assessment of the probability of default of individual counterparties. The Company use internal rating models tailored to the various categories of counterparty. Borrower and loan specific information collected at the time of application (such as client's income, source of income) is fed into this rating model. This is supplemented with external data such as credit bureau scoring information on individual borrowers. A separate evaluation of Collateral is done based on the financials, trading pattern of the collateral/Stock to be funded. In addition, the models enable expert judgement from the Credit Risk Officer to be fed into the final internal credit rating for each exposure. This allows for considerations which may not be captured as part of the other data inputs into the model.

The Company has its own internal credit rating framework that is uses for rating of investment proposals at the time of sanction and during the annual re-rating exercise. The framework is robust and comparable to credit models used by premier rating agencies. Based on the analysis done by company, the parameters in the rating model (promoter strength, business risk, market risk, financial risk, financial ratios etc.) are given a score between 1 (highest) to 4 (lowest). The internal rating is based on the final score derived from the credit rating model as mentioned below.

Scale	Credit Quality	Mapping
A+	Highest Credit Quality	<1.5
A	High Credit Quality	1.51-2
A-	Adequate Credit Quality	2.01-2.3
B+	Moderate Credit Quality	2.31-2.6
B	Below Moderate Credit Quality	2.61-2.9
B-	Risk Prone Credit Quality	2.91-3.2
C+	Poor Credit Quality	3.21-3.4
C	Lowest Credit Quality	3.4-3.5
C-	Borderline	3.5-3.6
D	Default 1 to 51	>3.6
IR	Not enough information	

The grades above B are considered investment grade and the grades below B are speculative grade. Grade B shall be considered as risk prone grade and will be subjectively evaluated by the credit committee. The client maximum exposure and the client LTV (Loan to value) is decided based on this internal credit rating. The applications with speculative grades are rejected.

The Company has an internal policy of categorizing all the equity shares in three categories. The categorization is based on various parameters such as Value At Risk, Market Cap, Average Daily Volumes, Impact Cost, Financial Ratios etc. Single Scrip exposure is provided only in Category A and B stocks, for Category C scrips, there have to be multiple scrips to get loan.

44.1(c) Expected credit loss measurement

Ind AS 109 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

(a) A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Company.

(b) If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. Please refer to note 44.1(c)(1) for a description of how the Company determines when a significant increase in credit risk has occurred.

(c) If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. Please refer to note 44.1(c)(2) for a description of how the Company defines credit-impaired and default.

For the Company, ECL is calculated on lifetime basis only, whatever stage the Financial Instrument is in, since the loans are provided for 12 months only.

The key judgements and assumptions adopted by the Company in addressing the requirements of the standard are discussed below:

(₹ in thousands)

The following diagram summarises the impairment requirements under Ind AS 109 (other than purchased or originated credit-impaired financial assets):

Change in credit quality since initial recognition

Stage 1	Stage 2	Stage 3
(Initial recognition)	(Significant increase in credit risk since initial recognition)	(Credit-impaired assets)
12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

44.1(c)(1) Significant increase in credit risk (SICR)

The Company considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following have been met:

-The LTV of the Loan is more than APPROVED LTV

-The interest on loan is not cleared for more than 60 days.

44.1(c)(2) Definition of default and credit-impaired assets

The Company defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, when it meets one or more of the following criteria:

(i) The borrower is more than 90 days past due on its contractual payments.

(ii) The collateral value of the borrower has fallen below the Loans advanced to him.

The criteria above have been applied to all borrowers of the Company and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Company's expected loss calculations.

The borrower is considered to be no longer be in default (i.e. to have cured) when he no longer meets any of the default criteria for a consecutive period of six months. This period of six months has been determined based on an analysis which considers the likelihood of a borrowing returning to default status after cure using different possible cure definitions.

44.1(c)(3) Measuring ECL - Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

• The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above),over the remaining lifetime (Lifetime PD) of the obligation.

• EAD is based on the amounts the Company expects to be owed at the time of default, over the remaining lifetime (Lifetime EAD).

• Loss Given Default (LGD) represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a lifetime basis, where Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD. These three components are multiplied together. This effectively calculates an ECL for each future period.

