Financial Statement

2019-20

Reliance Money Solutions Private Limited

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RELIANCE MONEY SOLUTIONS PRIVATE LIMITED

Opinion

We have audited the accompanying Ind AS financial statements of **Reliance Money Solutions Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of changes in Equity for the year then ended, and 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, 2020; and its loss 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.

Emphasis of Matter

We draw attention to Note no. 27 of the financial statements, which describes that the Company's net worth is eroded, indicating the existence of uncertainty that may cast doubt about the Company's ability to continue as a going concern. The company continues to get financial support from the Fellow Subsidiary Company i.e. Reliance Securities Limited, accordingly this standalone Ind AS financial statements are prepared on a going concern basis.

Our opinion is not modified in respect of this matter.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the report containing other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. .

Responsibilities of management for the Ind AS financial statements

The Company's Management and Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these 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. 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 and Board of Directors 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.
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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls Over Financial Reporting in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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. 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.

   e) The Emphasis of Matter described above, in our opinion, may have an adverse effect on the functioning of the Company.

   f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of section 164(2) of the Act.

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

   h) 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 company has not paid/provided for any remuneration to its directors during the year.

   i) 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 financial statements as on March 31, 2020 ;

      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, 2020.

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

Parimal Kumar Jha
Partner
Membership No.: 124262
UDIN : 20124262AAAABN7712
Mumbai
Date: May 4, 2020

Annexure A to Auditors' Report

Referred to in our Auditors' Report of even date to the members of Reliance Money Solutions Private Limited on the financial statements for the year ended March 31, 2020

1)

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) The Company do not have any immovable properties and hence clause (i) (c) of paragraph 3 of the Order is not applicable to the company.

2) The Company did not have any inventory at anytime during the year. Hence, the requirements of clause (ii) of paragraph 3 of the said order are not applicable to the Company.

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) According to the information and explanation given to us, the Company has not made any loan, investment, and guarantees to any person specified under section 185 and section 186 of the Companies Act, 2013. Therefore, the provisions of paragraph 3(iv) of the Order are not applicable to the Company.

5) According to the information and explanations given to us, the Company has not accepted any deposit from the public. 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)

a) According to the records of the Company, undisputed statutory dues including Provident Fund, Income Tax (tax deducted at source), Goods and Service Tax (GST), Cess and other material statutory dues have generally been regularly deposited with appropriate authorities. However in respect of tax deducted at source there is delay of sixteen days for the month of June 2019. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at March 31, 2020 for a period of more than six months from the date of becoming payable.

b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Goods and Service Tax (GST), Customs Duty, 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 financial institutions. The Company does not have any

borrowings from bank and government. The Company did not have any outstanding debentures during the year.

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) According to the information and explanations given to us, no fraud by the Company or fraud on the Company by its officers and employees has been noticed or reported during the course of our audit.

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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the company.

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, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Parimal Kumar Jha
Partner
Membership No.: 124262
UDIN: 20124262AAAABN7712
Mumbai
Date: May 4, 2020

Annexure B to the Independent Auditor's Report on the financial statements of Reliance Money Solutions Private Limited for year ended March 31, 2020

Report on the internal financial controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the Internal Financial Controls over financial reporting of Reliance Money Solutions Private Limited (hereinafter referred to as "the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 Over Financial Reporting and their operating effectiveness. Our audit of internal financial controls Over Financial Reporting included obtaining an understanding of internal financial controls Over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system Over Financial Reporting and such internal financial controls Over Financial Reporting were operating effectively as at March 31, 2020, based on the internal control Over Financial Reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Parimal Kumar Jha
Partner
Membership No.: 124262
UDIN: 20124262AAAABN7712
Mumbai
Date: May 4, 2020

Reliance Money Solutions Private Limited
Balance sheet as at March 31, 2020

(₹ in thousand)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	20	145
Total non-current assets		**20**	**145**
Current assets			
Financial assets			
i. Trade receivables	4	1,734	276
ii. Cash and cash equivalents	5	820	2,905
Current tax assets (net)	6	42	739
Other current assets	7	4,934	3,923
Total current assets		**7,530**	**7,843**
Total assets		**7,550**	**7,988**
EQUITY AND LIABILITIES			
Equity			
Share capital	8	100	100
Other equity	9	(6,15,689)	**(6,10,927)**
Total equity		**(6,15,589)**	**(6,10,827)**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
-Borrowings	10	6,00,415	6,00,415
Total non-current liabilities		**6,00,415**	**6,00,415**
Current liabilities			
Financial liabilities			
i. Trade payables	11	-	-
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		-	41
ii. Other financial liabilities	12	-	63
Provisions	13	135	118
Other current liabilities	14	22,589	18,178
Total current liabilities		**22,724**	**18,400**
Total liabilities		**6,23,139**	**6,18,815**
Total equity and liabilities		**7,550**	**7,988**
Significant accounting policies and notes to the financial statement	**1 to 34**		

The accompaning notes from an integral part of the financial statements.

