Financial Statement

2018-19

Reliance Financial Limited

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RELIANCE FINANCIAL LIMITED

Opinion

We have audited the accompanying Ind AS financial statements of **Reliance Financial Limited**("the Company"),which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flowsand the Statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information(hereinafter referred to as "the Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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, 2019; and its profit and total 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 Ind AS 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 Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	**How our audit addressed the key audit matter**
Market Linked Debentures (MLD) The Company has non-convertible debentures (Market Linked Debentures) of Rs. 38,21,917 thousands as at 31st March 2019. The rate of interest on which is linked to performance of specified indices over the period of the debentures. The terms and conditions of the Market Linked	We carried out following procedures in respect to Market Linked Debentures : - held discussion with management and obtained understanding of valuation process including management's determination and approval of assumptions and data inputs.

Debentures are detailed in note 19 of the Ind AS financial statements. Further, Market Linked Debentures is a key number in the balance sheet and will remain an important funding mechanism for continued growth. Therefore, in our view, Market Linked Debentures is important to the readers understanding of the Ind AS financial statements. As a result of these items we consider accounting for Market Linked Debentures to be a key audit matter at 31st March 2019.	- 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.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the "Director's Report" including Annexures to Director's Report, but does not include the Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS 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, read with the Companies (Indian Accounting standards) Rules, 2015, as amended.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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS 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, 2016 ("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 books of account.

    d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting standards) Rules, 2015, as amended.

    e) On the basis of the written representations received from the directors as on 31st March, 2019taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019, from being appointed as a director in terms of section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to financial statements 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, as amended:

        In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

    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 no pending litigations on its Ind AS financial statements as on March 31, 2019;

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company for the year ended March 31, 2019.

iv. During the year the disclosure related to Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8th November, 2016 of the Ministry of Finance is not applicable to the Company.

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

Mukesh Mehta
Partner
Membership No.: 043495

Mumbai
Date: April 30th, 2019.

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE IND AS FINANCIAL STATEMENTS OF RELIANCE FINANCIAL LIMITED

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirement' section of our Report of even date)

1) In respect of its fixed assets:

   a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information except for in some assets where Company is in the process of tagging the assets.

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

   c) In our opinion and according to the information and explanations given to us, title deeds of immovable properties are held in the name of the company.

2) In our opinion the inventories (securities) have been verified with the Demat holding statements during the year by the Management at reasonable intervals and as explained to us no material discrepancies were noticed on physical verification.

3) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to any companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, the provisions of clause (iii) (a) to clause (iii) (c) of paragraph 3 of the Order are not applicable to the Company.

4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities. The Company has not granted any loans to any director or any person in whom director is interested as specified under Section 185 of the Companies Act, 2013 and hence clause (iv) of paragraph of the Order is not applicable to the Company to that extent.

5) In our opinion and according to the information and explanations given to us, the Company is a Non-Deposit taking Non-Banking Financial Company, therefore the provisions of Clause (v) of paragraph 3 of the Order is not applicable to the Company.

6) According to the information and 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 provisions of Clause (vi) of paragraph 3 of the Order is not applicable to the Company.

7) In respect of Statutory dues:

   a) According to the records of the Company, undisputed statutory dues including Provident Fund, professional Tax, Goods and Service Tax (GST), Cess and other material statutory dues have generally been regularly deposited with appropriate authorities. However in respect of Income Tax (tax deducted at source) the delay range from two days to eighteen days. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at March 31, 2019for a period of more than six months from the date of becoming payable.

b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Goods and Service Tax (GST), Excise Duty, Value Added Tax, on account of any dispute, which have not been deposited.

8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to debenturesholders of Market linked debentures. The Company does not have any borrowings from banks, financial institutionsand government.

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

10) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit, nor have we been informed of any such case by the management.

11) In our opinion and according to the information and explanations given to us, the company has neither provided nor paid any managerial remuneration and hence clause (xi) of paragraph 3 of the Order is not applicable to the company.

12) In our opinion company is not a nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.

13) In our opinion and according to the information and explanations given to us the Company's transactions with its related party are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

14) In our opinion and according to the information and explanations given to us, the Company has made private placement of Market linked debentures (MLD's) during the year amounting to Rs. 21,43,400 Thousands . The company has duly complied with the section 42 of the Act and according to the information and explanations given to us, the funds were utilised for the purposes for which they were raised.

15) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the Company.

16) In our opinion and according to information and explanations provided to us, Company has registered as required under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Mukesh Mehta
Partner
Membership No.: 043495
Mumbai
Date: April 30th, 2019.

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE IND AS FINANCIAL STATEMENTS OF RELIANCE FINANCIAL LIMITED

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

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

We have audited the Internal Financial Control with reference to financial statements of **Reliance Financial Limited** ("the company") as of 31st March, 2019in conjunction with our audit of the Ind AS financial statements of the Company for the year then ended.

Management Responsibility for the Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS 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, 2019, 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.

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

Mukesh Mehta
Partner
Membership No.: 043495

Mumbai
Date: April 30th, 2019

Reliance Financial Limited
Balance Sheet as at March 31, 2019

(₹ in thousands)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
ASSETS				
Financial Assets				
(a) Cash and cash equivalents	3	4,33,621	51,036	1,87,755
(b) Bank Balance other than (a) above	4	1,19,871	1,79,458	1,79,446
(c) Derivative financial instruments	5	4,286	-	-
(d) Receivables				
Trade receivables	6	-	-	1,052
(e) Loans	7	21,85,333	31,57,101	20,49,749
(f) Investments	8	22,40,853	4,48,989	5,98,501
(g) Other Financial assets	9	1,73,316	2,85,020	65,505
Non-financial Assets				
(a) Inventories	10	3,69,741	2,21,463	4,99,741
(b) Current tax assets (net)	11	-	1,420	2,213
(c) Deferred tax assets (net)	12	17,093	6,726	-
(d) Investment property	13	2,263	2,305	2,347
(e) Property, plant and equipment	14	178	52	-
(f) Other intangible assets	15	1,775	2,195	909
(g) Other non-financial assets	16	12,620	12,472	6,877
Total Assets		**55,60,950**	**43,68,237**	**35,94,095**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
(a) Derivative financial instruments	17	3,44,199	14,468	20,411
(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		6,174	18,010	684
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	38,21,917	31,21,842	23,46,331
(d) Borrowings (Other than debt securities)	20	-	-	39,330
(e) Subordinated liabilities	21	1,61,052	1,61,052	1,60,000
(f) Other financial libilities	22	22,043	8,360	23,625
Non-Financial Liabilities				
(a) Current tax liabilities (net)	23	12,653	-	-
(b) Provisions	24	9,207	13,121	7,630
(c) Deferred tax liabilities (net)	12	-	-	787
(d) Other non-financial liabilities	25	99,090	15,819	33,988
EQUITY				
(a) Equity share capital	26	2,41,579	2,41,579	2,41,579
(b) Other equity	27	8,43,036	7,73,986	7,19,730
Total Liabilities and Equity		**55,60,950**	**43,68,237**	**35,94,095**
Significant accounting policies and notes to the financial statement	1 to 56			

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

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

For and on behalf of the Board of Directors

Mukesh Mehta
Partner
Membership No.: 043495

B. Gop Kumar
Director
DIN: 07223999

Lav Chaturvedi
Director
DIN : 02859336

Place : Mumbai
Date: April 30, 2019

Sanat Biswas
Chief Financial Officer

Hetal Shah
Company Secretary
Membership No.: A-26479

Reliance Financial Limited

Statement of Profit and Loss account for the year ended March 31, 2019

(₹ in thousands)

	Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
A	**Revenue from operations**			
	Interest income	28	3,98,857	4,07,904
	Dividend income	29	-	20
	Processing fees	30	26,260	13,997
	Net gain on fair value changes	31	3,16,315	50,290
	Total Revenue from operations		7,41,432	4,72,211
B	**Other Income**	32	4,724	9
C	**Total Income (A + B)**		**7,46,156**	**4,72,220**
	Expenses			
	Finance cost	33	4,05,392	2,77,982
	Fees and commission expense	34	74,214	71,358
	Employee benefits expenses	35	63,610	12,915
	Depreciation and amortization		507	294
	Others expenses	36	85,044	34,173
D	**Total Expenses**		**6,28,767**	**3,96,722**
(I)	**Profit before exceptional items and tax (C-D)**		**1,17,389**	**75,498**
(II)	Exceptional items		-	-
(III)	**Profit before tax (I -II)**		**1,17,389**	**75,498**
(IV)	Tax Expense:			
	(1) Current Tax		46,794	29,000
	(2) Deferred Tax		(10,406)	(7,414)
	(3) Taxes of earlier years		(2,494)	(603)
(V)	**Profit for the year (III-IV)**		**83,495**	**54,515**
(VI)	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	Remeasurement of post employment retirement benefit		133	(358)
	Tax on above		(42)	99
	Total Other Comprehensive Income for the year		**91**	**(259)**
(VII)	**Total Comprehensive Income for the year**		**83,586**	**54,256**
	Earnings per equity share (Amount in ₹)			
	Basic (Rs.)	43	3.46	2.26
	Diluted (Rs.)	43	3.46	2.26
	Significant accounting policies and notes to the financial statement	1 to 56		

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

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

For and on behalf of the Board of Directors

Mukesh Mehta
Partner
Membership No.: 043495

B. Gop Kumar
Director
DIN: 07223999

Lav Chaturvedi
Director
DIN : 02859336

Place : Mumbai
Date: April 30, 2019

Sanat Biswas
Chief Financial Officer

Hetal Shah
Company Secretary
Membership No.: A-26479

Reliance Financial Limited
Statement of changes in equity for the year ended March 31, 2019

(₹ in thousands)

A Equity share capital

Particulars	Number	Amount
As at April 01, 2017	**2,41,57,897**	**2,41,579**
Shares issued during the year	-	-
Other movement	-	-
As at March 31, 2018	**2,41,57,897**	**2,41,579**
Shares issued during the year	-	-
Other movement	-	-
As at March 31, 2019	**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 April 01, 2017	3,68,421	77,704	2,73,605	-	7,19,730
Profit for the year	-	-	54,515	-	54,515
Other comprehensive income	-	-	-	(259)	(259)
Total comprehensive income for the year	-	-	54,515	(259)	54,256
Dividends paid	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-
Transfers to Statutory reserve fund	-	14,360	(14,360)	-	-
As at March 31, 2018	3,68,421	92,064	3,13,760	(259)	7,73,986
Profit for the year	-	-	83,495		83,495
Other comprehensive income	-	-	-	91	91
Total comprehensive income for the year	-	-	83,495	91	83,586
Dividends paid	-	-	(12,079)	-	(12,079)
Dividend distribution tax	-	-	(2,459)	-	(2,459)
Transfers to Statutory reserve fund	-	16,699	(16,699)	-	-
As at March 31, 2019	**3,68,421**	**1,08,763**	**3,66,019**	**(168)**	**8,43,036**

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

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

Mukesh Mehta
Partner
Membership No.: 043495

Place : Mumbai
Date: April 30, 2019

For and on behalf of the Board of Directors

B. Gop Kumar
Director
DIN: 07223999

Lav Chaturvedi
Director
DIN : 02859336

Sanat Biswas
Chief Financial Officer

Hetal Shah
Company Secretary
Membership No.: A-26479

Reliance Financial Limited

Statement of Cash Flow for the year ended March 31, 2019 **(₹ in thousands)**

Particulars	As at March 31, 2019	As at March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit/(Loss) before tax:	**1,17,389**	**75,498**
Adjustments :		
Depreciation, amortisation and impairment	507	294
Provision for doubtful debts	66,522	575
Provision for doubtful debts written back	(647)	-
Contingent provision against standard assets	-	5,454
Contingent provision against standard assets written back	(3,665)	-
Dividend accrued on preference shares	22,076	24,398
Finance Cost	3,83,316	2,53,584
Interest on income tax refund	(370)	-
Accrued interest on long term investments	(7,925)	(17,283)
Profit on sale of investments	(67,173)	(7,242)
Interest on fixed deposit	(12,236)	(13,663)
Operating profit before working capital changes	**4,97,794**	**3,21,615**
Adjustments for (increase)/ decrease in operating assets:		
Inventories	(1,48,278)	2,78,278
Trade receivables	-	1,052
Loans	9,09,558	(11,13,381)
Other financial assets	1,11,704	(2,19,515)
Other non-financial assets	(148)	(5,595)
Net bank balances not considered as cash and cash equivalents	59,587	(12)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(11,836)	17,326
Derivative financial instruments	3,25,445	(5,943)
Provisions	(3,823)	5,133
Other non-financial liabilities	83,271	(18,856)
Cash generated from / (used in) operations	**18,23,274**	**(7,39,898)**
Less : Income taxes paid (net of refunds)	(29,818)	(26,916)
Net cash inflow / (outflow) from operating activities	**17,93,456**	**(7,66,814)**
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Property, plant and equipment	(171)	(1,590)
(Purchase) / sale of investments (net)	(17,16,766)	1,74,037
Interest on fixed deposits	12,236	13,663
Net cash inflow / (outflow) from investing activities	**(17,04,701)**	**1,86,110**
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of borrowings (net)	-	(39,330)
Proceeds from issue of non-convertible debentures (net)	7,00,077	7,75,509
Interest paid	(3,83,316)	(2,53,584)
Payment of dividend on equity shares	(12,079)	-
Payment of dividend distribution tax on equity shares	(2,459)	-
Payment of Dividend and DDT on preference shares	(8,393)	(39,662)
Borrowings other than debt securities issued	-	1,61,052
Borrowings other than debt securities repaid	-	(1,60,000)
Net cash inflow / (outflow) from financing activities	**2,93,830**	**4,43,985**
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	**3,82,585**	**(1,36,719)**
Add : Cash and cash equivalents at beginning of the year	51,036	1,87,755
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	**4,33,621**	**51,036**

Reliance Financial Limited
Statement of Cash Flow for the year ended March 31, 2019

Note :
1. Net debt reconciliation

(₹ in thousands)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash and cash equivalent	4,33,621	51,036	1,87,755
Borrowings	(1,61,052)	(1,61,052)	(1,99,330)
Debt securities	(38,21,917)	(31,21,842)	(23,46,331)
Net debt	**(35,49,348)**	**(32,31,858)**	**(23,57,906)**

Particulars	Cash and cash equivalent	Borrowings	Debt securities	Total
Net debt as at April 01, 2017	**1,87,755**	**(1,99,330)**	**(23,46,331)**	**(23,57,906)**
Cash flows	(1,36,719)	53,542	(7,75,511)	(8,58,688)
Interest expense	-	24,398	-	24,398
Interest paid	-	(39,662)	-	(39,662)
Net debt as at March 31, 2018	**51,036**	**(1,61,052)**	**(31,21,842)**	**(32,31,858)**
Cash flows	3,82,585	(13,683)	(7,00,075)	(3,31,173)
Interest expense	-	22,076	-	22,076
Interest paid	-	(8,393)	-	(8,393)
Net debt as at March 31, 2019	**4,33,621**	**(1,61,052)**	**(38,21,917)**	**(35,49,348)**

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.

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

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

For and on behalf of the Board of Directors

Mukesh Mehta
Partner
Membership No.: 043495

B. Gop Kumar
Director
DIN: 07223999

Lav Chaturvedi
Director
DIN : 02859336

Place : Mumbai
Date: April 30, 2019

Sanat Biswas
Chief Financial Officer

Hetal Shah
Company Secretary
Membership No.: A-26479

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.