The assumptions underlying the ECL calculation such as how the maturity profile of the PDs and how collateral values change etc. are monitored and reviewed on a periodic basis.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

(₹ in thousands)

44.1(d) **Credit risk exposure**

44.1(d)(1) **Maximum exposure to credit risk – Financial instruments subject to impairment**

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Company's maximum exposure to credit risk on these assets.

Particulars	**As at March 31, 2022**				**As at March 31, 2021**
	Stage 1 12-month ECL	**Stage 2** Lifetime ECL	**Stage 3** Lifetime ECL	**Total**	**Total**
Credit grade					
Investment grade	4,06,999	-	-	4,06,999	5,23,435
Standard monitoring	2,81,550	-	-	2,81,550	4,50,920
Special monitoring	-	-	-	-	-
Default	-	-	4,04,375	4,04,375	2,57,883
Gross carrying amount	**6,88,549**	**-**	**4,04,375**	**10,92,924**	**12,32,238**
Loss allowance	28,155	-	3,71,005	3,99,160	2,57,883
Carrying amount	**6,60,394**	**-**	**33,370**	**6,93,764**	**9,74,355**

Information on how the Expected Credit Loss (ECL) is measured and how the three stages above are determined is included in note 44.1(c)(3)

(₹ in thousands)

44.1(d)(2) Collateral and other credit enhancements

The Company employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The Company has internal policies on the acceptability of specific classes of collateral or credit risk mitigation.

The Company prepares a valuation of the collateral obtained as part of the loan origination process. This assessment is reviewed periodically. The principal collateral types for loans and advances are:

-The Collateral are either taken in company's Pool account or they are put in clients demat account with POA to company.

The Company’s policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Company since the prior period.

Financial assets and related collateral held in order to mitigate potential losses are shown below:

Particulars	Gross exposure	Impairment allowance	Carrying amount	Fair value of collateral held
Loan against securities				
Company	48	48	-	-
HUF	-	-	-	-
Individual	4,02,247	4,02,247	-	-
LLP	-	-	-	-
Unsecured Loans				
Company	5,31,150	-11,545	5,42,695	-
Individual	-	-	-	-
LLP	-	-	-	-
Related parties	84,100	8,410	75,690	-
Total	**10,17,545**	**3,99,160**	**6,18,385**	**-**

44.1(d)(3) Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

-Transfers between Stage 1 or 2 and Stage 3 due to financial instruments becoming credit-impaired in the period.

-Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;

-Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

Particulars	Stage 1	Stage 2	Stage 3	Total
Loss allowance as at 1 April 2021	25,230	-	2,32,653	2,57,883
Movements with P&L impact	2,925	-	1,38,352	1,41,277
Transfers:				
Transfers from Stage 1 to Stage 3	-	-		-
Transfers from Stage 3 to Stage 1	-	-	-	-
l Impact on the measurement of ECL	-	-	-	-
Additional Loans during the financial year	-	-	-	-
Total net P&L charge during the year	28,155	-	3,71,005	3,99,160
Other movements with no P&L impact				
Transfers:				
Transfers from Stage 2 to Stage 3	-	-	-	-
Transfers from Stage 3 to Stage 2	-	-	-	-
Financial assets derecognised during the period	-	-	-	-
Loss allowance as at 31 March 2022	28,155	-	3,71,005	3,99,160

(₹ in thousands)

44.1(d)(4) Write-off policy

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Company's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Company may write-off financial assets that are still subject to enforcement activity. The Company still seeks to recover amounts it is legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery.

44.2 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in accordance with practice and limits set by the company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period :

(₹ in thousand)

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Bank overdraft	45,000	45,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time and have an maturity of 1 year.

(ii) Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the company's financial assets and liabilities as at March 31. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Reliance Financial Limited

Financial statements for the year ended March 31, 2022

(₹ in thousands)