As per our attached report of even date

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

For and on behalf of the Board of Directors

Sd/-
Parimal Kumar Jha
Partner
Membership No.: 124262
Place : Mumbai
Date: May 4, 2020

Sd/-
Ashish Turakhia
Director
DIN : 02601110

Sd/-
Ashok Karnavat
Director
DIN : 07098455

Reliance Money Solutions Private Limited
Statement of profit and loss for the year ended March 31, 2020

(₹ in thousand)

	Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
	Income			
	Revenue from operations	15	1,655	4,692
	Other income	16	972	1,349
I	**Total income**		**2,627**	**6,041**
	Expenses			
	Employee benefit expenses	17	5,256	9,427
.DEP	Depreciation and amortisation expense	3 & 4	90	591
	Other expenses	18	1,472	4,045
II	**Total expenses**		**6,818**	**14,063**
III	**Profit/(loss) before exceptional items and tax**		**(4,191)**	**(8,022)**
	Exceptional items		-	-
IV	**Profit/(loss) before tax**		**(4,191)**	**(8,022)**
VI	**Tax expense**			
	- Current tax	-	-	-
	- Deferred tax	-	-	-
.TAX0C	- Earlier years	-	228	(178)
	Total tax expense/(credit)		**228**	**(178)**
	Profit/(loss) for the year after tax		**(4,419)**	**(7,844)**
	Other comprehensive income			
	Items that will not be reclassified to profit or loss :			
CI1	Remeasurements of post employment benefit obligations		(343)	(48)
CI2	Tax relating to above		-	-
	Other comprehensive income for the year		**(343)**	**(48)**
	Total comprehensive income/(loss) for the year		**(4,762)**	**(7,892)**
	Earnings per equity share (Amount in ₹)			
	Basic and Diluted		(5,519)	(5,848)
	Significant accounting policies and notes to the financial statement	1 to 34		

The accompaning notes from an integral part of the financial statements.

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

For and on behalf of the Board of Directors

Sd/-
Parimal Kumar Jha
Partner
Membership No.: 124262
Place : Mumbai
Date: May 4, 2020

Sd/-
Ashish Turakhia
Director
DIN : 02601110

Sd/-
Ashok Karnavat
Director
DIN : 07098455

Reliance Money Solutions Private Limited

Statement of Cash Flow for the year ended March 31, 2020 **(₹ in thousand)**

S.No.	Particulars	As at March 31, 2020	As at March 31, 2019
A.	**Cash flow from operating activities :**		
	Profit/(loss) before tax from continuing operation	**(4,191)**	**(8,022)**
	Adjustments :		
	Depreciation and amortisation	90	591
	Impairment of assets	35	
	Interest income on income tax refund	(476)	-
	Provision for doubtful debts/advances (net)	-	551
	Liability written back	(496)	(1,343)
	Loss on discardment of assets	-	486
	(Profit) / loss on sale of property, plant and equipment (net)	-	(6)
	Operating profit before working capital changes	**(5,038)**	**(7,743)**
	Adjustments for		
	(increase)/ decrease in operating assets:		
	Trade receivable	(1,459)	(509)
	Loans & advances (net)	-	-
	Other current assets	(1,011)	6,976
	Other non-current assets	-	647
	Adjustments for		
	increase/ (decrease) in operating liabilities:		
	Trade payable	(41)	41
	Other current liabilities	4,908	2,550
	Provisions	(326)	(108)
	Other financial liabilities	(63)	63
	Non-current liabiliies	-	(39)
	Cash flows from / (used in) operating activities	**(3,030)**	**1,878**
	Payment of taxes (net of refunds)	945	(105)
	Net cash flows from / (used in) operating activities (A)	**(2,085)**	**1,773**
B.	**Cash flows from investing activities**		
	Sale of property, plant and equipment	-	10
	Net Cash flows from / (used in) investment activities (B)	**-**	**10**
C.	**Cash flows from financing activities**		
	Proceed from /(repayment of) short term borrowings (net)	-	-
	Finance cost	-	-
	Net Cash flows from / (used in) financing activities (C)	**-**	**-**
	Net increase / (decrease) in cash or cash equivalents (A+B+C)	**(2,085)**	**1,783**
	Opening balance of cash and cash equivalents	**2,905**	**-** **1122**
	Closing balance of cash and cash equivalents	**820**	**2,905**
	Cash and cash equivalents comprise		
	Cash in hand	5	**-**
	Balance with scheduled banks		
	-in current accounts	345	2,905
	-in cheque in hand	470	-
	Total cash and cash equivalents	**820**	**2,905**