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).

These financial statements are the first financial statements of the Company under Ind AS. Refer note 56 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

(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 50. 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 50, 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 50.

(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 50.

(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 other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss; 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 31) 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 profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

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.

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognized as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

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

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.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognized as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

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 33) 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 43).

(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 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 consolidated 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 40.3
(b) Estimation of defined benefit obligation-Note 41
(c) Measurement of fair values and Expected Credit Loss (ECL)-Note 50

(₹ in thousands)

Note 3 - Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash and cash equivalents			
Balance with banks in current accounts	4,33,621	51,036	1,87,755
Total	**4,33,621**	**51,036**	**1,87,755**

Note 4 - Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Fixed deposit accounts			
- Under lien (note a)	571	558	546
- Under margin (note b)	69,300	1,28,900	1,28,900
- Under lien for OD (note c)	50,000	50,000	50,000
Total	**1,19,871**	**1,79,458**	**1,79,446**

In respect of balances with banks in fixed deposit accounts above includes:
(a) Rs. 571 thousands (March 31, 2018 - Rs. 558 thousands and April 1, 2017 - Rs. 546 thousands) kept as deposit with Sales Tax Authority of which Rs. 350 thousands (March 31, 2018 - Rs. 350 thousands and April 1, 2017 - Rs. 350 thousands) are utilised for issuing Bank guarantees.
(b) Rs. 69,300 thousands (March 31, 2018 - Rs. 1,28,900 thousands and April 1, 2017 - Rs. 1,28,900 thousands) placed as margin favouring National Securities Clearing Corporation Limited.
(c) Rs. 50,000 thousands (March 31, 2018 - Rs. 50,000 thousands and April 1, 2017 - Rs. 50,000 thousands) are liened against bank overdraft

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 amounts	Fair value of assets
As at March 31, 2019		
Equity derivatives	1,78,140	4,286
Total	**1,78,140**	**4,286**
As at March 31, 2018		
Equity derivatives	-	-
Total	**-**	**-**
As at April 01, 2017		
Equity derivatives	-	-
Total	**-**	**-**

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 50.

(₹ in thousands)

Note 6 -Trade receivables

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(a) Secured, considered good;	-	-	-
Less : Impairment loss allowance	-	-	-
(b) Unsecured considered good; and	-	-	1,052
Less : Impairment loss allowance	-	-	-
(c) Other receivables - credit impaired	575	575	-
Less : Impairment loss allowance	(575)	(575)	-
Total	**-**	**-**	**1,052**

Reconciliation of impairment allowance on trade and other receivables:

Impairment allowance measured as per general approach	Amount
Impairment allowance as at April 1, 2017	-
Add/(less): changes during the year	575
Impairment allowance as at March 31, 2018	**575**
Add/(less): changes during the year	-
Impairment allowance as at March 31, 2019	**575**

Note 7 - Loans

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
At amortised cost			
Loans against securities	14,29,163	20,52,278	14,74,686
Loans repayable on demand	7,01,520	8,95,798	3,96,038
Loans to related parties	1,23,300	2,11,800	1,81,800
Total (Gross)	**22,53,983**	**31,59,876**	**20,52,524**
Less : Impairment loss allowance	(68,650)	(2,775)	(2,775)
Total (Net)	**21,85,333**	**31,57,101**	**20,49,749**
Of above			
Secured by tangible assets	14,29,163	20,52,278	14,74,686
Unsecured	8,24,820	11,07,598	5,77,838
Total (Gross)	**22,53,983**	**31,59,876**	**20,52,524**
Less : Impairment loss allowance	(68,650)	(2,775)	(2,775)
Total (Net)	**21,85,333**	**31,57,101**	**20,49,749**
(ii) Others to be specified			
Related parties	1,23,300	2,11,800	1,81,800
Individual	8,71,160	12,29,025	9,75,232
HUF	55,917	96,118	1,26,381
Firm	-	2,500	-
LLP	80,794	47,309	-
Company	11,22,814	15,73,124	7,69,112
Total (Gross)	**22,53,985**	**31,59,876**	**20,52,525**
Less : Impairment loss allowance	(68,650)	(2,775)	(2,775)
Total (Net)	**21,85,335**	**31,57,101**	**20,49,750**

Financial statements for the year ended March 31, 2019 (₹ 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 50.

Internal rating grade	As at March 31, 2019			Total	As at March 31, 2018			Total	As at April 01, 2017			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Performing												
High grade	21,85,333	-	-	21,85,333	31,57,101	-	-	31,57,101	20,49,749	-	-	20,49,749
Standard grade	-	-	-	-	-	-	-	-	-	-	-	-
Sub-standard grade	-	-	-	-	-	-	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-	-	-	-	-	-
Non- performing												
Individually impaired	-	-	68,650	68,650	-	-	2,775	2,775	-	-	2,775	2,775
Total	**21,85,333**	**-**	**68,650**	**22,53,983**	**31,57,101**	**-**	**2,775**	**31,59,876**	**20,49,749**	**-**	**2,775**	**20,52,524**

Analysis of changes in the gross carrying amount of loans

Particulars	As at March 31, 2019			Total	As at March 31, 2018			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Opening balance	31,57,101	-	2,775	31,59,876	20,49,749	-	2,775	20,52,524
New assets originated or purchased	1,93,04,241	-	-	1,93,04,241	1,19,77,956	-	-	1,19,77,956
Assets derecognised or repaid	(2,02,76,009)	-	-	(2,02,76,009)	(1,08,70,604)	-	-	(1,08,70,604)
Transfers to Stage 1	-	-	(647)	(647)	-	-	-	-
Transfers to Stage 3	-	-	66,522	66,522	-	-	-	-
Closing balance	**21,85,333**	**-**	**68,650**	**22,53,983**	**31,57,101**	**-**	**2,775**	**31,59,876**

Reconciliation of ECL balance

Particulars	As at March 31, 2019			Total	As at March 31, 2018			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Opening balance	-	-	2,775	2,775	-	-	2,775	2,775
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	(647)	(647)	-	-	-	-
Transfers to Stage 3	-	-	66,522	66,522	-	-	-	-
Closing balance	**-**	**-**	**68,650**	**68,650**	**-**	**-**	**2,775**	**2,775**

Financial statements for the year ended March 31, 2019 (₹ in thousands)

Note 8 - Investments

Particulars	As at March 31, 2019				
	Amortised cost	At Fair value			Total
		Through OCI	Through P/L	Subtotal	
	(1)	(2)	(3)	(4)=(2)+(3)	(5)=(1)+(4)
Mutual funds (quoted)	-	-	18,80,889	18,80,889	18,80,889
National savings certificate (quoted)	20	-	-	-	20
Bonds (quoted)	68,467	-	-	-	68,467
Preference Shares (unquoted)	-	-	2,91,477	2,91,477	2,91,477
Total – Gross (A)	**68,487**	**-**	**21,72,366**	**21,72,366**	**22,40,853**
(i) Overseas Investments	-	-	-	-	-
(ii) Investments in India	68,487	-	21,72,366	21,72,366	22,40,853
Total (B)	**68,487**	**-**	**21,72,366**	**21,72,366**	**22,40,853**
Less: Allowance for Impairment loss (C)	-	-	-	-	-
Total – Net D= (A)- (C)	**68,487**	**-**	**21,72,366**	**21,72,366**	**22,40,853**

Particulars	As at March 31, 2018				
	Amortised cost	At Fair value			Total
		Through OCI	Through P/L	Subtotal	
	(1)	(2)	(3)	(4)=(2)+(3)	(5)=(1)+(4)
Mutual funds (quoted)	-	-	5,929	5,929	5,929
National savings certificate (quoted)	20	-	-	-	20
Bonds (quoted)	74,349	-	-	-	74,349
Preference Shares (unquoted)	-	-	3,68,691	3,68,691	3,68,691
Total – Gross (A)	**74,369**	**-**	**3,74,620**	**3,74,620**	**4,48,989**
(i) Overseas Investments	-	-	-	-	-
(ii) Investments in India	74,369	-	3,74,620	3,74,620	4,48,989
Total (B)	**74,369**	**-**	**3,74,620**	**3,74,620**	**4,48,989**
Less: Allowance for Impairment loss (C)	-	-	-	-	-
Total – Net D= (A)- (C)	**74,369**	**-**	**3,74,620**	**3,74,620**	**4,48,989**

Particulars	As at April 01, 2017				
	Amortised cost	At Fair value			Total
		Through OCI	Through P/L	Subtotal	
	(1)	(2)	(3)	(4)=(2)+(3)	(5)=(1)+(4)
Mutual funds (quoted)	-	-	4,958	4,958	4,958
National savings certificate (quoted)	20	-	-	-	20
Bonds (quoted)	2,37,057	-	-	-	2,37,057
Preference Shares (unquoted)	-	-	3,56,466	3,56,466	3,56,466
Total – Gross (A)	**2,37,077**	**-**	**3,61,424**	**3,61,424**	**5,98,501**
(i) Overseas Investments	-	-	-	-	-
(ii) Investments in India	2,37,077	-	3,61,424	3,61,424	5,98,501
Total (B)	**2,37,077**	**-**	**3,61,424**	**3,61,424**	**5,98,501**
Less: Allowance for Impairment loss (C)	-	-	-	-	-
Total – Net D= (A)- (C)	**2,37,077**	**-**	**3,61,424**	**3,61,424**	**5,98,501**

Financial statements for the year ended March 31, 2019 (₹ in thousands)

Note :

(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.

Out of the below, Mutual fund value of Rs. 11,80,163.08 thousands were placed for open position on NSE as margin to Reliance securities limited as at March 2019 (March 2018 - Rs. NIL, April 1, 2017 - Rs. NIL).

Mutual funds	Units	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Pledged with Reliance securities limited				
Franklin India Short Term Income Plan - Retail Plan - Direct Growth	14,695.786	61,659		
Franklin India Short Term Income Plan - Retail Plan - Direct Growth	4,432.000	18,595		
Franklin India Income Opportunities Fund	33,04,988.000	77,469		
Franklin India Credit Risk Fundcredit Risk Fund - Direct Growth	38,57,985.064	79,474		
ICICI Prudential Medium Term Bond Fund - Direct Plan - Growth	16,91,480.000	50,711		
Kotak Credit Risk Fund - Direct Plan-Growth	35,44,423.000	76,311		
Kotak Medium Term Fund -Direct Plan Growth	31,71,361.000	50,710		
Reliance Credit Risk Fund - Direct Growth Plan Growth Option	29,51,760.000	80,229		
Reliance Liquid Fund - Direct Growth Plan - Growth Option	33,224.000	1,51,503		
Reliance Money Market Fund - Direct Growth Plan Growth Option	17,691.000	50,211		
Reliance Money Market Fund - Direct Growth Plan Growth Option	35,703.000	1,01,333		
Reliance Low Duration Fund - Direct Growth Plan Growth Option	57,615.000	1,52,058		
Reliance Strategic Debt Fund - Direct Growth Plan	49,93,109.000	76,644		
Aditya Birla Sun Life Medium Term - Growth - Direct	31,62,822.000	75,054		
Aditya Birla Sun Life Credit Risk Fund - Growth Direct	55,07,104.810	78,201		
		11,80,162	**-**	**-**
Other than above				
Reliance Liquid Fund-Growth Plan Growth option	1,54,371.669	7,00,725		
Reliance Japan Equity Fund - Growth Plan	4,74,563.806	-	5,929	4,958
		7,00,725	**5,929**	**4,958**
		18,80,887	**5,929**	**4,958**

(ii) Bonds (quoted) :

Others includes Investments in bonds which are valued at cost :

(a) L & T Bonds 7.5% maturing on Dec 01, 2020 is valued at cost and accrued interest on the same till March 2019 is Rs. 3,537.70 thousands (March 2018 - Rs. 3,252.89 thousands April 1, 2017 - Rs. 1,291.72 thousands) is disclosed under Note no. 8 as accrued interest on investments

(b) L & T Bonds 7.75% maturing on Dec 01, 2020 is valued at cost and accrued interest on the same till March 2019 is Rs. 37.59 thousands (March 2018 - Rs. 24.40 thousands, April 1, 2017 - Rs. 11.21 thousands) is disclosed under Note no. 8 as accrued interest on investments

(c) L & T Bonds 8.3% maturing on March 23, 2021 is valued at cost and accrued interest on the same till March 2019 is Rs. 11,531.11 thousands (March 2018 - Rs. 5,501.33 thousands, April 1, 2017 - Rs. 5,059.68 thousands) is disclosed under Note no. 8 as accrued interest on investments

(d) 8.90% Aditya Birla Finance Limited is valued at cost and accrued interest on the same till March 2019 is Rs. NIL (March 2018 - Rs. NIL, April 1, 2017 - Rs. 4,437.81 thousands) is disclosed under Note no. 8 as accrued interest on investments

(e) HDB Financial Services Limited is valued at cost and accrued interest on the same till March 2019 is Rs. NIL (March 2018 - Rs. NIL, April 1, 2017 - Rs. 3,583.19 thousands) is disclosed under Note no. 8 as accrued interest on investments

(f) Tata Motors Finance Limited is valued at cost and accrued interest on the same till March 2019 is Rs. NIL (March 2018 - Rs. NIL, April 1, 2017 - Rs. 3,099.762 thousands) is disclosed under Note no. 8 as accrued interest on investments

Bonds	Quantity	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Larsen &Toubro Infrastructure-7.50	9,800	14,242	-	-
Larsen &Toubro Infrastructure-7.50	14,100	-	20,124	-
Larsen &Toubro Infrastructure-7.50	15,300	-	-	21,837
Larsen &Toubro Infrastructure-7.75	83	115	115	115
Larsen &Toubro Infrastructure-8.30	35,167	54,110	54,110	-
Larsen &Toubro Infrastructure-8.30	50,167	-	-	75,105
8.90%Aditya Birla Finance Limited	50	-	-	50,000
Tata Motors Finance Limited	40	-	-	40,000
HDB Financial Services Limited	50	-	-	50,000
		68,467	**74,349**	**2,37,057**

(iii) Investments in Preference shares :

March 31, 2019

The company invested in 0 % Compulsorily Covertible Preference Shares of ₹ 10 each of Reliance Securities Limited

March 31, 2018

The company invested in 0 % Compulsorily Covertible Preference Shares of ₹ 10 each of Reliance Securities Limited

The company invested in 12% Non-convertible and non-cumulative compulsorily redeemable preference shares of ₹10 each fully paid up of Reliance Money Infrastructure Limited

April 1, 2017

The company invested in 0% Non-convertible and Non-Cumulative Compulsorily Redeemable Preference shares of ₹ 10 each of Reliance Securities Limited.

The company invested in 12% Non-convertible and non-cumulative compulsorily redeemable preference shares of ₹10 each fully paid up of Reliance Money Infrastructure Limited

Reliance Financial Limited

Financial statements for the year ended March 31, 2019 **(₹ 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 50.