As at March 31, 2022

Contractual maturities of assets and liabilities	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial assets						
Cash and cash equivalents	3,05,632	-	-	-	-	3,05,632
Bank balance other than cash and cash	-	50,000	1,50,350	253	-	2,00,603
Derivative financial instruments	-		239	-	-	239
Receivables						
(I) Trade receivables	-	-	-	-	-	-
(II) Other receivables	-	-	-	-	-	-
Loans	-	-	2,86,765	-	-	2,86,765
Investments	-	73,474	-	-	3,33,525	4,06,999
Other financial assets	-	5,26,414	10,592	27	-	5,37,033
Total financial assets	**3,05,632**	**6,49,888**	**4,47,946**	**280**	**3,33,525**	**17,37,271**
Financial liabilities						
Derivative financial instruments			21		-	21
Payables						
(I) Trade payables						
(i) total outstanding dues of micro	-	-	-	-	-	-
(ii) total outstanding dues of	-	757	-	-	-	757
(II) Other payables					-	-
(i) total outstanding dues of micro	-	-	-	-	-	-
(ii) total outstanding dues of	-	-	-	-	-	-
Debt securities	-	-	2,32,750	4,21,359	-	6,54,109
Subordinated liabilities	-	-	1,61,052	-	130	1,61,182
Other financial liabilities	-	74,727	73,875	-	**22**	1,48,625
Total financial liabilities	**-**	**75,484**	**4,67,698**	**4,21,359**	**152**	**9,64,694**
Net	**3,05,632**	**5,74,404**	**(19,752)**	**(4,21,079)**	**3,33,373**	**7,72,578**

(₹ in thousands)

As at March 31, 2021

Contractual maturities of assets and liabilities	**On demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**Total**
Financial assets						
Cash and cash equivalents	18,628	-	-	-	-	18,628
Bank balance other than cash and cash	-	50,253	60,050	1,50,000	-	2,60,303
Derivative financial instruments	-	7,544	263	5,624	-	13,432
Receivables						
(I) Trade receivables	-	-	-	-	-	-
(II) Other receivables	-	-	-	-	-	-
Loans	-	-	4,50,920	-	-	4,50,920
Investments	-	-	2,04,540	-	3,18,895	5,23,435
Other financial assets	-	4,38,553	11	55	-	4,38,619
Total financial assets	**18,628**	**4,96,350**	**7,15,784**	**1,55,679**	**3,18,895**	**17,05,337**
Financial liabilities						
Derivative financial instruments	-	14,039	643	305	-	14,988
Payables						
(I) Trade payables						
(i) total outstanding dues of micro	-	-	-	-	-	-
(ii) total outstanding dues of	-	283	-	-	-	283
(II) Other payables						
(i) total outstanding dues of micro	-	-	-	-	-	-
(ii) total outstanding dues of	-	-	-	-	-	-
Debt securities	-	11,921	68,634	5,55,699	-	6,36,254
Borrowings (Other than debt securities)	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Subordinated liabilities	-	-	-	1,61,052	130	1,61,182
Other financial liabilities	-	-	-	96,409	11	96,420
Total financial liabilities	**-**	**26,244**	**69,277**	**8,13,465**	**141**	**9,09,127**
Net	**18,628**	**4,70,106**	**6,46,507**	**(6,57,786)**	**3,18,754**	**7,96,210**

(₹ in thousands)

45 Key ratios :

I. Debt Equity Ratio :	**As at March 31, 2022**	**As at March 31, 2021**
Shareholder's Fund		
Paid up equity share capital	2,41,579	2,41,579
Add: Reserves and surplus	7,07,852	8,10,287
Total Equity (A)	**9,49,431**	**10,51,866**
Debt		
Borrowings	6,54,109	6,36,254
Subordinated liabilities	2,35,080	2,16,593
Other financial liabilities	-	-
Total Debt (B)	**8,89,189**	**8,52,847**
Debt equity ratio (B/A)	**0.94**	**0.81**

II. Asset cover ratio	**As at March 31, 2022**	**As at March 31, 2021**
Assets available		
Loans and advances	2,86,765	4,50,920
Investments	4,06,999	5,23,435
Stock in trade	41,607	49,814
Investment in property	2,138	2,180
Property, plant and equipment	1,169	2,311
Other financial assets	5,37,033	4,38,619
Derivative financial instruments (net)	219	(1,556)
Trade Receivable	-	-
Fixed deposit - liened against overdraft/BG facility	-	-
Total Assets (A)	**12,75,929**	**14,65,723**
Debt		
Borrowing	6,54,109	6,36,254
Subordinated liabilities (alongwith interest)	2,35,080	2,16,593
Total Debt (B)	**8,89,189**	**8,52,847**
Assets cover ratio (A/B)	**1.43**	**1.72**

(₹ in thousands)