Reliance Money Solutions Private Limited

Statement of cash flow for the year ended March 31, 2020 **(₹ in thousand)**

(a) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Particulars	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents	820	2,905
Borrowings	(6,00,415)	(6,00,415)
Net debt	**(5,99,595)**	**(5,97,510)**

Particulars	Cash and bank	Borrowings	Total
Net debt as at April 1, 2018	**1,122**	**6,00,415**	**6,01,537**
Cash flows	1,783	-	**1,783**
Interest expense	-		
Interest paid	-	-	**-**
Net debt as at March 31, 2019	**2,905**	**6,00,415**	**6,03,320**
Cash flows	(2,085)	-	**(2,085)**
Interest expense	-	-	**-**
Interest paid	-	-	**-**
Net debt as at March 31, 2020	**820**	**6,00,415**	**6,01,235**

(b) 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.

(c) Figures in brackets indicate cash outflow.

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

As per our attached report of even date

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

For and on behalf of the Board of Directors

Sd/-
Parimal Kumar Jha
Partner
Membership No.: 124262
Place : Mumbai
Date: May 4, 2020

Sd/-
Ashish Turakhia
Director
DIN : 02601110

Sd/-
Ashok Karnavat
Director
DIN : 07098455

Reliance Money Solutions Private Limited

Statements of changes in equity for the year ended March 31,2020 **(₹ in thousand)**

A. Equity share capital

Particulars	No. of shares	Amount
As at April 1, 2018	**10,000**	**100**
Changes in equity share capital	-	-
As at March 31, 2019	**10,000**	**100**
Changes in equity share capital	-	-
As at March 31, 2020	**10,000**	**100**

B. Other equity

Particulars	Reserves and surplus			Other comprehensive income	Total
	Capital Reserve	Securities premium reserve	Retained earnings		
As at April 1, 2018	**59,197**	**41,085**	**(7,85,762)**	**(98)**	**(6,85,578)**
Effect on account of Demeger scheme (refer note no. 20)	**-**	**-**	**82,543**	**-**	**82,543**
Profit/(loss) for the year	-	-	(7,844)	**-**	**(7,844)**
Other comprehensive income	-	-	-	(48)	**(48)**
Total comprehensive income for the year	**-**	**-**	**(7,844)**	**(48)**	**(7,892)**
As at March 31, 2019	**59,197**	**41,085**	**(7,93,606)**	**(146)**	**(6,10,927)**
Profit/(loss) for the year	-	-	(4,419)	-	**(4,419)**
Other comprehensive income	-	-	-	(343)	**(343)**
Total comprehensive income for the year	**-**	**-**	**(4,419)**	**(343)**	**(4,762)**
As at March 31, 2020	**59,197**	**41,085**	**(7,98,025)**	**(489)**	**(6,15,689)**

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

Sd/-
Parimal Kumar Jha
Partner
Membership No.: 124262
Place : Mumbai
Date: May 4, 2020

For and on behalf of the Board of Directors

Sd/-
Ashish Turakhia
Director
DIN : 02601110

Sd/-
Ashok Karnavat
Director
DIN : 07098455

1 Corporate Information

Reliance Money Solutions Private Limited (Formerly Known as Reliance Mass Media Private Limited) ('the company') was incorporated on August 23, 2000 with the Registrar of Companies (RoC), Maharashtra. The company's main object is providing all kind of services including Management Consulting, Advisory Services and Distribution of Financial Products.

2 Significant accounting policies

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

2.01 Basis of preparation

(i) Compliance with Ind AS

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

(ii) Historical cost convention

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

(iii) Current - non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out under Ind AS and in Schedule III to the Act. Based on the nature of the services and their realisation in cash & cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

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. Interest income from these financial assets is recognized using the effective interest rate method.