Internal rating grade	As at March 31, 2019			Total	As at March 31, 2018			Total	As at April 01, 2017			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Performing												
High grade												
Mutual Fund	18,80,889	-	-	18,80,889	5,929	-	-	5,929	4,958	-	-	4,958
Preference shares	2,91,477	-	-	2,91,477	3,68,691	-	-	3,68,691	3,56,466	-	-	3,56,466
Standard grade	-	-	-	-	-	-	-	-	-	-	-	-
Sub-standard grade	-	-	-	-	-	-	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-	-	-	-	-	-
Non- performing												
Individually impaired	-	-	-	-	-	-	-	-	-	-	-	-
Total	**21,72,366**	**-**	**-**	**21,72,366**	**3,74,620**	**-**	**-**	**3,74,620**	**3,61,424**	**-**	**-**	**3,61,424**

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

Particulars	As at March 31, 2019			Total	As at March 31, 2018			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Opening balance	3,74,620	-	-	3,74,620	3,61,424	-	-	3,61,424
New assets originated or purchased	18,87,746	-	-	18,87,746	13,196	-	-	13,196
Assets derecognised or repaid	(90,000)	-	-	(90,000)	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Closing balance	**21,72,366**	**-**	**-**	**21,72,366**	**3,74,620**	**-**	**-**	**3,74,620**

Reconciliation of ECL balance

Particulars	As at March 31, 2019			Total	As at March 31, 2018			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, 2019 (₹ 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 50

Internal rating grade	As at March 31, 2019			Total	As at March 31, 2018			Total	As at April 01, 2017			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Performing												
High grade												
National savings certificate	20	-	-	20	20	-	-	20	20	-	-	20
Bonds	68,467	-	-	68,467	74,349	-	-	74,349	2,37,057	-	-	2,37,057
Preference shares	-	-	-	-	-	-	-	-	-	-	-	-
Standard grade	-	-	-	-	-	-	-	-	-	-	-	-
Sub-standard grade	-	-	-	-	-	-	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-	-	-	-	-	-
Non- performing												
Individually impaired	-	-	-	-	-	-	-	-	-	-	-	-
Total	**68,487**	**-**	**-**	**68,487**	**74,369**	**-**	**-**	**74,369**	**2,37,077**	**-**	**-**	**2,37,077**

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

Particulars	As at March 31, 2019			Total	As at March 31, 2018			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Opening balance	74,369	-	-	74,369	2,37,077	-	-	2,37,077
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid	(5,882)	-	-	(5,882)	(1,62,708)	-	-	(1,62,708)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Closing balance	**68,487**	**-**	**-**	**68,487**	**74,369**	**-**	**-**	**74,369**

Reconciliation of ECL balance

Particulars	As at March 31, 2019			Total	As at March 31, 2018			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)

Note 9 - Other Financial assets

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Margin money placed with broker	93,605	1,90,692	392
Accrued Interest			
On loans and advances	55,410	74,334	41,887
On fixed deposits	9,180	11,200	5,728
On investments	15,106	8,779	17,483
Other deposits	15	15	15
Total	**1,73,316**	**2,85,020**	**65,505**

Note 10 - Inventories

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Debt Securities	3,69,741	2,21,463	4,99,741
Total	**3,69,741**	**2,21,463**	**4,99,741**
(i) Overseas Investments	-	-	-
(ii) Investments in India	3,69,741	2,21,463	4,99,741
Total	**3,69,741**	**2,21,463**	**4,99,741**
Less: Allowance for Impairment loss	-	-	-
Total	**3,69,741**	**2,21,463**	**4,99,741**

Reliance Financial Limited
Financial statements for the year ended March 31, 2019

(₹ in thousands)

Note 10 - Inventories (Continue)

		As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
Debt Securities	**Face Value**	**Quantity**	**Amount**	**Quantity**	**Amount**	**Quantity**	**Amount**
Reliance Capital Limited B-188	1,00,000	-	-	-	-	75	11,913
Reliance Capital Limited B-380	1,00,000	-	-	-	-	250	24,320
Reliance Capital Limited B-352	1,00,000	-	-	-	-	604	67,892
Reliance Capital Limited B-353	1,00,000	25	4,157	-	-	293	21,284
Reliance Capital Limited B-180	1,00,000	-	-	-	-	25	3,994
Reliance Home Finance CNX 310118	5,00,000	-	-	-	-	5	2,942
Gujarat State Petro Corp Limited 10.45%	10,00,000	-	-	-	-	100	1,11,576
Bank of Maharashtra 11.60% PERP B3 SR2	10,00,000	-	-	-	-	19	20,600
UCO Bank, 11.7% 31122201	10,00,000	-	-	10	10,471	125	1,30,610
IL&FS Transportation Networks Ltd 11.50% 24	10,00,000	-	-	-	-	100	1,04,610
Reliance Capital Limited B-381-V	1,00,000	-	-	60	7,111	-	-
Reliance Capital Limited B-382-VI	1,00,000	-	-	1,250	1,40,500	-	-
Reliance Capital Limited B-352-II	1,00,000	-	-	40	5,045	-	-
Reliance Capital Limited B-356-III	1,00,000	-	-	104	12,912	-	-
Reliance Capital Limited-INDEX-5-4-18-PVT	1,00,000	-	-	80	9,847	-	-
Reliance Capital Limited-INDEX-B266-6-4-1	1,00,000	-	-	120	14,770	-	-
Reliance Capital Limited-INDEX-B283-17-4	1,00,000	-	-	180	20,807	-	-
Reliance Capital Limited B-412-I	1,00,000	100	12,397	-	-	-	-
Reliance Capital Limited B-447	1,00,000	70	7,518	-	-	-	-
Reliance Capital Limited B-410 I	1,00,000	100	11,808	-	-	-	-
Reliance Capital Limited B-318A-I	1,00,000	85	15,249	-	-	-	-
Reliance Capital Limited B-329 A-I	1,00,000	25	4,376	-	-	-	-
Reliance Capital Limited B-329-A-II	1,00,000	75	12,042	-	-	-	-
Reliance Capital Limited B-337A-I	1,00,000	110	19,106	-	-	-	-
Reliance Capital Limited B-339	1,00,000	10	1,533	-	-	-	-
Reliance Capital Limited B-341A-I	1,00,000	75	8,655	-	-	-	-
Reliance Capital Limited B-345-I	1,00,000	40	5,639	-	-	-	-
Reliance Capital Limited B-346 A	1,00,000	100	17,573	-	-	-	-
Reliance Capital Limited NIFTY-26-8-19-PV	1,00,000	500	71,432	-	-	-	-
9.50% Indusind Bank	10,00,000	6	6,542	-	-	-	-
Reliance Assets Reconstruction Company Limited A03	1,00,000	40	3,845	-	-	-	-
Reliance Assets Reconstruction Company Limited NIFTY-30-3-21	1,00,000	100	9,787	-	-	-	-
Reliance Assets Reconstruction Company Limited A03	1,00,000	100	9,625	-	-	-	-
11.75% South Indian BanK	1,00,000	170	17,027	-	-	-	-
ECL Finance Limited F0F802A01	1,00,000	1,000	1,06,608	-	-	-	-
Reliance Securities Limited 180731	1,00,000	5	506	-	-	-	-
Reliance Securities Limited NIFTY-20-6-23-PV	1,00,000	25	2,372	-	-	-	-
Reliance Securities Limited NIFTY-1-7-22-PVT	1,00,000	90	9,190	-	-	-	-
Reliance Capital Limited -190325	1,00,000	125	12,754	-	-	-	-
			3,69,741		**2,21,463**		**4,99,741**

(₹ in thousands)

Note 11 - Current tax assets (net)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advance payment of tax and tax deducted at source (net of provision for tax of Rs. NIL , (March 31, 2018 - Rs.29,000 thousands and April 1, 2017 - Rs. 21,100 thousands))	-	1,420	2,213
Total	**-**	**1,420**	**2,213**

Note 12 - Deferred tax assets (net)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Deferred tax assets on			
Provision for gratuity	71	127	66
Provision for leave encashment	-	9	85
Provision for expense	8,544	1,087	-
Provision for standard assets	2,610	3,479	2,372
Provision for doubtful debts	20,158	923	918
Provision on GST / service tax input credit	3,494	3,306	3,968
MTM Loss on open future & option position	4,197	853	265
Unrealised loss on units of Mutual funds	-	-	24
MAT credit entitlement	18,682	-	-
Unamortised processing fees revenue	582	1,106	1,294
	58,338	10,890	8,992
Deferred tax liabilities on			
Depreciation	(874)	(269)	(158)
Unearned gain on stock-bonds	(3,377)	(372)	(1,991)
Unrealised gain on futures	-	(11)	(1,121)
Unrealised gain on options	(28,000)	(3,244)	(3,378)
Unearned gain on non-current investments	-	-	(3,131)
Unrealised gain on units of Mutual funds	(8,994)	(268)	-
	(41,245)	(4,164)	(9,779)
Deferred tax assets / (liabilities) (Net)	17,093	6,726	(787)
Total	**17,093**	**6,726**	**(787)**

Note 13 - Investment property

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Gross block			
Opening gross carrying amount	2,347	2,347	2,347
Additions	-	-	-
Disposals	-	-	-
Closing gross carrying amount	2,347	2,347	2,347
Accumulated depreciation			
Opening accumulated depreciation	42	-	-
Depreciation charge	42	42	-
Disposals			
Closing accumulated depreciation	84	42	-
Net carrying amount	**2,263**	**2,305**	**2,347**

Fair market value of the property is Rs. 2,660 thousands as on March 31, 2019 (Rs. 2,719 thousands as on March 31, 2018, Rs. 2,630 thousands as on April 1,2017).

Reliance Financial Limited

Financial statements for the year ended March 31, 2019

(₹ in thousands)

Note 14 - Property, plant and equipment

Particulars	Data processing machineries	Total
Year ended April 1, 2017		
Gross carrying amount		
Deemed cost as at April 1, 2017	-	-
Additions	-	-
Disposals and transfers	-	-
Closing gross carrying amount	-	-
Accumulated depreciation		
Depreciation charge	-	-
Disposals and transfers	-	-
Closing accumulated depreciation	**-**	**-**
Net carrying amount as at April 1, 2017	-	-
Year ended March 31, 2018		
Gross carrying amount		
Deemed cost as at April 1, 2017	-	-
Additions	54	54
Disposals and transfers	-	-
Closing gross carrying amount	**54**	**54**
Accumulated depreciation		
Depreciation charge	2	2
Disposals and transfers	-	-
Closing accumulated depreciation	2	2
Net carrying amount as at March 31, 2018	**52**	**52**
Year ended March 31, 2019		
Gross carrying amount		
Opening gross carrying amount	54	54
Additions	171	171
Disposals and transfers	-	-
Closing gross carrying amount	225	225
Accumulated depreciation		
Opening accumulated depreciation	2	2
Depreciation charge	45	45
Disposals and transfers	-	-
Closing accumulated depreciation	47	47
Net carrying amount as at March 31, 2019	**178**	**178**

Reliance Financial Limited
Financial statements for the year ended March 31, 2019

(₹ in thousands)

Note 15 - Other intangible assets

Particulars	Computer softwares/Licensing cost	Total
Year ended April 1, 2017		
Gross carrying amount		
Deemed cost as at April 1, 2017	1,059	1,059
Additions	-	-
Disposals and transfers	-	-
Closing gross carrying amount	1,059	1,059
Accumulated amortisation	150	150
Amortisation during the year	-	-
Disposals and transfers	-	-
Closing accumulated depreciation	150	150
Net carrying amount as at April 1, 2017	**909**	**909**
Year ended March 31, 2018		
Gross carrying amount		
Deemed cost as at April 1, 2017	1,059	1,059
Additions	1,536	1,536
Disposals and transfers	-	-
Closing gross carrying amount	2,595	2,595
Accumulated amortisation	150	150
Amortisation during the year	250	250
Disposals and transfers	-	-
Closing accumulated depreciation	400	400
Net carrying amount as at March 31, 2018	**2,195**	**2,195**
Year ended March 31, 2019		
Gross carrying amount		
Opening gross carrying amount	2,595	2,595
Additions	-	-
Disposals and transfers	-	-
Closing gross carrying amount	2,595	2,595
Accumulated amortisation	400	400
Amortisation during the year	420	420
Disposals and transfers	-	-
Closing accumulated depreciation	820	820
Net carrying amount as at March 31, 2019	**1,775**	**1,775**

(₹ in thousands)

Note 16 - Other non-financial assets

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Prepaid expenses	81	102	59
Service tax / GST input credit	24,280	24,246	18,210
Less: Provision for GST/Service tax input credit	(12,000)	(12,000)	(12,000)
Advance given to vendors	259	124	608
Total	**12,620**	**12,472**	**6,877**

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
As at March 31, 2019		
Equity derivatives	54,33,233	3,44,199
Total	**54,33,233**	**3,44,199**
As at March 31, 2018		
Equity derivatives	4,13,820	14,468
Total	**4,13,820**	**14,468**
As at April 01, 2017		
Equity derivatives	4,02,653	20,411
Total	**4,02,653**	**20,411**

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 50.

Note 18 - Trade Payables

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6,174	18,010	684
Total	**6,174**	**18,010**	**684**

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 company and relied upon by the auditors, is as follows :

(₹ in thousands)

Particulars			
Outstanding principal amount and interest due to suppliers registered under MSMED Act and remaining unpaid at the year			
- Principal amount	-	-	-
- Interest due thereon	-	-	-
Interest paid other than under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-	-
Interest paid under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-	-
Amount of interest due and payable (where the principal has already been paid but interest has not been paid).	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act.	-	-	-

Note 19 - Debt securities

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
At fair value through profit and loss			
Market linked debentures (Secured)			
Class A	1,20,565	1,05,502	2,24,198
Class B	37,01,352	30,16,340	21,22,133
Total (A)	**38,21,917**	**31,21,842**	**23,46,331**
Debt securities in India	38,21,917	31,21,842	23,46,331
Debt securities outside India	-	-	-
Total (B)	**38,21,917**	**31,21,842**	**23,46,331**

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.

Category B Debentures :

A first pari passu charge on the present and future non-current assets and current assets (excluding cash and bank balances and excluding security towards securing category A Debentures more specifically as described above) and having a minimum asset cover of 100% at all time during the tenor of debentures.