46 Related party transactions
A. List of Related Parties and their relationship

(i) Holding Company
Reliance Capital Limited

(ii) Subsidiaries of Holding Company
Reliance Capital Pension Fund Limited
Reliance General Insurance Company Limited
Reliance Nippon Life Insurance Company Limited
Reliance Health Insurance Limited
Reliance Commercial Finance Limited
Reliance Securities Limited
Reliance Commodities Limited
Reliance Wealth Management Limited
Reliance Money Services Private Limited
Reliance Money Precious Metals Private Limited
Reliance Exchangenext Limited
Reliance Corporate Advisory Services Limited
Quant Capital Private Limited
Quant Broking Private Limited
Quant Securities Private Limited
Quant Investment Services Private Limited
Gullfoss Enterprises Private Limited
Reliance Underwater Systems Private Limited

(iii)Associate Companies of Holding Company
Ammolite Holdings Limited
Reliance Asset Reconstruction Company Limited
Global Wind Power Limited
Reinplast Advanced Composites Private Limited
Reliance Home Finance Limited

(iii) Key management personnel

Mr. Lav Chaturvedi*	Director
Ms. Homai Daruwalla	Director
Ms. D Vijayalakshmi	Director
Mr. Chetan Desai	Director
Mr. Bhanu Prakash (w.e.f. 24-Jul-2020)*	Manager
Mr. Aman Gudral (w.e.f. 21-Jan-2021)*	Director
Mr. Ashish Jagetiya (w.e.f. 24-Jul-2020)	Chief Financial Officer
Ms. Tanvi Salunkhe (w.e.f 12-Mar-2021)*	Company Secretary

* No transaction taken place during the year

Reliance Financial Limited
Notes to financial statements for the year ended March 31, 2022

(₹ in thousands)

B. Transactions with related parties during the year:

Nature of Transaction	Holding Company		Fellow Subsidiaries	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Investment oustanding as on date				
Purchase and Redemption of Bonds Purchased				
Reliance Asset Reconstruction Company Limited				
Redemption of MLDs Purchased				
(Face Value of Rs. 1,00,000 by 30 quantity)	-	-	3,788	5,702
Purchase of RARC MLDs				
(Face Value of Rs. 1,00,000 by 10 quantity)	-	-	-	1,110
Reliance Securities Limited				
Bonds Redeemed				
(Face Value of Rs. 1,00,000 by 145 quantity)	-	-	22,265	-
Redemption of Reliance Securities Ltd MLD				
(Face Value of Rs. 1,00,000 by 2615 quantity)	-	-	3,39,391	-
(Face Value of Rs. 1,00,000 by 980 quantity)	-	-	-	99,448
(Face Value of Rs. 1,00,000 by 4 quantity)	-	-	-	489
Purchase of Bonds				
Purchase of bond (Union Bank)				
(Face Value of Rs. 1,00,000 by 1 quantity)	-	-		1,090
Investment in MLD as on Mar 31, 2022 (Cost - Rs 9,97,754)	-	-	4,358	-
Purchase of Investments (Mutual Funds) 2101670.41 quantity	-	-		2,928
Reliance Commodities Limited				
Sale of Bonds				
Sale of Bonds(Face Value of Rs. 1,00,000 by 450 quantity)	-	-	10,125	-
Quant Capital Private Limited				
Sale of Monsoon Bonds (Face Value Rs. 1,00,000 By Qty. 1000)	-	-	-	1,00,004
Inter Corporate Deposits Given				
Reliance Securities Limited				
Opening balance	-	-		-
Given during the year	-	-	57,72,000	32,25,000
Recovered during the year	-	-	(57,72,000)	(32,25,000)
Closing balance	-	-	-	-
Maximum Balance outstanding during the year	-	-	4,72,000	2,75,000

Reliance Financial Limited

Notes to financial statements for the year ended March 31, 2022

(₹ in thousands)