Fair value through 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

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 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 behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL, 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 me assuring ECL detailed information about the judgements and estimates made by the company.

(iii) 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.

(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 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.

(a) Income from brokerage and commission is booked on accrual basis.

(b) Income from distribution and related activities, including marketing support activities are recognized as per mutual agreement.

(c) Interest income is recognized applying the effective interest rate.

(d) 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.

2.06 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 and its subsidiaries and associates 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 consolidated 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 liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates and interest in joint arrangements where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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.

2.07 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.

2.08 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.

2.09 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.

2.10 Property, plant and equipment's

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 estimate useful lives for the different types of assets are:

Assets	**Useful Life (Years)**
Leasehold improvements	Primary period of lease
Office equipments	5
Furniture and fixtures	10
Data processing equipments	
(i) Servers and networks	6
(ii) End user devices (desktops, laptops, etc)	3

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.

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.

Assets costing up to Rs. 5,000 are fully depreciated at the time of acquisition.

2.11 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 estimate useful lives for the different types of assets are:

Asset	**Useful life**
Software	6 years

Assets costing up to Rs. 5,000 are fully depreciated at the time of acquisition.

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.

2.12 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.

2.13 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.

2.14 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 liabilities

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.

Contingent assets

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.

2.15 Employee benefits

(i) Short-term obligations

Liabilities for salaries, including monetary and 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.

2.16 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 28).

(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.

2.17 Non Current Assets held for Sale

Assets classified held for sale if it is higly proabable that they will be recovered primarily through sale rather than through continue use. Such assets are measured at lower of their carrying amount and the fair value less cost of sell. Lossess on intitial classification as held for sale and subsequent gain and lossess on re-measurement are recognised in statement of profit and loss.C227

2.18 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.

2.19 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 & zero decimals (as per the requirement of Schedule III) unless otherwise stated.

2.20 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 33
b) Estimation of defined benefit obligation-Note 21
c) Measurement of fair values and Expected Credit Loss (ECL)-Note 23

Reliance Money Solutions Private Limited
Financial Statements for the year ended March 31, 2020

Note 3 - Property, plant and equipment **(₹ in thousand)**

Particulars	Leasehold Improvements	Office equipments	Furniture and fixtures	Data processing equipments	Total
Gross block as at April 01, 2018	**1,251**	**5,798**	**43,267**	**56,751**	**1,07,067**
Additions	**-**	-	-	-	-
Disposals	(582)	(5,628)	(43,199)	(56,645)	(1,06,054)
As at March 31, 2019	**669**	**170**	**68**	**106**	**1,013**
Accumulated depreciation as at April 01, 2018	**1,123**	**5,545**	**43,207**	**56,751**	**1,06,626**
Depreciation charge for the year	68	120	9	-	**197**
Disposals	(582)	(5,540)	(43,188)	(56,645)	**(1,05,955)**
As at March 31, 2019	**609**	**125**	**28**	**106**	**868**
Net carrying amount as at March 31, 2019	**60**	**45**	**40**	**-**	**145**

Particulars	Leasehold Improvements	Office equipments	Furniture and fixtures	Data processing equipments	Total
Gross block as at April 01, 2019	**669**	**170**	**68**	**106**	**1013**
Additions	**-**	**-**		**-**	**-**
Disposals	**-**	**-**	-	**-**	**-**
As at March 31, 2020	**669**	**170**	**68**	**106**	**1,013**
Accumulated depreciation as at April 01, 2019	**609**	**125**	**28**	**106**	**868**
Depreciation charge for the year	51	34	5	-	**90**
Impairment	-	0	35	-	**35**
Disposals	-	-	-	-	**-**
As at March 31, 2020	**660**	**159**	**68**	**106**	**993**
Net carrying amount as at March 31, 2020	**9**	**11**	**-**	**-**	**20**

(₹ in thousand)

Note 4 - Trade receivables

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Unsecured		
Considered good	1734	276
Considered doubtful	2400	2896
	4134	3172
Less : Provision for doubtful debts	(2,400)	(2,896)
Total	**1,734**	**276**

Note 5 - Cash and cash equivalents

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Cash and Cash equivalents		
Cash in hand	5	-
Balance with banks in current accounts	345	2905
Cheques on hand	470	-
Total	**820**	**2,905**