Reliance Financial Limited
Financial statements for the year ended March 31, 2019

Note 19 - Debt securities (Continue)

(₹ in thousands)

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

Description	2019-20	2020-21	2021-22	2022-23	2023-24	Total
A/160310	83,176	-	-	-	-	83,176
B/160330N/II	4,570	-	-	-	-	4,570
B/160503	15,359	-	-	-	-	15,359
B/160525N/I	29,253	-	-	-	-	29,253
B/160525N/II	7,036	-	-	-	-	7,036
A/160614	37,390	-	-	-	-	37,390
B/160623N/I	33,747	-	-	-	-	33,747
B/160628/II	27,795	-	-	-	-	27,795
B/160628/V	15,779	-	-	-	-	15,779
B/160701N	12,334	-	-	-	-	12,334
B/160722/I	6,399	-	-	-	-	6,399
B/160728N	33,347	-	-	-	-	33,347
B/160824/II	6,469	-	-	-	-	6,469
B/160829N	43,365	-	-	-	-	43,365
B/160914/I	23,881	-	-	-	-	23,881
B/160927/I	19,225	-	-	-	-	19,225
B/160927/II	6,978	-	-	-	-	6,978
B/161003N	-	12,588	-	-	-	12,588
B/161028	-	10,898	-	-	-	10,898
B/161101	-	32,573	-	-	-	32,573
B/161125/II	-	62,761	-	-	-	62,761
B/161125/III	-	35,180	-	-	-	35,180
B/161125/VI	9,992	-	-	-	-	9,992
B/161129/IV	16,548	-	-	-	-	16,548
B/161129/VI	10,222	-	-	-	-	10,222
B/161216/II	-	-	17,737	-	-	17,737
B/161219/III	-	43,667	-	-	-	43,667
B/161219/IV	9,484	-	-	-	-	9,484
B/161228	9,467	-	-	-	-	9,467
B/170111	-	10,650	-	-	-	10,650
B/170106	-	12,609	-	-	-	12,609
B/170120N	-	17,449	-	-	-	17,449
B/170131	31,746	-	-	-	-	31,746
B/170207	-	11,887	-	-	-	11,887
B/170307/I	-	34,316	-	-	-	34,316
B/170316/I	10,003	-	-	-	-	10,003
B/170316/II	13,004	-	-	-	-	13,004
B/170330	-	12,720	-	-	-	12,720
B/170411/II	18,916	-	-	-	-	18,916
B/170426/II	8,971	-	-	-	-	8,971
B/170509/I	-	41,942	-	-	-	41,942
B/170510	1,21,576	-	-	-	-	1,21,576
B/170529/I	-	6,024	-	-	-	6,024
B/170718N	-	21,777	-	-	-	21,777
B/170726	61,355	-	-	-	-	61,355
B/171103	2,82,150	-	-	-	-	2,82,150
B/171103 - 2	2,25,720	-	-	-	-	2,25,720
B/171103 - 3	1,12,860	-	-	-	-	1,12,860
B/180129	-	1,31,916	-	-	-	1,31,916
B/180129 - 2	-	21,986	-	-	-	21,986
B/180129 - 3	-	21,986	-	-	-	21,986
B/180307	54,734	-	-	-	-	54,734
B/180129 - 4	-	1,09,930	-	-	-	1,09,930
B/180129 - 5	-	13,741	-	-	-	13,741
B/180525	53,799	-	-	-	-	53,799
B/180129 - 6	-	44,522	-	-	-	44,522
B/180525 - 2	1,07,598	-	-	-	-	1,07,598
B/180129 - 7	-	52,217	-	-	-	52,217
B/180709	-	91,195	-	-	-	91,195
B/180709 - 2	-	53,330	-	-	-	53,330

Reliance Financial Limited
Financial statements for the year ended March 31, 2019

Note 19 - Debt securities (Continue)

(₹ in thousands)

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

Description	2019-20	2020-21	2021-22	2022-23	2023-24	Total
B/180723/I	1,07,668	-	-	-	-	1,07,668
B/180723/II	-	2,94,124	-	-	-	2,94,124
B/180709 - 3	-	2,01,588	-	-	-	2,01,588
B/180723/I - 2	10,681	-	-	-	-	10,681
B/180723/II - 2	-	62,099	-	-	-	62,099
B/180723/II - 3	-	33,872	-	-	-	33,872
B/180709 - 4	-	90,555	-	-	-	90,555
B/180709 - 5	-	27,198	-	-	-	27,198
B/190116	-	-	-	10,208	-	10,208
B/190116/II	-	-	-	13,271	-	13,271
B/190116/III	-	-	-	20,417	-	20,417
B/190131	-	10,501	-	-	-	10,501
B/190116/IV	-	-	-	10,208	-	10,208
B/190116/V	-	-	-	50,531	-	50,531
B/190116/VI	-	-	-	30,625	-	30,625
B/190314	-	-	-	-	10,000	10,000
B/190319	-	-	10,000	-	-	10,000
B/190314/II	-	-	-	-	30,000	30,000
B/190328N	-	-	2,68,522	-	-	2,68,522
B/190314/III	-	-	-	-	40,000	40,000
Total	**16,82,597**	**16,27,801**	**2,96,259**	**1,35,260**	**80,000**	**38,21,917**

(₹ in thousands)

Note 20 - Borrowings (Other than debt securities)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
At amortised cost			
Loans repayable on demand			
- From banks	-	-	39,330
Total (A)	**-**	**-**	**39,330**
Borrrowings in India	-	-	39,330
Borrowings outside India	-	-	-
Total (B)	**-**	**-**	**39,330**

Overdraft from banks amounting to Rs. NIL (March 31, 2018 - Rs. NIL; April 1, 2017 - 39,300 thousands) referred above are secured by fixed deposits pledged with Bank.

Note 21 - Subordinated liabilities

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Preference Shares other than those that qualify as Equity	1,61,052	1,61,052	1,60,000
Total (A)	**1,61,052**	**1,61,052**	**1,60,000**
Subordinated Liabilities in India	1,61,052	1,61,052	1,60,000
Subordinated Liabilities outside India	-	-	-
Total (B)	**1,61,052**	**1,61,052**	**1,60,000**

Terms of preference shares :

April 2017

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. ‘NCCRPS’ is redeemable at price along with accumulated unpaid dividend after the expiry of 2 years from the date of allotment.

March 2018

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 2 years from the date of allotment i.e. March 26, 2018.

The company has issued 1,61,05,225 number of preference shares at ₹ 10 each on March 26, 2018. The proceeds of the issue have been used to redeem 1,60,00,000 preference shares.

March 2019

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 2 years from the date of allotment i.e. March 26, 2018.

Note 22 - Other financial libilities

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Divided payable on preference shares	18,315	237	19,629
Divided distribution tax payable on above	3,728	8,123	3,996
Total	**22,043**	**8,360**	**23,625**

(₹ in thousands)

Note 23 - Current tax liabilities (net)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for taxation	12,653	-	-
(net of advance tax of Rs. 25,200 thousands , (March 31, 2018 - Rs. NIL and April 1, 2017 - Rs. NIL))			
Total	**12,653**	**-**	**-**

Note 24 - Provisions

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for gratuity	244	459	200
Provision for leave encashment	-	34	256
Contingent provision against standard assets	8,963	12,628	7,174
Total	**9,207**	**13,121**	**7,630**

Movement of provisions other than employee benefit and loan commitment :

Particulars	Contingent provision against standard assets
As at April 01, 2017	**7,174**
Add: Additions during the year	5,454
Less: Utilised during the year	-
Any other movement, specify	-
As at March 31, 2018	**12,628**
Add: Additions during the year	-
Less: Utilised during the year	(3,665)
Any other movement, specify	-
As at March 31, 2019	**8,963**

Note 25 - Other non-financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Statutory liabilities	953	2,530	2,022
Provision for expenses	83,840	7,872	28,019
Advance from customers	872	1,129	-
Advance received for sale of debenture/bonds	11,132	-	-
Income received in advance	1,999	4,013	3,914
Payable to or on behalf of employees	294	275	33
Total	**99,090**	**15,819**	**33,988**

Movement of provisions for expenses :

Particulars	Provision for expenses
As at April 01, 2017	**28,019**
Add: Additions during the year	7,872
Less: Utilised during the year	(28,019)
As at March 31, 2018	**7,872**
Add: Additions during the year	83,840
Less: Utilised during the year	(7,872)
As at March 31, 2019	**83,840**

(₹ in thousands)

Note 26 - Equity share capital

Authorised Capital*	As at March 31, 2019 No.	Amount	As at March 31, 2018 No.	Amount	As at April 01, 2017 No.	Amount
Equity Shares of ₹ 10 each	2,50,00,000	2,50,000	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	2,00,00,000	2,00,000
	6,00,00,000	**6,00,000**	**6,00,00,000**	**6,00,000**	**4,50,00,000**	**4,50,000**

Issued, subscribed and paidup Capital	As at March 31, 2019 No.	Amount	As at March 31, 2018 No.	Amount	As at April 01, 2017 No.	Amount
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**	**2,41,57,897**	**2,41,579**	**2,41,57,897**	**2,41,579**

* The authorised Share Capital is increased from ₹ 4,50,000 thousands divided into 2,50,00,000 Equity Shares of ₹ 10/- each and 2,00,00,000 redeemable Preference Shares of ₹ 10/- each to ₹ 6,00,000 thousands divided into 2,50,00,000 equity shares of ₹ 10/- each and 3,50,00,000 redeemable preference shares of ₹ 10/- each at the extra ordinary general meeting held on March 19, 2018.

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

Particulars	As at March 31, 2019 No.	Amount	As at March 31, 2018 No.	Amount	As at April 01, 2017 No.	Amount
Outstanding at the beginning of the year	2,41,57,897	2,41,579	2,41,57,897	2,41,579	2,41,57,897	2,41,579
Shares issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	**2,41,57,897**	**2,41,579**	**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, 2019 No.	% holding	As at March 31, 2018 No.	% holding	As at April 01, 2017 No.	% holding
Reliance Capital Limited (the holding company) and its nominees	2,41,57,897	100%	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, 2019 No.	% holding	As at March 31, 2018 No.	% holding	As at April 01, 2017 No.	% holding
Reliance Capital Limited (the holding company) and its nominees	2,41,57,897	100%	2,41,57,897	100%	2,41,57,897	100%

(₹ in thousands)

Note 27 - Other equity

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Securities premium account			
Opening balance	3,68,421	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	3,68,421
Statutory reserve fund			
Opening balance	92,065	77,704	77,704
Add: Amount transferred from Statement of Profit and loss	16,699	14,360	-
Closing balance	1,08,764	92,064	77,704
Retained earnings			
Opening balance	3,13,761	2,73,605	2,73,605
Add: Amount transferred from Statement of Profit and loss	83,495	54,515	-
Less: Transfer to statutory reserve fund	(16,699)	(14,360)	-
Less: Dividend	(12,079)	-	-
Less: Tax on dividend	(2,459)	-	-
Closing balance	3,66,019	3,13,760	2,73,605
Other comprehensive income			
Opening balance	(259)	-	-
Other comprehensive income for the year	91	(259)	-
Closing balance	(168)	(259)	-
Total	**8,43,036**	**7,73,986**	**7,19,730**

Nature and purpose of reserve

(a) Securities premium account

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.

Financial statements for the year ended March 31, 2019 (₹ in thousands)

Note 28 - Interest income

Particulars	**Year ended March 31, 2019**	**Year ended March 31, 2018**
On financial assets measured at amortised costs:		
Interest on loans	3,59,862	3,74,106
Interest income from investments	7,925	17,283
Interest on deposits with banks	12,236	13,663
Interest income from current investments	18,834	2,852
Total	**3,98,857**	**4,07,904**

Note 29 - Dividend income

Particulars	**Year ended March 31, 2019**	**Year ended March 31, 2018**
Dividend on :		
Equity Shares	-	20
Total	**-**	**20**

Note 30 - Processing fees

Particulars	**Year ended March 31, 2019**	**Year ended March 31, 2018**
Processing fees and other charges (net of GST/service tax)	26,260	13,997
Total	**26,260**	**13,997**

Note 31 - Net gain on fair value changes

Particulars	**Year ended March 31, 2019**	**Year ended March 31, 2018**
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
Mutual Fund	67,173	7,242
Derivatives	1,53,660	(2,58,972)
Bonds	82,696	2,89,795
(B) Net gain/ (loss) on fair value changes on preference shares	12,786	12,225
Total Net gain/(loss) on fair value changes	**3,16,315**	**50,290**
Fair Value changes:		
Realised	1,64,885	23,966
Unrealised	1,51,430	26,324
Total Net gain/(loss) on fair value changes	**3,16,315**	**50,290**

Note 32 - Other Income

Particulars	**Year ended March 31, 2019**	**Year ended March 31, 2018**
Interest on income tax refund	370	-
Other miscellaneous income	42	9
Provision for doubtful assets written back	647	-
Provision against standard assets written back	3,665	-
Total	**4,724**	**9**

Financial statements for the year ended March 31, 2019 (₹ in thousands)

Note 33 - Finance cost

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
On financial liabilities measured at amortised cost:		
Interest on preference shares	22,076	24,398
Interest on borrowings	497	-
Interest on inter-corporate loans	534	2,944
On financial liabilities measured at FVTPL:		
Interest on debentures	3,82,285	2,50,640
Total	**4,05,392**	**2,77,982**

Note 34 - Fees and commission expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Fees and commission expense	74,214	71,358
Total	**74,214**	**71,358**

Note 35 - Employee benefits expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages	63,022	12,167
Contribution to provident and other funds	490	606
Staff welfare expenses	98	142
Total	**63,610**	**12,915**

Note 36 - Others expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rent and electricity	2,575	10,159
Rates and taxes	1,839	7,600
Professional charges	8,288	6,955
Advertisement expenses	131	113
Insurance	353	471
Miscellaneous expenses	1,323	1,063
Software expenses	587	196
Provision for doubtful assets		
- On trade receivables	-	575
- non performing assets	66,522	-
Auditors' remuneration		
- Audit fees	676	559
Corporate rocial responsibility expenditure	1,314	659
Office administration expenses	1,436	369
Provision against standard assets	-	5,454
Total	**85,044**	**34,173**

Notes to financial statements for the year ended March 31, 2019 (₹ in thousands)

37 Contingent Liabilities and commitments

Guarantees given by scheduled banks on behalf of the Company towards	**As at March 31, 2019**	**As at March 31, 2018**
Security deposit in favour of VAT Authorities of four States	350	350

38 Segment Information for the year ended March 31, 2019

Disclosure in respect of segment reporting pursuant to Ind AS-108.
The reportable segments are as under:
(i) Financing & Investing : This includes financing against shares/securities.
(ii) Proprietary trading : Proprietary trading activities includes the trading in securities by the company in its own name.
(iii) Unallocated : This includes other financial and allied services

Particulars	Period	Financing & Investing	Proprietary trading	Unallocated	Total
Segment revenue					
Income form operations	Current Year	5,00,548	2,45,196	412	7,46,156
	Previous year	*4,30,861*	*41,330*	*29*	*4,72,220*
Net segment results before tax					
Net segment results	Current Year	(41,969)	1,81,023	(21,665)	1,17,389
	Previous year	*75,549*	*24,317*	*(24,368)*	*75,498*
Segment Assets	Current Year	49,97,732	5,46,112	17,106	55,60,950
	Previous year	*38,07,822*	*5,52,253*	*8,162*	*43,68,237*
Segment Liability	Current Year	38,75,722	4,04,864	1,95,749	44,76,335
	Previous year	*31,65,851*	*17,409*	*1,69,412*	*33,52,672*

Note

The business segments have been identified considering the nature of services, the differing risks and returns, the organization structure and the internal financial reporting system. There are no geographical segments as there the company operates in domestic market.

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted by the Company. Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable in that segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated expenses / income".

Assets and liabilities in relation to segments are categorized based on items that are individually identifiable in that segment.
Certain assets and liabilities, Assets and liabilities, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated assets / Liabilities"

39 The Company has filed a scheme with National Company Law Tribunal (NCLT) to merge the distribution business of Reliance Money Solutions Private Limited with an appointment date of April 01, 2017. As of date, the scheme has not been approved by NCLT and hence the effect of scheme has not been incorporated in these financial statement of the company.