Nature of Transaction	Holding Company		Fellow Subsidiaries	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Inter Corporate Deposits Given				
Reliance Commodities Limited				
Opening balance	-	-	-	-
Given during the year	-	-	81,79,700	1,45,500
Recovered during the year	-	-	(81,79,700)	(1,45,500)
Closing balance	-	-	-	-
Maximum Balance outstanding during the year	-	-	1,91,500	60,000
Reliance Wealth Management Limited				
Opening balance	-	-	95,500	1,07,600
Given during the year	-	-	8,200	11,700
Recovered during the year	-	-	(19,600)	(23,800)
Closing balance	-	-	84,100	95,500
Maximum Balance outstanding during the year	-	-	95,500	1,07,600
Reliance Money Precious Metals Pvt Ltd				
Opening balance	-	-	-	
Given during the year	-	-	-	100
Recovered during the year	-	-	-	(100)
Closing balance	-	-	-	-
Maximum Balance outstanding during the year	-	-	-	100
Reliance Money Services Private Limited				
(Formerly known as Reliance Money Solutions Private Limited)				
Opening balance	-	-	-	-
Given during the year	-	-	-	200
Recovered during the year	-	-	-	(200)
Closing balance	-	-	-	-
Maximum Balance outstanding during the year	-	-	-	200
Reliance Asset Reconstruction Company Limited				
Opening balance	-	-	50,000	-
Given during the year	-	-	1,50,000	50,000
Recovered during the year	-	-	(2,00,000)	-
Closing balance	-	-	-	50,000
Maximum Balance outstanding during the year	-	-	1,05,000	50,000

Reliance Financial Limited
Notes to financial statements for the year ended March 31, 2022

(₹ in thousands)

Nature of Transaction	Holding Company		Fellow Subsidiaries	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Receipts / Income				
Interest on Inter Corporate Deposits				
Reliance Securities Limited	-	-	12,285	8,665
Reliance Commodities Limited	-	-	3,311	1,113
Reliance Money Precious Metals Pvt Ltd	-	-	-	1
Reliance Money Solutions Private Limited	-	-	-	1
Reliance Wealth Management Limited	-	-	10,023	11,489
Reliance Asset Reconstruction Company Limited	-	-	1,073	99
Dividend Income accrual on Preference Share Capital				
Reliance Securities Limited	-	-	14,630	13,988
Management Fess Income				
Reliance Securities Limited			1,44,075	90,000
Payments / expenditures				
Dividend Exp on Preference Shares				
Reliance Capital Limited	18,486	20,219	-	-
IT Expenses				
Reliance Capital Limited	-	227	-	-
Rent & electricity expense				
Reliance Securities Limited	-	-	2,119	2,616
Other Expenses				
Reliance Securities Limited	-	-	161	-
Brokerage Expenses				
Reliance Securities Limited	-	-	39,130	5,632
Staff & KMP medical / life insurance premium				
Reliance General Insurance Company Ltd	-	-	491	872
Reliance Nippon Life Insurance Company Ltd	-	-	515	-
Receivable / (Payable)				
Reliance Securities Limited	-	-	4,15,170	3,38,848
Reliance Nippon Life Insurance Company Limited	-	-	482	408
Reliance General Insurance Company Limited	-	-	8	29
Quant Capital Private Limited	-	-	1,00,005	1,00,005

Reliance Financial Limited
Notes to financial statements for the year ended March 31, 2022

(₹ in thousands)

Closing Balances of Bonds, Debetures,Prefernce Share & Receivables				
Assets				
Reliance Capital Limited - Investment in MLD	8,000	33,000	-	-
Reliance Home Finance Limited Investment in MLD as on Mar 31, 2022				
(Cost - Rs 81,25,000 Less : Provision Rs 50,00,000)	-	-	3,125	3,125
Reliance Asset Reconstruction Company Limited	-	-	-	3,574
Reliance Securities Limited	-	-	43,505	1,185
Reliance Securities Limited (Investment in Preference Shares including Dividend Receivable)	-	-	3,33,505	3,18,875
Liability				
Reliance Capital Limited				
(Preference Share Capital including Dividend Payable)	2,35,080	2,16,593	-	-

C. Transactions with Key management personnel during the year:

Nature of Transaction	March 31, 2022	March 31, 2021
Directors sitting fees		
Homai Daruwalla - Independent Director	501	480
Mr. Chetan Desai- Independent Director	501	436
Ms. D Vijayalakshmi - Independent Director	501	480
Reimbursement of Expenses		
Mr. Ashish Jagetiya (Chief Financial Officer)	42	95
Mr. Viral Sarvaiya (Company Secretary)	-	2
Ms. Komal Shah	-	1
Ms. Ratnaprabha Chaudhari	-	30
Ms. Tanvi Salunkhe (Company Secretary)	3	0