40 Income tax

40.1 The components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

Particulars	**Year ended March 31, 2019**	**Year ended March 31, 2018**
Current tax	46,794	29,000
Adjustment in respect of current income tax of prior years	(2,494)	(603)
Deferred tax	(10,406)	(7,414)
Total	**33,894**	**20,983**

Notes to financial statements for the year ended March 31, 2019 (₹ in thousands)

40.2 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, 2019 and March 31, 2018 is, as follows:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Accounting profit before tax	1,17,389	75,498
Tax at India's statutory income tax rate of 27.82% (previous year 27.5525%)	**32,658**	**20,802**
Tax effect of the amount which are not taxable in calculating taxable income :		
Permenant difference	3,087	3,967
Deferred tax rate difference	643	(3,183)
Adjustment of current tax of previous year	(2,494)	(603)
Income tax expense at effective tax rate	**33,894**	**20,983**
Effective tax rate	**28.87%**	**27.79%**

40.3 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 April 01, 2017	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at March 31, 2018
Deferred tax liability :				
Depreciation	(158)	(111)	-	(269)
Unearned gain on stock-bonds	(1,991)	1,619	-	(372)
Unrealised gain on futures	(1,121)	1,110	-	(11)
Unrealised gain on options	(3,378)	134	-	(3,244)
Unearned gain on non-current investments	(3,131)	3,131	-	-
Unrealised gain on units of Mutual funds	-	(268)	-	(268)
	(9,779)	**5,615**	**-**	**(4,164)**
Deferred tax asset :				
Provision for gratuity	66	(38)	99	127
Provision for leave encashment	85	(76)	-	9
Provision for expense	-	1,087	-	1,087
Provision for standard assets	2,372	1,107	-	3,479
Provision for doubtful debts	918	5	-	923
Provision on GST / service tax input credit	3,968	(662)	-	3,306
MTM Loss on open future & option position	265	588	-	853
Unrealised loss on units of Mutual funds	24	(24)	-	-
Unamortised processing fees revenue	1,294	(188)	-	1,106
	8,992	**1,799**	**99**	**10,890**
Net deferred tax asset/(liability)	**(787)**	**7,414**	**99**	**6,726**

Particulars	As at March 31, 2018	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at March 31, 2019
Deferred tax liability :				
Depreciation	(269)	(605)	-	(874)
Unearned gain on stock-bonds	(372)	(3,005)	-	(3,377)
Unrealised gain on futures	(11)	11	-	-
Unrealised gain on options	(3,244)	(24,756)	-	(28,000)
Unrealised gain on units of Mutual funds	(268)	(8,726)	-	(8,994)
	(4,164)	**(37,081)**	**-**	**(41,245)**
Deferred tax asset :				
Provision for gratuity	127	(14)	(42)	71
Provision for leave encashment	9	(9)	-	-
Provision for expense	1,087	7,457	-	8,544
Provision for standard assets	3,479	(869)	-	2,610
Provision for doubtful debts	923	19,235	-	20,158
Provision on GST / service tax input credit	3,306	188	-	3,494
MTM Loss on open future & option position	853	3,344	-	4,197
MAT credit entitlement	-	18,682	-	18,682
Unamortised processing fees revenue	1,106	(524)	-	582
	10,890	**47,490**	**(42)**	**58,338**
Net deferred tax asset/(liability)	**6,726**	**10,409**	**(42)**	**17,093**

Notes to financial statements for the year ended March 31, 2019 (₹ in thousands)

41 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, 2019	Year ended March 31, 2018
Employer’s Contribution to Provident Fund (includes administration charges) Refer Note No. 35	490	606

(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)		Leave Encashment Benefits (Un-Funded)	
I. Change in present value of obligation:	**FY 2018-19**	**FY 2017-18**	**FY 2018-19**	**FY 2017-18**
Present value of obligations at the beginning of the year	**525**	**1,676**	**34**	256
Interest Cost	41	124	-	19
Current Service Cost	92	187	11	52
Liability for Transferred In / (out)	249	-	-	-
Benefit Paid	-	(1,760)	(45)	(275)
Acturial loss / (gain) arising from change in financial assumptions	(3)	(23)	-	(18)
Acturial loss / (gain) arising on account of experience changes	(97)	321	-	-
Present value of obligations at the end of the year	**807**	**525**	**-**	**34**

II. Change in the fair value of Plan Assets :	**FY 2018-19**	**FY 2017-18**	**FY 2018-19**	**FY 2017-18**
Fair Value of Plan Assets at the beginning of the year	**65**	**1,476**	**-**	-
Interest income	5	109	-	-
Contributions	459	300	-	-
Benefit Paid	-	(1,760)	-	-
Actuarial gain/(loss) on Plan Assets	33	(60)	-	-
Fair Value of Plan Assets at the end of the year	**562**	**65**	**-**	**-**

III. Reconciliation of present value of obligation and fair value of assets :	**FY 2018-19**	**FY 2017-18**	**FY 2018-19**	**FY 2017-18**
Liability at the end of the year	807	525	-	34
Fair value of plan assets at the end of the year	562	65	-	-
(Asset)/Liability Recognised in the Balance Sheet*	**245**	**460**	**-**	**34**

* Included under ‘provisions' (Refer Note 24)

IV. Expenses recognised during the year :	**FY 2018-19**	**FY 2017-18**	**FY 2018-19**	**FY 2017-18**
Current Service Cost	92	187	11	52
Interest Cost	41	124	-	19
Expected Return on Plan Assets	(5)	(109)	-	-
Net Actuarial (Gain)/Loss recognised	(133)	358	-	(18)
	(5)	**560**	**-**	-
Disclosed under OCI	133	(358)	-	-
Expense Recognised in Statement of profit and loss	**128**	**202**	**11**	**53**

V. Amount recorded in Other comprehensive Income (OCI)	**FY 2018-19**	**FY 2017-18**
Actuarial (Gains)/Losses on Obligation For the Period	(100)	298
Return on Plan Assets, Excluding Interest Income	(33)	60
Net (Income)/Expense For the Period Recognized in OCI	**(133)**	**358**

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

VI. Assumptions :	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
Discount Rate (per annum)	7.76%	7.73%	-	7.73%
Expected Return on Plan Assets	7.76%	7.73%	-	-
Salary Escalation	6.00%	6.00%	-	6.00%
Rate of Employee Turnover	For 0 yrs to 4 yrs 23.00% p.a. & 2% thereafter	For 0 yrs to 4 yrs 23.00% p.a. & 2% thereafter	-	-
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	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.

VII. Particulars of amounts of gratuity for the year	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
Present value of obligations at the beginning of the year	807	525	1,676	750	1,272
Fair value of plan assets at the end of the year	562	65	1,476	1,335	645
Excess of Obligation Over Plan Asset	245	460	200	(585)	627
Experience and Financial Assumption					
Adjustment on Plan Liability (Gain)/Loss	(100)	298	170	(804)	578
Actuarial Gain /(Loss) due to Plan Asset	33	(60)	35	11	51

(C) Sensitivity analysis:

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

Particulars	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Discount Rate	1%	1%	(87)	(59)	102	71
Salary growth rate	1%	1%	102	71	(89)	(61)
Employee Turnover	1%	1%	14	11	(16)	(12)

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, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
		%			Amount	
Insurer managed funds	100%	100%	100%	562	65	1,476
Total	**100%**	**100%**	**100%**	**562**	**65**	**1,476**

(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.

Notes to financial statements for the year ended March 31, 2019 (₹ in thousands)

(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, 2020 are Rs. 237.08 thousands
The weighted average duration of the defined benefit obligation is 14 years (March 2018 – 14 years, March 2017- 15 years).
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, 2019	21	23	224	2,057	2,325
Defined benefit obligation (gratuity)					
As at March 31, 2018	14	15	51	1,582	1,662
Defined benefit obligation (gratuity)					
As at April 01, 2017	42	46	153	4,717	4,958
Defined benefit obligation (gratuity)					

42 Dividend paid and proposed during the year

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A. Declared and paid during the year		
Dividend on equity shares		
Final dividend for March 2018: Rs. 0.50 per share (March 2017: Nil)	12,079	-
Dividend distribution tax on final dividend	2,459	-
	14,538	**-**
B. Proposed for approval at Annual General Meeting (not recognised as a liability as at Balance sheet date)		
Dividend on equity shares	-	12,079
Dividend distribution tax on proposed dividend	-	2,459
	-	**14,538**

43 Earnings per share

	March 31, 2019	March 31, 2018
Net profit after tax as per statement of profit and loss	**83,495**	**54,515**
Profit/(Loss) attributable to equity shareholders	**83,495**	**54,515**
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	**3.46**	**2.26**

44 Key ratios:

The following table set forth, the year indicated, the key financial ratios:	March 31, 2019	March 31, 2018
Gross NPA as a percentage of total loans and advance	3.05%	0.09%
Net NPA as a percentage of total loans and advance	0.00%	0.00%
Book value per share - Note (a)	44.90	42.04
Debt to equity ratio (Refer note 55)	3.69	3.24
Current ratio (Refer note 55)	2.48	2.06

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

45 Corporate Social Responsibility Expenditure

As per section 135 of the Companies Act 2013, the company is under obligation to incur ₹ 1,314.10 thousands (previous year ₹ 659.28 thousands) and has incurred the same in cash, being 2% of the average net profit during the immediately preceding three financial years, calculated in the manner as stated in the Act towards Corporate Social Responsibility through a non-profit centre engaged in the provision of health care for the purpose other than construction / acquisition of assets.

(₹ in thousands)

46 Foreign currency transactions	**March 31, 2019**	**March 31, 2018**
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.

47 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 :

Capital to risk assets ratio (CRAR):	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 01, 2017**
Tier I capital	5,18,169	4,05,728	4,75,858
Tier II capital	1,70,015	1,73,681	1,67,174
Total capital	**6,88,184**	**5,79,409**	**6,43,032**
Risk weighted assets			
CRAR (%)	15.43%	16.98%	23.47%
CRAR - Tier I capital (%)	11.62%	12.09%	17.37%
CRAR - Tier II capital (%)	3.81%	4.89%	6.10%
Amount of subordinated debt considered as Tier II capital	1,61,052	1,61,052	1,60,000

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.

(₹ in thousands)

48 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, 2019			As at March 31, 2018			As at April 01, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets									
Cash and cash equivalents	4,33,621	-	4,33,621	51,036	-	51,036	1,87,755	(0)	1,87,755
Bank Balance other than (a) above	69,871	50,000	1,19,871	1,29,958	49,500	1,79,458	70,346	1,09,100	1,79,446
Derivative financial instruments	6	4,280	4,286	-	-	-	-	-	-
Receivables									
(i) Trade receivables	-	-	-	-	-	-	1,052	-	1,052
(ii) Other receivables	-	-	-	-	-	-	-	-	-
Loans	21,08,668	76,665	21,85,333	20,65,568	10,91,533	31,57,101	16,87,873	3,61,876	20,49,749
Investments	18,80,889	3,59,964	22,40,853	5,929	4,43,060	4,48,989	4,958	5,93,543	5,98,501
Other Financial assets	1,58,195	15,121	1,73,316	2,76,226	8,794	2,85,020	48,007	17,498	65,505
Non-financial Assets									
Inventories	3,69,741	-	3,69,741	2,21,463	-	2,21,463	4,99,741	-	4,99,741
Current tax assets (net)	-	-	-	1,420	-	1,420	2,213	-	2,213
Deferred tax assets (net)	17,093	-	17,093	6,726	-	6,726	-	-	-
Investment property	-	2,263	2,263	-	2,305	2,305	-	2,347	2,347
Property, plant and equipment	-	178	178	-	52	52	-	-	-
Other intangible assets	-	1,775	1,775	-	2,195	2,195	-	909	909
Other non-financial assets	12,620	-	12,620	12,472	-	12,472	6,877	-	6,877
Total assets	**50,50,704**	**5,10,246**	**55,60,950**	**27,70,798**	**15,97,439**	**43,68,237**	**25,08,822**	**10,85,273**	**35,94,095**

Reliance Financial Limited
Notes to financial statements for the year ended March 31, 2019

(₹ in thousands)

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities									
Derivative financial instruments	37,758	3,06,441	3,44,199	10,019	4,449	14,468	20,412	(1)	20,411
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	6,174	-	6,174	18,010	-	18,010	632	52	684
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	**16,82,598**	21,39,319	38,21,917	12,83,114	18,38,728	31,21,842	7,54,488	15,91,843	23,46,331
Borrowings	-	-	-	-	-	-	39,330	(0)	39,330
Subordinated liabilities	1,61,052	-	1,61,052	-	1,61,052	1,61,052	1,60,000	-	1,60,000
Other financial libilities	22,043	-	22,043	-	8,360	8,360	23,625	-	23,625
Non-financial Liabilities									
Current tax liabilities (net)	12,653	-	12,653	-	-	-	-	-	-
Provisions	9,207	-	9,207	13,121	-	13,121	7,630	-	7,630
Deferred tax liabilities (net)	-	-	-	-	-	-	787	-	787
Other non-financial liabilities	99,090	-	99,090	15,819	-	15,819	33,988	-	33,988
Total liabilities	**20,30,575**	**24,45,760**	**44,76,335**	**13,40,083**	**20,12,589**	**33,52,672**	**10,40,892**	**15,91,894**	**26,32,786**
Net	**30,20,129**	**(19,35,514)**	**10,84,615**	**14,30,715**	**(4,15,150)**	**10,15,565**	**14,67,930**	**(5,06,621)**	**9,61,309**

Notes to financial statements for the year ended March 31, 2019 (₹ in thousands)

49 Fair value measurements

(a) Financial instruments by category

Particulars	March 31, 2019		March 31, 2018		April 01, 2017	
	Fair value through profit or loss	Amortised cost	Fair value through profit or loss	Amortised cost	Fair value through profit or loss	Amortised cost
Financial Assets						
Loans	-	21,85,333	-	31,57,101	-	20,49,749
Investments						
- Mutual Funds	18,80,889	-	5,929	-	4,958	-
- National Savings certificate		20		20		20
- Debentures	-	68,467	-	74,349	-	2,37,057
- Preference shares	2,91,477	-	3,68,691	-	3,56,466	-
Derivative financial instruments	4,286	-	-	-	-	-
Trade and other receivables	-	-	-	-	-	1,052
Cash and cash Equivalents	-	4,33,621	-	51,036	-	1,87,755
Other bank balances	-	1,19,871	-	1,79,458	-	1,79,446
Other financials assets	-	1,73,316	-	2,85,020	-	65,505
Total Financial Assets	**21,76,652**	**29,80,628**	**3,74,620**	**37,46,984**	**3,61,424**	**27,20,584**
Financial Liabilities						
Derivative financial instruments	3,44,199	-	14,468	-	20,411	-
Trade payables		6,174		18,010		684
Debt Securities	38,21,917	-	31,21,842	-	23,46,331	-
Borrowings (including interest)	-	-	-	-	-	39,330
Subordinated Liabilities						
- Preference shares	-	1,61,052	-	1,61,052	-	1,60,000
Other financial liabilities	-	22,043	-	8,360	-	23,625
Total Financial Liabilities	**41,66,116**	**1,89,269**	**31,36,310**	**1,87,422**	**23,66,742**	**2,23,639**

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 2019

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Loans	-	-	-	-
Investments	-	-	-	-
- Mutual Funds	18,80,889	-	-	18,80,889
- National Savings certificate	-	-	-	-
- Debentures	-	-	-	-
- Preference shares	-	-	2,91,477	2,91,477
Derivative financial instruments	4,286	-	-	4,286
Trade and other receivables	-	-	-	-
Cash and cash Equivalents	-	-	-	-
Other bank balances	-	-	-	-
Other financials assets	-	-	-	-
Total Financial Assets	**18,85,175**	**-**	**2,91,477**	**21,76,652**
Financial Liabilities				
Derivative financial instruments	3,44,199	-	-	**3,44,199**
Trade payables	-	-	-	**-**
Debt Securities	38,21,917	-	-	**38,21,917**
Borrowings (including interest)	-	-		**-**
Subordinated Liabilities	-	-	-	**-**
- Preference shares	-	-	-	**-**
Other financial liabilities	-	-	-	**-**
Total Financial Liabilities	**41,66,116**	**-**	**-**	**41,66,116**

Notes to financial statements for the year ended March 31, 2019 (₹ in thousands)

Assets and liabilities measured at fair value - recurring fair value measurements as at 31 March 2018

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Loans	-	-	-	-
Investments	-	-	-	-
- Mutual Funds	5,929	-	-	5,929
- National Savings certificate	-	-	-	-
- Debentures	-	-	-	-
- Preference shares	-	-	3,68,691	3,68,691
Derivative financial instruments	-	-	-	-
Trade and other receivables	-	-	-	-
Cash and cash Equivalents	-	-	-	-
Other bank balances	-	-	-	-
Other financials assets	-	-	-	-
Total Financial Assets	**5,929**	**-**	**3,68,691**	**3,74,620**
Financial Liabilities				
Derivative financial instruments	14,468	-	-	**14,468**
Trade payables	-	-	-	**-**
Debt Securities	31,21,842	-	-	**31,21,842**
Borrowings (including interest)	-	-		**-**
Subordinated Liabilities	-	-	-	**-**
- Preference shares	-	-	-	**-**
Other financial liabilities	-	-	-	**-**
Total Financial Liabilities	**31,36,310**	**-**	**-**	**31,36,310**

Assets and liabilities measured at fair value - recurring fair value measurements as at 01 April 2017

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Loans	-	-	-	-
Investments	-	-	-	-
- Mutual Funds	4,958	-	-	4,958
- National Savings certificate	-	-	-	-
- Debentures	-	-	-	-
- Preference shares	-	-	3,56,466	3,56,466
Derivative financial instruments	-	-	-	-
Trade and other receivables	-	-	-	-
Cash and cash Equivalents	-	-	-	-
Other bank balances	-	-	-	-
Other financials assets	-	-	-	-
Total Financial Assets	**4,958**	**-**	**3,56,466**	**3,61,424**
Financial Liabilities				
Derivative financial instruments	20,411	-	-	**20,411**
Trade payables	-	-	-	**-**
Debt Securities	23,46,331	-	-	**23,46,331**
Borrowings (including interest)	-	-		**-**
Subordinated Liabilities	-	-	-	**-**
- Preference shares	-	-	-	**-**
Other financial liabilities	-	-	-	**-**
Total Financial Liabilities	**23,66,742**	**-**	**-**	**23,66,742**

Reliance Financial Limited

Notes to financial statements for the year ended March 31, 2019 (₹ in thousands)

Assets and liabilities measured at amortised cost for which fair values are disclosed as at 31 March 2019

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Loans	-	-	21,85,333	21,85,333
Investments	-	-	-	-
- Mutual Funds	-	-	-	-
- National Savings certificate	-	-	20	20
- Debentures	-	-	68,467	68,467
- Preference shares	-	-	-	-
Derivative financial instruments	-	-	-	-
Trade and other receivables	-	-	-	-
Cash and cash Equivalents	-	-	4,33,621	4,33,621
Other bank balances	-	-	1,19,871	1,19,871
Other financials assets	-	-	1,73,316	1,73,316
Total Financial Assets	**-**	**-**	**29,80,628**	**29,80,628**
Financial Liabilities				
Derivative financial instruments	-	-	-	**-**
Trade payables	-	-	6,174	**6,174**
Debt Securities	-	-	-	**-**
Borrowings (including interest)	-	-	-	**-**
Subordinated Liabilities	-	-	-	**-**
- Preference shares	-	-	1,61,052	**1,61,052**
Other financial liabilities	-	-	22,043	**22,043**
Total Financial Liabilities	**-**	**-**	**1,89,269**	**1,89,269**

Assets and liabilities measured at amortised cost for which fair values are disclosed as at 31 March 2018

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Loans	-	-	31,57,101	31,57,101
Investments	-	-	-	-
- Mutual Funds	-	-	-	-
- National Savings certificate	-	-	20	20
- Debentures	-	-	74,349	74,349
- Preference shares	-	-	-	-
Derivative financial instruments	-	-	-	-
Trade and other receivables	-	-	-	-
Cash and cash Equivalents	-	-	51,036	51,036
Other bank balances	-	-	1,79,458	1,79,458
Other financials assets	-	-	2,85,020	2,85,020
Total Financial Assets	**-**	**-**	**37,46,984**	**37,46,984**
Financial Liabilities				
Derivative financial instruments	-	-	-	**-**
Trade payables	-	-	18,010	**18,010**
Debt Securities	-	-	-	**-**
Borrowings (including interest)	-	-	-	**-**
Subordinated Liabilities	-	-	-	**-**
- Preference shares	-	-	1,61,052	**1,61,052**
Other financial liabilities	-	-	8,360	**8,360**
Total Financial Liabilities	**-**	**-**	**1,87,422**	**1,87,422**

Notes to financial statements for the year ended March 31, 2019 (₹ in thousands)

Assets and liabilities measured at amortised cost for which fair values are disclosed as at 01 April 2017

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Loans	-	-	20,49,749	20,49,749
Investments	-	-	-	-
- Mutual Funds	-	-	-	-
- National Savings certificate	-	-	20	20
- Debentures	-	-	2,37,057	2,37,057
- Preference shares	-	-	-	-
Derivative financial instruments	-	-	-	-
Trade and other receivables	-	-	1,052	1,052
Cash and cash Equivalents	-	-	1,87,755	1,87,755
Other bank balances	-	-	1,79,446	1,79,446
Other financials assets	-	-	65,505	65,505
Total Financial Assets	**-**	**-**	**27,20,584**	**27,20,584**
Financial Liabilities				
Derivative financial instruments	-	-	-	**-**
Trade payables	-	-	684	**684**
Debt Securities	-	-	-	**-**
Borrowings (including interest)	-	-	39,330	**39,330**
Subordinated Liabilities	-	-	-	**-**
- Preference shares	-	-	1,60,000	**1,60,000**
Other financial liabilities	-	-	23,625	**23,625**
Total Financial Liabilities	**-**	**-**	**2,23,639**	**2,23,639**

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.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, a contingent consideration receivable and certain derivative contracts, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

(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 2019 and 31 March 2018:

Particulars	Bonds	NSC	Total
As at April 01, 2017	2,37,057	20	2,37,077
Additions	-	-	-
Disposals	(1,61,920)	-	(1,61,920)
Gains/(losses) recognised in statement of profit and loss	(788)	-	(788)
As at March 31, 2018	**74,349**	**20**	**74,369**
Additions	-	-	-
Disposals	(5,708)	-	(5,708)
Gains/(losses) recognised in statement of profit and loss	(174)	-	(174)
As at March 31, 2019	**68,467**	**20**	**68,487**

Notes to financial statements for the year ended March 31, 2019 (₹ 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, 2019		March 31, 2018		April 01, 2017	
	Carrying Value	Fair value	Carrying Value	Fair value	Carrying Value	Fair value
Financial Assets						
Loans	21,85,333	21,85,333	31,57,101	31,57,101	20,49,749	20,49,749
Investments						
- National Savings certificate	20	20	20	20	20	20
- Debentures	68,467	82,267	74,349	82,992	2,37,057	2,42,098
Trade and other receivables	-	-	-	-	1,052	1,052
Cash and cash Equivalents	4,33,621	4,33,621	51,036	51,036	1,87,755	1,87,755
Other bank balances	1,19,871	1,19,871	1,79,458	1,79,458	1,79,446	1,79,446
Other financials assets	1,73,316	1,73,316	2,85,020	2,85,020	65,505	65,505
Total Financial Assets	**29,80,628**	**29,94,428**	**37,46,984**	**37,55,627**	**27,20,584**	**27,25,625**
Financial Liabilities						
Trade payables	6,174	6,174	18,010	18,010	684	684
Borrowings (including interest)	-	-	-	-	39,330	39,330
Subordinated Liabilities						
- Preference shares	1,61,052	1,61,052	1,61,052	1,61,052	1,60,000	1,60,000
Other financial liabilities	22,043	22,043	8,360	8,360	23,625	23,625
Total Financial Liabilities	**1,89,269**	**1,89,269**	**1,87,422**	**1,87,422**	**2,23,639**	**2,23,639**

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)

50 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

50.1 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.

50.1(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.

50.1(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.

(₹ in thousands)

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	>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.

50.1(c) Expected credit loss measurement

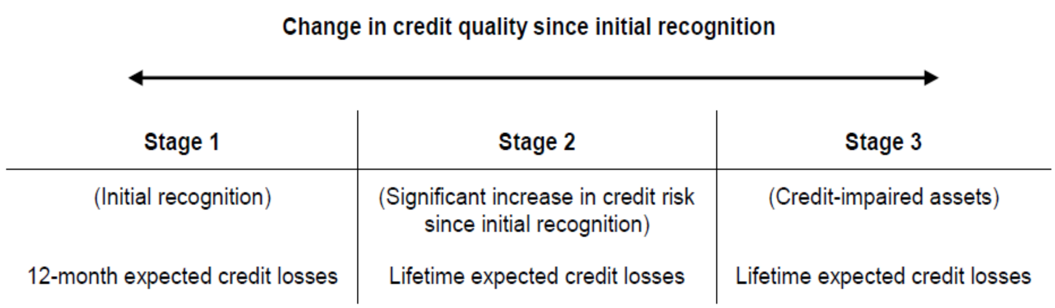
Ind AS 109 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

(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 50.1(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 50.1(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:

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



50.1(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.

50.1(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.

(₹ in thousands)

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.

50.1(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.

50.1(d) Credit risk exposure

50.1(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, 2019				As at March 31, 2018
	Stage 1 12-month ECL	**Stage 2** Lifetime ECL	**Stage 3** Lifetime ECL	**Total**	**Total**
Credit grade					
Investment grade	21,81,228	-	-	21,81,228	31,59,876
Standard monitoring	-	-	-	-	-
Special monitoring	-	-	-	-	-
Default	-	-	72,755	72,755	2,775
Gross carrying amount	**21,81,228**	**-**	**72,755**	**22,53,983**	**31,62,651**
Loss allowance	8,963	-	68,650	77,613	2,775
Carrying amount	**21,72,265**	**-**	**4,105**	**21,76,370**	**31,59,876**

Information on how the Expected Credit Loss (ECL) is measured and how the three stages above are determined is included in note 50.1(c)(3)

50.1(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.

(₹ in thousands)

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	6,88,438	-	6,88,438	13,66,566
HUF	55,917	-	55,917	1,20,891
Individual	6,32,391	-	6,32,391	18,86,208
LLP	52,418	-	52,418	97,335
Unsecured Loans				
Company	4,34,376	-	4,34,376	-
Individual	2,38,769	68,650	1,70,119	4,105
LLP	28,375	-	28,375	-
Related parties	1,23,300	-	1,23,300	-
Total	**22,53,984**	**68,650**	**21,85,334**	**34,75,105**

50.1(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 2018	12,628	-	2,775	15,403
Movements with P&L impact				-
Transfers:				
Transfers from Stage 1 to Stage 3	-	-	-	-
Transfers from Stage 3 to Stage 1	647	-	(647)	-
Additional Loans during the financial year	(4,312)	-	66,522	62,210
Total net P&L charge during the period	8,963	-	68,650	77,613
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 2019	8,963	-	68,650	77,613

50.1(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.

50.2 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.

(₹ in thousands)

(i) Financing arrangements

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

Amount (₹)

Particulars	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 01, 2017**
Bank overdraft	45,000	45,000	5,670

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 (2018 – 1 year, 2017 - 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.

As at March 31, 2019

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	4,33,621	-		-	-	**4,33,621**
Bank balance other than cash and cash equivalents above	-	29,800	40,071	50,000	-	**1,19,871**
Derivative financial instruments			6	4,280	-	**4,286**
Receivables						
(I) Trade receivables	-	-	-	-	-	**-**
(II) Other receivables	-	-	-	-	-	**-**
Loans	4,37,400	1,94,677	14,76,591	72,560	4,105	**21,85,333**
Investments	-	18,80,889	-	68,467	2,91,497	**22,40,853**
Other financial assets	-	1,58,195	-	15,121	-	**1,73,316**
Total financial assets	**8,71,021**	**22,63,561**	**15,16,668**	**2,10,428**	**2,95,602**	**51,57,280**
Financial liabilities						
Derivative financial instruments	-	21,594	16,164	3,06,441	**-**	**3,44,199**
Payables						
(I) 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	-	6,174	-	-	**-**	**6,174**
(II) 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	-	1,29,701	15,52,897	21,39,320	**-**	**38,21,918**
Borrowings (Other than debt securities)	-	-	-	-	**-**	**-**
Subordinated liabilities	-	-	1,61,052	-	**-**	**1,61,052**
Other financial liabilities	-	-	22,043	-	**-**	**22,043**
Total financial liabilities	**-**	**1,57,469**	**17,52,156**	**24,45,761**	**-**	**43,55,386**
Net	**8,71,021**	**21,06,092**	**(2,35,488)**	**(22,35,333)**	**2,95,602**	**8,01,894**

Reliance Financial Limited
Financial statements for the year ended March 31, 2019

(₹ in thousands)

As at March 31, 2018

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	51,036	-	-	-	-	**51,036**
Bank balance other than cash and cash equivalents above	-	19,900	1,10,058	49,500	-	**1,79,458**
Derivative financial instruments	-	-	-	-	-	**-**
Receivables						
(I) Trade receivables	-	-	-	-	-	**-**
(II) Other receivables	-	-	-	-	-	**-**
Loans	6,68,750	4,02,647	9,94,171	10,79,033	12,500	**31,57,101**
Investments	-	5,929	-	74,349	3,68,711	**4,48,989**
Other financial assets	-	2,76,226	-	8,794	-	**2,85,020**
Total financial assets	**7,19,786**	**7,04,702**	**11,04,229**	**12,11,676**	**3,81,211**	**41,21,604**
Financial liabilities						
Derivative financial instruments	-	3,312	6,707	4,449	-	**14,468**
Payables						
(I) 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	-	15,914	2,096	-	-	**18,010**
(II) 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	-	1,86,950	10,96,164	18,38,728	-	**31,21,842**
Borrowings (Other than debt securities)	-	-	-	-	-	**-**
Deposits	-	-	-	-	-	**-**
Subordinated liabilities	-	-	-	1,61,052	-	**1,61,052**
Other financial liabilities	-	8,074	286	-	-	**8,360**
Total financial liabilities	**-**	**2,14,250**	**11,05,253**	**20,04,229**	**-**	**33,23,732**
Net	**7,19,786**	**4,90,452**	**(1,024)**	**(7,92,553)**	**3,81,211**	**7,97,872**

Reliance Financial Limited
Financial statements for the year ended March 31, 2019

(₹ in thousands)