(₹ in thousands)

47 Information in accordance with the requirements of Paragraph 19 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction, 2016

Liabilities side :

Particulars			Amount Outstanding		Amount overdue	
			As at March 31, 2022	**As at March 31, 2021**	**As at March 31, 2022**	**As at March 31, 2021**
(1)	**Loans and advances availed by the non- banking financial Company inclusive of interest accrued thereon but not paid:**					
	(a)	Debenture (other than falling within the meaning of public deposits):				
		Secured	6,54,109	6,36,254	-	-
		Un-Secured	-	-	-	-
	(b)	Deferred Credits	-	-	-	-
	(c)	Term Loans	-	-	-	-
	(d)	Inter-corporate loans and borrowing	-	-	-	-
	(e)	Commercial Paper	-	-	-	-
	(f)	Other Loans	2,35,080	2,16,593	-	-

Assets Side :

Particulars			Amount Outstanding	
			As at March 31, 2022	**As at March 31, 2021**
(2)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**			
	(a)	Secured	-	-
	(b)	Unsecured	2,86,765	4,50,920
(3)	**Break up of Leased Assets and stock on hire and other assets counting towards AFC activities**			
	(i)	Lease assets including lease rentals under sundry debtors :		
		(a) Financial lease	-	-
		(b) Operating lease	-	-
	(ii)	Stock on hire including hire charges under sundry debtors:		
		(a) Assets on hire	-	-
		(b) Repossessed Assets	-	-
	(iii)	Other loans counting towards AFC activities		
		(a) Loans where assets have been repossessed	-	-
		(b) Loans other than (a) above	-	-
(4)	**Break-up of Investments :**			
	(i)	**Quoted**		
		(i) Shares		
		(a) Equity	-	-
		(b) Preference	-	-
		(ii) Debentures and Bonds	-	-
		(iii) Units of mutual funds	73,474	2,04,540
		(iv) Government Securities	-	-
		(v) Others	-	-
	(ii)	**Unquoted**		
		(i) Shares		
		(a) Equity	-	-
		(a) Preference	3,33,505	3,18,875
		(ii) Debentures and Bonds	-	-
		(iii) Units of mutual funds	-	-
		(iv) Government Securities	-	-
		(v) Others	20	20

(₹ in thousands)

(5) **Borrower group-wise classification of assets financed as in (2) and (3) above :**

Category	Secured		Unsecured		Total	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
1 Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	75,690	1,45,500	75,690	1,45,500
(c) Other related parties	-	-	-	-	-	-
2 Other than related Parties	-	-	2,11,075	3,05,420	2,11,075	3,05,420
Total	**-**	**-**	**2,86,765**	**4,50,920**	**2,86,765**	**4,50,920**

(6) **Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted excluding stock in trade)**

Category	Market value/Fair value or NAV		Book Value (Net of provisions)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
1 Related Parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	3,33,505	3,18,875	3,33,505	3,18,875
(c) Other related parties	-	-	-	-
2 Other than related Parties	73,494	2,04,560	73,494	2,04,560
Total	4,06,999	5,23,435	4,06,999	5,23,435

(7) **Other Information**

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	4,04,375	4,06,503
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	33,370	1,75,307
(iii) Assets acquired in satisfaction of debt	-	-

48 Disclosure of loans / advances and investments pursuant to Regulation 53 of the Securities and Exchange Board of India (Listing Obligation And Disclosure Requirements) Regulations, 2015.

	Particulars	Outstanding balance		Maximum balance outstanding	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
i)	Loans and advances in the nature of loans to subsidiaries	-	-	-	-
ii)	Loans and advances in the nature of loans to associates				
	(a) Reliance Wealth Management Limited	84,100	95,500	95,500	1,07,600
	(b) Reliance Asset Reconstruction Company Limited	-	50,000	50,000	50,000
iii)	Loans and advances in the nature of loans to firms / companies in which directors are interested	-	-	-	-
iv)	Investments by lonee in the shares of parent company and subsidary Company when the company has made a loan or advance in the nature of loan.	-	-	-	-

* Loans and advances doesnot include Bonds and debentures

49 Disclosure of details as required by the para 9.6 of Reserve Bank of India circular no. RBI/2014-15/299 DNBR (PD) CC.No.002/03.10.001/2014-15, dated November 10, 2014 to the extent applicable to the Company.