As at April 01, 2017

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	1,87,755	-	-	-	-	**1,87,755**
Bank balance other than cash and cash equivalents above	-	100	70,246	1,09,100	-	**1,79,446**
Derivative financial instruments	-	-	-	-	-	**-**
Receivables						**-**
(I) Trade receivables	-	1,052	-	-	-	**1,052**
(II) Other receivables	-	-	-	-	-	**-**
Loans	5,45,600	2,74,223	8,68,050	3,61,876	-	**20,49,749**
Investments	-	4,958	-	2,37,057	3,56,486	**5,98,501**
Other financial assets	-	48,007	-	17,498	-	**65,505**
Total financial assets	**7,33,355**	**3,28,340**	**9,38,296**	**7,25,531**	**3,56,486**	**30,82,008**
Financial liabilities						
Derivative financial instruments	-	19,318	1,094	-	-	**20,412**
Payables						
(I) 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	-	-	632	52	-	**684**
(II) 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	-	37,903	7,16,585	15,91,843	-	**23,46,331**
Borrowings (Other than debt securities)	39,330	-	-	-	-	**39,330**
Subordinated liabilities	-	-	1,60,000	-	-	**1,60,000**
Other financial liabilities	-	-	23,625	-	-	**23,625**
Total financial liabilities	**39,330**	**57,221**	**9,01,936**	**15,91,895**	**-**	**25,90,382**
Net	**6,94,025**	**2,71,119**	**36,360**	**(8,66,364)**	**3,56,486**	**4,91,626**

Reliance Financial Limited
Notes to financial statements for the year ended March 31, 2019

(₹ in thousands)

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

(i) Holding Company
Reliance Capital Limited

(ii) Fellow subsidiaries / Associates of holding company
1. Reliance Securities Limited
2. Reliance Commodities Limited
3. Reliance Wealth Management Limited
4. Reliance General Insurance Company Ltd
5. Reliance Money Precious Metals Pvt. Ltd.
6. Reliance Money Solutions Pvt Ltd.
7. Reliance Home Finance Limited
8. Reliance Nippon Life Insurance Company Limited

(iii) Key management personnel

Mr. B.Gopkumar*	Director
Mr. Lav Chaturvedi*	Director
Mr. Manu Chadha	Director
Ms. Homai Daruwalla	Director
Mr. Mihir Sundhani*	Manager
Mr. Sanat Biswas*	Chief Financial Officer
Ms. Hetal Shah*	Company Secretary

* No transaction taken place during the year

B. Transactions with related parties during the year:

Nature of Transaction	Holding Company		Fellow Subsidiaries	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Share Capital				
Reliance Capital Limited				
Issue of Preference Shares	-	1,61,052	-	-
Redemption of Preference Shares	-	1,60,000	-	-
Redemption of Bonds Purchased				
Reliance Capital Limited				
Nifty Linked Debenture				
Face Value of ₹ 1,00,000 by 14781 (2588) quantity	17,36,584	3,48,334	-	-
Reliance Home Finance Limited				
Nifty Linked Debenture				
Face Value of ₹ 5,00,000 by 202 (5) quantity	-	-	1,25,697	2,960
Redemption of Bonds Sold/Issued				
Reliance Securities Limited				
Nifty Linked Debenture				
Face Value of ₹ 1,00,000 by 5,536 (4,493) quantity	-	-	6,31,954	5,14,037
Reliance Commodities Limited				
Nifty Linked Debenture				
Face Value of ₹ 1,00,000 by 1,000 quantity	-	-	1,24,282	-
Purchase of Fixed Assets				
Reliance Securities Limited	-	-	-	54
Inter Corporate Deposits Given				
Reliance Securities Limited				
Opening balance	-	-	-	-
Given during the year	-	-	1,15,98,900	78,26,300
Recovered during the year	-	-	(1,15,98,900)	(78,26,300)
Closing balance	-	-	-	-

Reliance Financial Limited
Notes to financial statements for the year ended March 31, 2019

(₹ in thousands)

Nature of Transaction	Holding Company		Fellow Subsidiaries	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Reliance Commodities Limited				
Opening balance	-	-	30,000	-
Given during the year	-	-	8,14,500	1,48,200
Recovered during the year	-	-	(8,44,500)	(1,18,200)
Closing balance	-	-	-	30,000
Reliance Wealth Management Limited				
Opening balance	-	-	-	33,800
Given during the year	-	-	6,07,500	1,77,100
Recovered during the year	-	-	(5,75,500)	(2,10,900)
Closing balance	-	-	32,000	-
Reliance Money Precious Metals Pvt Ltd				
Opening balance	-	-	18,000	-
Given during the year	-	-	39,900	18,000
Recovered during the year	-	-	(57,900)	-
Closing balance	-	-	-	18,000
Reliance Money Solutions Pvt Ltd				
Opening balance	-	-	1,63,800	1,48,000
Given during the year	-	-	2,30,500	40,400
Recovered during the year	-	-	(3,03,000)	(24,600)
Closing balance	-	-	91,300	1,63,800
Receipts / Income				
Interest on Inter Corporate Deposits				
Reliance Securities Limited	-	-	14,907	12,443
Reliance Commodities Limited	-	-	2,446	349
Reliance Money Precious Metals Pvt Ltd	-	-	1,283	205
Reliance Money Solutions Private Limited	-	-	11,468	16,965
Reliance Wealth Management Limited	-	-	3,966	2,456
Payments / expenditures				
Interest on Borrowings (ICD, NCD)				
Reliance Securities Limited	-	-	-	5,901
Dividend paid on Preference Shares				
Reliance Capital Limited	265	39,662	-	-
Dividend paid on Equity Shares				
Reliance Capital Limited	12,079	-	-	-
Reimbursement of rent & electricity				
Reliance Securities Limited	-	-	2,601	17,750
Reimbursement of employee cost				
Reliance Securities Limited	-	-	-	18,149
Referral Fee for introducing customers				
Reliance Securities Limited	-	-	21,896	46,962
Brokerage on purchase-sale of security				
Reliance Securities Limited	-	-	5,357	6,398
Reliance Commodities Limited	-	-	-	-

Reliance Financial Limited
Notes to financial statements for the year ended March 31, 2019

(₹ in thousands)

Nature of Transaction	Holding Company		Fellow Subsidiaries	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Referral Fee for placement of NCD				
Reliance Securities Limited	-	-	-	8,041
Reliance Wealth Management Limited	-	-	5,831	1,114
Staff & KMP medical / life insurance premium				
Reliance General Insurance Company Ltd	-	-	393	40
Reliance Nippon Life Insurance Company Ltd	-	-	-	62
Receivable / (Payable)				
Reliance Securities Limited (Margin money with broker)	-	-	93,605	1,90,692
Reliance Securities Ltd	-	-	(4,149)	(15,914)
Reliance Wealth Management Ltd	-	-	(8,118)	(1,259)
Reliance Nippon Life Insurance Company Limited	-	-	84	-
Reliance General Insurance Company Limited	-	-	9	-

C. Transactions with Key management personnel during the year:

Nature of Transaction	March 31, 2019	March 31, 2018
Directors sitting fees		
Manu Chadha - Independent Director	632	449
Homai Daruwalla - Independent Director	545	529

(₹ in Lacs)

52 Information in accordance with the requirements of Paragraph 13 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction, 2015

Liabilities side :

Particulars	Amount Outstanding		Amount overdue	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
(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	38,219.17	31,218.42	-	-
Un-Secured	-	-	-	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	-	-	-	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial Paper	-	-	-	-
(f) Other Loans	-	-	-	-

Assets Side :

Particulars	Amount Outstanding	
	March 31, 2019	March 31, 2018
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
(a) Secured	14,291.63	20,522.79
(b) Unsecured	7,561.70	11,048.23
(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	18,808.89	59.29
(iv) Government Securities	-	-
(v) Others	-	-
(ii) Unquoted		
(i) Shares		
(a) Equity		
(a) Preference	2,914.77	3,686.91
(ii) Debentures and Bonds	684.67	743.49
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	0.20	0.20

(₹ in Lacs)

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

Category	Secured		Unsecured		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
1 Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	1,233.00	2,118.00	1,233.00	2,118.00
(c) Other related parties	-	-	-	-	-	-
2 Other than related Parties	14,291.63	20,522.79	6,328.70	8,930.23	20,620.33	29,453.02
Total	**14,291.63**	**20,522.79**	**7,561.70**	**11,048.23**	**21,853.33**	**31,571.02**

(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)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
1 Related Parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	2,914.77	2,786.91	2,914.77	2,786.91
(c) Other related parties	-	-	-	-
2 Other than related Parties	19,493.76	1,702.98	19,493.76	1,702.98
Total	22,408.53	4,489.89	22,408.53	4,489.89

(7) **Other Information**

Particulars	March 31, 2019	March 31, 2018
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	686.50	27.75
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	-	-
(iii) Assets acquired in satisfaction of debt	-	-

53 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	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
i)	Loans and advances in the nature of loans to subsidiaries	-	-	-	-
ii)	Loans and advances in the nature of loans to associates				
(a)	Reliance Money Solutions Pvt Ltd	913.00	1,638.00	1,717.00	1,713.00
(b)	Reliance Money Precious Metals Pvt Ltd	-	180.00	300.00	180.00
(c)	Reliance Commodities Ltd	-	300.00	1,570.00	300.00
(d)	Reliance Wealth Management Limited	320.00	-	1,240.00	-
iii)	Loans and advances in the nature of loans to firms / companies in which directors are interested	-	-	-	-
iv)	company when the company has made a loan or advance in the nature of loan.	-	-	-	-
	* Loans and advances doesnot include Bonds and debentures				

(₹ in Lacs)

54 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	Non-Convertible Debentures of ₹ 50 crore	CARE PP-MLD A (SO) (Credit watch with developing implications)
(ii)	CARE	Market Linked Debentures of ₹ 350 crore	CARE PP-MLD A (SO) (Credit watch with developing implications)
(iii)	ICRA	Commercial Paper of ₹ 10 crore	[ICRA] A2

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		March 31, 2019	March 31, 2018
(i)	Area, country of operation	India	India
(ii)	Joint Venture partners with regard to joint ventures and overseas subsidiaries	None	None

e Capital

Particulars		March 31, 2019	March 31, 2018
1	CRAR	15.43%	16.98%
2	CRAR - Tier I Capital (%)	11.62%	12.09%
3	CRAR - Tier II Capital (%)	3.81%	4.89%

f Exposure to Capital Market

Category		March 31, 2019	March 31, 2018
(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;	8,711.60	12,290.25
(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;	7,967.73	10,085.21
(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;	1,486.51	9,223.30
(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		**18,165.84**	**31,598.76**

(₹ in Lacs)

g Exposure to Real Estate

Category	March 31, 2019	March 31, 2018
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	March 31, 2019	March 31, 2018
Director sitting fees	11.77	9.79

i Movement of NPA

Particulars	Opening April 01, 2017	Additions	Deletions	Closing March 31, 2018
Movement of Gross NPA	27.75	-	-	27.75
Movement of provisions	(27.75)	-	-	(27.75)
Movement of Net NPA	-	-	-	-

Particulars	Opening April 01, 2018	Additions	Deletions	Closing March 31, 2019
Movement of Gross NPA	27.75	665.22	(6.47)	686.50
Movement of provisions	(27.75)	(665.22)	6.47	(686.50)
Movement of Net NPA	-	-	-	-

j Concentration of advances

Particulars	March 31, 2019	March 31, 2018
Total Advances to top four NPA accounts	686.5	27.75

k Concentration of advances

Particulars	March 31, 2019	March 31, 2018
Total Advances to twenty largest borrowers	12,880.02	19,356.24
Percentage of advances to twenty largest borrowers to total advances of the company	59%	61%

l Concentration of Exposures

Particulars	March 31, 2019	March 31, 2018
Total Exposure to twenty largest borrowers	45,260.00	12,506.00
Percentage of exposure to twenty largest borrowers to Total Advances of the company	61%	44%

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

Particulars	March 31, 2019	March 31, 2018
(a) Provision for depreciation/ (appreciation) on investments/ written-off	-	-
(b) Provision / (reversal) towards NPA & doubtful debts	658.75	5.75
(c) Provision made towards Income tax	-	-
(d) Contingent provision / (reversal) against standard assets	(36.65)	54.54
(e) Provision for repossessed stock	-	-

n Customer Complaints (as certified by Management)

Particulars	March 31, 2019	March 31, 2018
(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 Lacs)

o Maturity pattern of asset and liabilities (At Book Values)

Particulars	Up to 30/31 days	Over 1 month upto 2 Month	Over 2 months to 3 months	Over 3 Months upto 6 months	Over 6 Months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities									
Borrowings from bank	-	-	-	-	-	-	-	-	-
Market borrowings	317.46	202.14	777.41	4,070.27	11,458.70	19,240.59	2,152.60	-	38,219.17
Assets									
Loans/ advances/deposits	5,490.12	21.29	809.36	9,245.79	5,520.13	658.29	108.36	-	21,853.34
Investments	-	-	18,808.89	-	-	684.67	-	2,914.97	22,408.53

Loans & advances which are repayable on demand are taken into 30/31 days time bucket. Rest items of loans & advances are taken into respective time bucketing based on tenure taken in the term sheet of various clients.

All quoted investments have been included in 1 day to 30/31 days (one month) bucket considering its liquidity, if any.
All quoted mutual fund investments have been included in over 2 to 3 months bucket.
All unquoted equity shares in group company and others have been included in 'Over 5 years'.
The maturity pattern has been prepared in line with various regulations issued by RBI from time to time, best practice and based upon the estimate of management with regards to the timing various of cash flows.

Assets does not include cash and bank balances amounting to ₹ 4,33,621 thousands (previous year ₹ 51,036 thousands).

Reliance Financial Limited
Notes to financial statements for the year ended March 31, 2019

(₹ in thousands)

55 Key ratios :

I. Debt Equity Ratio :	**March 31, 2019**	**March 31, 2018**
Shareholder's Fund		
Paid up equity share capital	2,41,579	2,41,579
Add: Reserves and surplus	8,43,036	7,73,986
Total Equity (A)	**10,84,615**	**10,15,565**
Debt		
Borrowings	38,21,917	31,21,842
Subordinated liabilities	1,61,052	1,61,052
Other financial liabilities	22,043	8,360
Total Debt (B)	**40,05,012**	**32,91,254**
Debt equity ratio (B/A)	**3.69**	**3.24**

II. Asset cover ratio	**March 31, 2019**	**March 31, 2018**
Assets available		
Loans and advances	21,85,333	31,57,101
Investments	22,40,853	4,48,989
Stock in trade	3,69,741	2,21,463
Investment in property	2,263	2,305
Property, plant and equipment	178	52
Other financial assets	1,73,316	2,85,020
Derivative financial instruments (net)	(3,39,913)	(14,468)
Total Assets (A)	**46,31,771**	**41,00,462**
Debt		
Borrowing	38,21,917	31,21,842
Subordinated liabilities (alongwith interest)	1,83,095	1,69,412
Total Debt (B)	**40,05,012**	**32,91,254**
Assets cover ratio (A/B)	**1.16**	**1.25**

III. Current ratio	**March 31, 2019**	**March 31, 2018**
Current Assets		
Current Investments	18,80,889	5,929
Inventories	3,69,741	2,21,463
Derivative financial instruments	6	-
Cash and bank balances	5,03,492	1,80,994
Short-term loans and advances	21,08,668	20,65,568
Other current assets	1,70,815	2,88,698
Total Current Assets (A)	**50,33,611**	**27,62,652**
Current Liabilities		
Trade payable	6,174	18,010
Derivative financial instruments	37,758	10,019
Other current liabilities	17,94,341	12,98,933
Subordinated liabilities (alongwith interest)	1,83,095	-
Short-term provisions	9,207	13,121
Total Current Liabilities (B)	**20,30,575**	**13,40,083**
Current ratio (A/B)	**2.48**	**2.06**

(₹ in thousands)

56 First-time adoption of Ind AS

Transition to Ind AS

This is the company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2019, the comparative information presented in these financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS balance sheet at April 01, 2017 (the company's date of transition). In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

(a) Optional exemptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

i) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment (including capital work-in-progress) as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities and capital grant, if applicable. This exemption can also be used for intangible assets and investment properties covered by Ind AS 38 and Ind AS 40, respectively.