a Registration/ licence/ authorisation obtained from other financial sectorregulators

Regulators	Type	Number Reference
(i) Reserve Bank of India	Registration No.	N-13.01821
(ii) Ministry of Corporate Affairs	Registration No.	U65990MH2005PLC155675

b Ratings assigned by credit rating agencies and migration of ratingsduring the year

Rating Agency	Borrowing Type	Rating
(i) CARE	Market Linked Debentures of ₹ 93.60 crore	CARE PP-MLD B+ (Credit watch with developing implications)

(₹ in thousands)

c No Penalties levied by the regulators upon the Company.

d Information viz., area, country of operation and joint venture partners with regard to Joint Ventures and Overseas Subsidiaries

Items		As at March 31, 2022	As at March 31, 2021
(i)	Area, country of operation	India	India
(ii)	Joint Venture partners with regard to joint ventures and overseas subsidiaries	None	None

e Capital

Particulars		As at March 31, 2022	As at March 31, 2021
1	CRAR	45.36%	48.18%
2	CRAR - Tier I Capital (%)	30.94%	34.93%
3	CRAR - Tier II Capital (%)	14.42%	13.25%

f Exposure to Capital Market

Category		As at March 31, 2022	As at March 31, 2021
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	70,627	72,755
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	47	47
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	bridge loans to companies against expected equity flows / issues	-	-
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market		**70,675**	**72,802**

g Exposure to Real Estate

Category	As at March 31, 2022	As at March 31, 2021
A. Direct Exposure		
(i) Residential Mortgages	-	-
(ii) Commercial Real Estate	-	-
(iii) Investments in Mortgage Backed Securities	-	-
B. Indirect Exposure	-	-
Total exposure to Real Estate sector	-	-

h Remuneration of Directors

Particulars	As at March 31, 2022	As at March 31, 2021
Director sitting fees	1,504	1,395

i Movement of NPA

Particulars	**Opening**	**Additions**	**Deletions**	**Closing**
	April 01, 2020			**March 31, 2021**
Movement of Gross NPA	72,755	1,85,128	-	2,57,883
Movement of provisions	-	(2,32,653)	-	(2,32,653)
Movement of Net NPA	72,755.16	(47,525.16)	-	25,230

Particulars	**Opening**	**Additions**	**Deletions**	**Closing**
	April 01, 2021			**March 31, 2022**
Movement of Gross NPA	2,57,883	1,69,370	(22,878)	4,04,375
Movement of provisions	(2,32,653)	(1,38,352)	-	(3,71,005)
Movement of Net NPA	25,230	31,018	(22,878)	33,370

(₹ in thousands)

j Concentration of advances

Particulars	March 31, 2022	March 31, 2021
Total Advances to top four NPA accounts	2,76,200	1,58,522

k Concentration of advances

Particulars	March 31, 2022	March 31, 2021
Total Advances to twenty largest borrowers	2,86,765	4,50,920
Percentage of advances to twenty largest borrowers to total advances of the Company	100%	100%

l Concentration of Exposures

Particulars	March 31, 2022	March 31, 2021
Total Exposure to twenty largest borrowers	2,86,765	4,50,920
Percentage of exposure to twenty largest borrowers to Total Advances of the Company	100%	100%

m Break up of Provision and contingencies shown under the head Expenditure in Statement of Profit & Loss

	Particulars	March 31, 2022	March 31, 2021
(a)	Provision for depreciation/ (appreciation) on investments/ written-off	-	-
(b)	Provision / (reversal) towards NPA & doubtful debts	1,41,277	1,50,242
(c)	Provision made towards Income tax	-	-
(d)	Contingent provision / (reversal) against standard assets	(46)	(1,291)
(e)	Provision for repossessed stock	-	-

n Customer Complaints (as certified by Management)

	Particulars	March 31, 2022	March 31, 2021
(i)	No. of complaints pending at the beginning of the year	-	-
(ii)	No. of complaints pending received during the year	-	-
(iii)	No. of complaints redressed during the year	-	-
(iv)	No. of complaints pending at the end of the year	-	-

(₹ in thousands)

50 Additional notes as per revised schedule III amended effective from April 01, 2021

I Details of Immovable Properties whose title deeds are not held in name of the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee).