Accordingly, the company has elected to measure all of its property, plant and equipment, intangible assets and investment properties at their previous GAAP carrying value.

ii) Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.
The company has elected to apply this exemption for such contracts/arrangements.

(b) Ind AS mandatory exceptions

The company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

i) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 01, 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

• FVPTL / FVOCI – equity and debt instrument
• Impairment of financial assets based on expected credit loss model

The estimates used by the company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2017, the date of transition to Ind AS and as of 31 March 2018.

(₹ in thousands)

ii) Non controlling interests

Ind AS 110 requires entities to attribute the profit or loss and each component of other comprehensive income to the owners of the parent and to the non controlling interests. This requirement needs to be followed even if this results in the non-controlling interests having a deficit balance. Ind AS 101 requires the above requirement to be followed prospectively from the date of transition.

Consequently, the company has applied the above requirement prospectively.

iii) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

iv) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

(c) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

i) Reconciliation of total equity between previous GAAP and Ind AS:

	Notes to first time adoption	As at March 31, 2018	As at April 01, 2017
Total equity as per previous GAAP		**10,02,295**	**9,78,231**
Adjustments:			
Fair valuation of investments	(i)	29,591	16,394
Fair Valuation of inventories	(ii)	1,350	6,016
Fair valuation of derivative financial instrument	(iii)	11,816	13,609
Depreciation provision on property	(iv)	(42)	-
Amortisation of discount on Debentures issued	(iv)	(9,016)	(1,153)
provision of brokerage	(v)	(23,343)	(19,077)
Fair valuation of preference share capital	(vi)	(286)	(23,625)
Processing fees received in advance	(vii)	(4,013)	(3,914)
Tax Impact of Ind AS Adjustments	(viii)	7,213	(5,171)
Total adjustments		**13,270**	**(16,921)**
Total equity as per Ind AS		**10,15,565**	**9,61,310**

(₹ in thousands)

ii) Reconciliation of profit as per Ind AS with profit reported under previous GAAP:

	Notes to first time adoption	Year ended March 31, 2018
Net profit after tax as per previous GAAP		**71,801**
Adjustments:		
Fair valuation of investments	(i)	(13,197)
Fair Valuation of inventories	(ii)	4,667
Fair valuation of derivative financial instrument	(iii)	1,793
Depreciation provision on property	(iv)	42
Amortisation of discount on debentures issued	(iv)	7,863
Provision of brokerage on debenture issued	(v)	4,265
Fair valuation of preference share capital	(vi)	24,398
Processing fees received in advance	(vii)	98
Actuarial loss reclassified to OCI from P&L account	(ix)	(259)
Tax impact on above items	(viii)	(12,384)
Profit after tax as per Ind AS		**54,515**
Other Comprehensive Income:		
Fair valuation of investment in equity shares measured at FVOCI		
Remeasurements of post employment benefit obligations	(ix)	**(358)**
Tax impact on above items		99
Total comprehensive income as per Ind AS		**54,256**

iii) Impact of Ind AS adoption on the consolidated statement of cash flow for the year ended March 31, 2018

	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	(7,62,242)	(4,572)	(7,66,814)
Net cash flow from investing activities	1,80,262	5,848	1,86,110
Net cash flow from financing activities	4,65,161	(21,176)	4,43,985
Net increase/(decrease) in cash and cash equivalents	**(1,16,819)**	**(19,900)**	**(1,36,719)**
Cash and cash equivalents as at April 01, 2017	1,87,755	-	1,87,755
Effects of exchange rate changes on cash and cash equivalents	-	-	-
Cash and cash equivalents as at March 31, 2018	**70,936**	**(19,900)**	**51,036**

Note : No Impact on cash flow from operating activities, Investing activities and financing activities under Ind AS from previous GAAP, the above adjustment amount arising due to regrouping of fixed deposits and bank overdraft.

(d) Notes to first-time adoption:

(i) Fair valuation of investments

Under the previous GAAP, investments in equity instruments, debentures, preference shares, mutual funds, venture capital funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2018. This increased the retained earnings by Rs. 29,590.69 thousands as at March 31, 2018 (April 01, 2017 - Rs. 16,393.96 thousands). Profit for the year ended March 31, 2018 increased by Rs. 13,196.73 thousands.

Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in FVOCI – Equity investments reserve as at the date of transition and subsequently in the other comprehensive income for the year ended March 31, 2018. This increased other reserves by Rs. NIL as at March 31, 2018 (April 01, 2017 - Rs. NIL). Other comprehensive income for the year ended March 31, 2018 increased by Rs NIL.

(ii) Fair valuation of inventories

Under the previous GAAP, inventories were valued lower of cost or market value. Under Ind AS, these inventories are required to be measured at fair value. The resulting fair value changes of these inventories have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2018. This increased the retained earnings by Rs. 10,246.35 thousands as at March 31, 2018 (April 01, 2017 - Rs. 5,989.66 thousands). Profit for the year ended March 31, 2018 decreased by Rs. 4,256.68 thousands.

(₹ in thousands)

(iii) Provision for derivative financial instruments

Under the previous GAAP, open position of options and futures were valued at lower of cost and fair value. However, in order to comply with Ind AS 109, open position of options and futures are required to be measured at fair value. This adjustment has resulted in a increase in total equity amounting to Rs. 11,816.11 thousands as on March 31, 2018 (Rs 13,609.23 thousands as on April 01, 2017). Profit for the year ended March 31, 2018 increased by Rs. 1,793.12 thousands

(iv) Provision for Depreciation on property

Under the previous GAAP, the company had not recognised Depreciation on property. However, in order to comply with Ind AS, the company has provided for depreciation. This adjustment has resulted in a decrease in total equity amounting to Rs. 41.92 thousands as on March 31, 2018 (Rs. NIL as on April 01, 2017). Profit for the year ended March 31, 2018 decreased by Rs. 41.92 thousands.

(v) Provision for Discount and brokerage on debetures

Under the previous GAAP, the company had amortised discount and brokerage on issue of debentures over the tenure of the debenture. However, in order to comply with the provisions of Ind AS 109, the company has expensed out the same in the year of the issue itself. This adjustment has resulted in a decrease in total equity amounting to Rs. 32,358.71 thousands as on March 31, 2018 (Rs. 20,230.07 thousands as on April 01, 2017). Profit for the year ended March 31, 2018 decreased by Rs. 12,128.65 thousands.

(vi) Fair valuation of borrowings through preference share

Under the previous GAAP, the company was required to provide for dividend on preference share as and when company declars. However, in order to comply with the provisions of Ind AS 109, the company has to evaluate the same on present value by applying the effective interest rate method. This adjustment has resulted in a decrease in total equity amounting to Rs. 285.81 thousands as on March 31, 2018 (Rs. 23,625.10 thousands as on April 01, 2017). Profit for the year ended March 31, 2018 decreased by Rs. 24,397.52 thousands.

(vii) Upfront recognisation of processing fees

Under the previous GAAP, processing fees was recognised upfront in the statement of profit an loss. Under Ind AS, such revenue is to be amortised over the period of facility provided. Consequent to the this adjustment, the total equity decreased by Rs. 4,012.70 thousands as on March 31, 2018 (Rs. 3,914.25 thousands as on April 01, 2017). Profit for the year ended March 31, 2018 decreased by Rs. 98.45 thousands.

(viii) Deferred tax

Indian GAAP requires deferred tax accounting using the profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments have lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

(ix) Remeasurement of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss under the previous GAAP. As a result of this change, the profit for the year ended March 31, 2018 decreased by Rs. 358.11 thousands. There is no impact on the total equity as at 31 March 2018.

(x) Provision for impairment as per the expected credit loss method

Under the previous GAAP, the company had recognised provisions against trade receivables, investments and loans and advances as per the RBI norms. However, in order to comply with Ind AS 109, the company has consider higher of the provision as per RBI norms and by applying the effective credit loss method. This adjustment has resulted in a decrease in total equity amounting to Rs. NIL as on March 31, 2018 (Rs NIL as on April 01, 2017). Profit for the year ended March 31, 2018 decreased by Rs. NIL.

Reliance Financial Limited
Financial statements for the period ended March 31, 2019

(₹ in thousands)

Note 56 - Reconciliation of Equity
Reconcilation of equity as at date of transition (1st April, 2017)

Particulars	Note to first time adoption	Previous Gaap	Adjustments	Ind AS
ASSETS				
Financial Assets				
(a) Cash and cash equivalents		1,87,755	-	1,87,755
(b) Bank Balance other than (a) above		1,79,446	-	1,79,446
(c) Derivative financial instruments		-	-	-
(d) Receivables				
(i) Trade receivables		1,052	-	1,052
(ii) Other receivables		-	-	-
(e) Loans		20,49,749	-	20,49,749
(f) Investments	(d)(i)	5,82,107	16,394	5,98,501
(g) Other Financial assets		65,505	-	65,505
Non-financial Assets			-	
(a) Inventories	(d)(i)	4,93,725	6,016	4,99,741
(b) Current tax assets (Net)		2,213	-	2,213
(c) Deferred tax assets (Net)	(d)(viii)	4,386	(5,171)	(785)
(d) Investment property	(d)(iv)	2,347	-	2,347
(e) Property, plant and equipment		-	-	-
(f) Other intangible assets		909	-	909
(g) Other non-financial assets	(d)(v)	27,107	(20,230)	6,877
Total Assets		**35,96,301**	**(2,991)**	**35,93,310**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
(a) Derivative financial instruments	(d)(iii)	34,020	(13,609)	20,411
(b) 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		684	-	684
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		23,46,331	-	23,46,331
(d) Borrowings		39,330	-	39,330
(e) Subordinated liabilities		1,60,000	-	1,60,000
(f) Other financial libilities	(d)(vi)	-	23,625	23,625
Non-Financial Liabilities				
(a) Current tax liabilities (Net)		-	-	-
(a) Provisions		7,630	-	7,630
(b) Other non-financial liabilities	(d)(vii)	30,075	3,914	33,989
EQUITY				
(a) Equity share capital		2,41,579	-	2,41,579
(b) Other equity		7,36,652	(16,921)	7,19,731
Total Liabilities and Equity		**35,96,301**	**(2,991)**	**35,93,310**

Reliance Financial Limited
Financial statements for the period ended March 31, 2019

(₹ in thousands)

Reconcilation of equity as at March 31, 2018

Particulars	Note to first time adoption	Previous Gaap	Adjustments	Ind AS
ASSETS				
Financial Assets				
(a) Cash and cash equivalents		51,036	-	51,036
(b) Bank Balance other than (a) above		1,79,458	-	1,79,458
(c) Derivative financial instruments		-	-	-
(d) Receivables				
(i) Trade receivables		-	-	-
(ii) Other receivables		-	-	-
(e) Loans		31,57,101	-	31,57,101
(f) Investments	(d)(i)	4,19,399	29,591	4,48,990
(g) Other Financial assets		2,85,019	-	2,85,019
Non-financial Assets				
(a) Inventories	(d)(i)	2,20,113	1,350	2,21,463
(b) Current tax assets (Net)		1,420	-	1,420
(c) Deferred tax assets (Net)	(d)(viii)	(486)	7,213	6,727
(d) Investment property	(d)(iv)	2,347	(42)	2,305
(e) Property, plant and equipment		52	-	52
(f) Other intangible assets		2,195	-	2,195
(g) Other non-financial assets	(d)(v)	44,830	(32,359)	12,471
Total Assets		**43,62,484**	**5,753**	**43,68,237**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
(a) Derivative financial instruments	(d)(iii)	26,284	(11,816)	14,468
(b) 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		18,010	-	18,010
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		31,21,842	-	31,21,842
(d) Borrowings		-	-	-
(e) Subordinated liabilities		1,61,052	-	1,61,052
(f) Other financial libilities	(d)(vi)	8,074	286	8,360
Non-Financial Liabilities				
(a) Current tax liabilities (Net)		-	-	-
(a) Provisions		13,121	-	13,121
(b) Other non-financial liabilities	(d)(vii)	11,806	4,013	15,819
EQUITY				
(a) Equity share capital		2,41,579	-	2,41,579
(b) Other equity		7,60,716	13,270	7,73,986
Total Liabilities and Equity		**43,62,484**	**5,753**	**43,68,237**

Reliance Financial Limited
Financial statements for the period ended March 31, 2019

(₹ in thousands)

Reconciliation of total comprehensive income for the period March 31, 2018

	Particulars	Note to first time adoption	Previous Gaap	Adjustments	Ind AS
A	**Revenue from operations**				
	Interest income		4,05,052	2,852	4,07,904
	Dividend income		20	-	20
	Fees and commission income	(d)(vii)	14,096	(99)	13,997
	Net gain on fair value changes	(d)(i)(iii)	46,405	3,885	50,290
	Total Revenue from operations		4,65,573	6,638	4,72,211
B	**Other Income**		9	-	9
C	**Total Income (A + B)**		**4,65,582**	**6,638**	**4,72,220**
	Expenses				
	Finance costs	(d)(vi)(v)	2,45,722	32,260	2,77,982
	Fees and commission expense	(d)(vi)(v)	67,092	4,266	71,358
	Employee benefits expenses	(d)(ix)	13,273	(358)	12,915
	Depreciation, amortization and impairment	(d)(iv)	252	42	294
	Others expenses		34,173	-	34,173
D	**Total Expenses**		**3,60,512**	**36,210**	**3,96,722**
(I)	Profit / (loss) before exceptional items and tax (C-D)		**1,05,070**	**(29,572)**	**75,498**
(II)	Exceptional items		-	-	-
(III)	**Profit/(loss) before tax (I -II)**		**1,05,070**	**(29,572)**	**75,498**
(IV)	Tax Expense:				
	(1) Current Tax		29,000	-	29,000
	(2) Deferred Tax	(d)(viii)	4,872	(12,286)	(7,414)
	(3) Taxes of earlier years		(603)	-	(603)
(V)	**Profit / (loss) for the year (III-IV)**		**71,801**	**(17,286)**	**54,515**
(VI)	**Other Comprehensive Income**				
	Items that will not be reclassified to profit or loss				
	Remeasurement of post employment retirement benefit		-	(358)	(358)
	Income tax on above		-	99	99
	Total Other Comprehensive Income		**-**	**(259)**	**(259)**
(VII)	**Total Comprehensive Income for the year**		**71,801**	**(17,545)**	**54,256**

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

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

For and on behalf of the Board of Directors

Mukesh Mehta
Partner
Membership No.: 043495

B. Gop Kumar
Director
DIN: 07223999

Lav Chaturvedi
Director
DIN : 02859336

Place : Mumbai
Date: April 30, 2019

Sanat Biswas
Chief Financial Officer

Hetal Shah
Company Secretary
Membership No.: A-26479