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company (also indicate if in dispute)
NIL						

II Revaluation of Intangible assets and/or PPE (including Right-of-Use Assset) and Fair Value of Investment Property

The Company has not revalued its Intangible assets and PPE (including Right-of-Use Assset) during the year. The fair value of investment property is based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

III Loans or Advances granted to promoters, directors, KMPs and the related parties

No Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person except as disclosed in Note No. 7.

IV Capital Work-in-progress: i) CWIP Ageing Schedule ii) CWIP copmletion schedule

CWIP aging schedule

CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total*
Projects in progress	NIL				
Projects temporarily suspended					

*Total shall tally with CWIP amount in the balance sheet

CWIP completion schedule

CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years
NIL				

V Intangible assets under development:

(i) Intangible assets under development aging schedule

Intangible assets under development	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total*
Projects in progress	NIL				
Projects temporarily suspended					

* Total shall tally with the amount of Intangible assets under development in the balance sheet.

Reliance Financial Limited (₹ in thousands)

(ii) Intangible assets under development completion schedule **

Intangible assets under development	Less than 1 year	1-2 years	2-3 years	More than 3 years
		NIL		

**Details of projects where activity has been sı 1 to 51

VI **The Company does not have any benami property under the Benami Transactions (Prohibition) Act, 1988)**

VII **The Company does not have any borrowings from banks or financial institution on security of current assets and accordingly, no quaestion of willfull defaulter applicable to the company during the year.**

VIII **Information in respect of transactions with companies struck off under section 248 of companies Act, 2013.**

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off Company, if any, to be disclosed
	NIL		

IX **No cases of charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.**

X **The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.**

XI **Ratios**

		March 31, 2022	March 31, 2021
a	Current Ratio	NA	NA
b	Debt-Equity Ratio,	0.94	0.81
c	Debt Service Coverage Ratio,	NA	NA
d	Return on Equity Ratio*	-0.11	0.01
e	Inventory turnover ratio,	NA	NA
f	Trade Receivables turnover ratio	NA	NA
g	Trade payables turnover ratio,	NA	NA
h	Net capital turnover ratio	NA	NA
j	Net profit ratio*	-32.73	4.14

* The ratio has been down compare to previous year on account of lossess incurred in curren year.

XII The Company doesn't not have any arrangement in terms of section 230 to 237 of companies act 2013

XIII The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other persons or entities, including foreign entities/Intermediaries during the year.

XIV The Company has 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.

XV Details in respect of CSR Activities

Particulars	March 31, 2022	March 31, 2021
(a) amount required to be spent during the year,	746	1,742
(b) amount of expenditure incurred,	746	1,742
(c) shortfall at the end of the year,	-	-
(d) total of previous years shortfall,	-	-
(e) reason for shortfall,	NA	NA
(f) nature of CSR activities,	Promoting education, including special education and employment enhancing vocation skills, specially among children, women, elderly and the differently abled and livelihood enhancement projects. Yoga Workshop and other social welfare activities.	Promoting education, including special education and employment enhancing vocation skills, specially among children, women, elderly and the differently abled and livelihood enhancement projects
(g) details of related party transactions,	NA	NA
(h) If provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	NA	NA

XVI Details pertaining to Crypto Currency or Virtual Currency

Particulars	Amount
(a) profit or loss on transactions involving Crypto currency or Virtual Currency,	Nil
(b) amount of currency held	
(c) deposits or advances from any person for the purpose of trading or investing in Crypto Currency or virtual currency	

51 Previous year figures

Figures of previous year are regrouped and reclassified wherever necessary to correspond to figures of the current year.

The accompanying notes form an integral part of the financial statements.

As per our attached report of even date

For Pathak H. D. & Associates LLP
Chartered Accountants
Firm registration No. 107783W/W100593

Sd/-
Jigar T. Shah
Partner
Membership No.: 161851

Place : Mumbai
Date: April 13, 2022

For and on behalf of the Board of Directors

Sd/-
Lav Chaturvedi
Director
DIN : 02859336

Sd/-
Homai Daruwalla
Director
DIN : 00365880

Sd/-
Ashish Jagetiya
Chief Financial Officer

Sd/-
Tanvi Salunkhe
Company Secretary
M.no. A57355