Note 6 - Current tax assets

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Advance payment of tax and tax deducted at source (Net of Provision of Rs. Nil as at March 31, 2020 Rs. 3622 thousand as at March 31, 2019)	42	739
Total	**42**	**739**

Note 7 - Other current assets

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Balance with tax authorities	4639	3798
Prepaid expenses	203	125
Advance to vendors	92	-
Total	**4,934**	**3,923**

Reliance Money Solutions Private Limited

Financial Statements for the year ended March 31, 2020

Note 8 -Share Capital

(₹ in thousand)

	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
AUTHORISED				
Equity Share Capital of ₹ 10 each	10,000	100	10,000	100
Preference Share Capital of ₹ 10 each	6,00,42,500	6,00,425	6,00,42,500	6,00,425
Total	**6,00,52,500**	**6,00,525**	**6,00,52,500**	**6,00,525**
ISSUED, SUBSCRIBED AND PAID UP				
Equity Shares of ₹ 10 each fully paid up	10,000	100	10,000	100
Total	**10,000**	**100**	**10,000**	**100**

Note:

1. Terms and rights attached to equity shares

Equity shares:

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the company, after the distribution of preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

2. The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2020 & March 31, 2019 are set out below:

	As at March 31, 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
Number of shares at the beginning	10,000	100	10,000	100
Add: Shares issued during the year	-		-	
Less: Redeemed during the year	-		-	
Number of shares at the year end	**10,000**	**100**	**10,000**	**100**

3.The details of shareholders holding more than 5% of a class of shares:

	As at March 31, 2020		As at 31 March 2019	
Particulars	No. of shares	% held	No. of shares	% held
Equity shares				
Reliance Capital Limited (holding company) and nominee shareholders	10,000	100	10,000	100

4. Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	As at March 31, 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Shares held by holding company:				
- Reliance Capital Limited and nominee shareholders	10,000	100	10,000	100

Note 9 - Other equity

(₹ in thousand)

Particulars		As at March 31, 2020	As at March 31, 2019
(i) Securities premium account		41,085	41,085
(ii) Capital Reserve* (refer note no. 20)		59,197	59,197
(iii) Retained earnings		(7,15,482)	(7,11,063)
(iv) Other comprehensive income		(489)	(146)
	Total	**(6,15,689)**	**(6,10,927)**

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Securities premium account		
Opening balance	41,085	41,085
Add/(Less) : Changes during the year	-	-
Closing balances	**41,085**	**41,085**
(ii) Capital Reserve		
Opening balance	59,197	59,197
Add/(Less) : Changes during the year	-	-
Closing balances	**59,197**	**59,197**
(iii) Retained earnings		
Opening balance	(7,11,063)	(7,85,762)
Effect on account of Demeger scheme* (refer note no. 20)	-	82,543
Add: Profit/ (Loss) during the year	(4,419)	(7,844)
Closing balances	**(7,15,482)**	**(7,11,063)**
(iv) Other comprehensive income		
Opening balance	(146)	(98)
Add : Other comprehensive income for the year	(343)	(48)
Closing balances	**(489)**	**(146)**

*Opening retained earning has been adjusted for the profit and loss for the FY 2017-18 in respect of the demerged business.

Nature and purpose of reserve

(a) Securities premium

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

(b) Capital Reserve

Capital Reserve raised on account of demerger scheme.

(c) Retained earnings

Retained earnings represents accumalated deficated in statement of profit & loss.

(d) Other comprehensive income

Other comprehensive income represents recoginations of gain / (loss) on post retirement employee benefit plan.

(₹ in thousand)

Note 10 - Long term borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
11% Non Convertible Non Cumulative Non-Participating Redeemable Preference Shares (A)	2,50,000	2,50,000
12% Non-Convertible Cumulative Redeemable Preference Shares (NCCRP) (B)	3,50,000	3,50,000
0% Optionally Convertible Redeemable Preference Shares of ₹ 10 each fully paid up (C)	415	415
Total	**6,00,415**	**6,00,415**

Notes:

(A) 11% The Non- Convertible Non- Cumulative Non-Participating Redeemable Preference Shares (NCNCNPS)

The NCNCNPS shall be redeemed at par i.e. ₹ 10/- per share. The NCNCNPS shall normally be redeemed on expiry of 10 years from the date of allotment i.e. May 03, 2016 of NCNCNPS. The NCNCNPS will be redeemed on the redemption date against the surrender of the duly discharged share certificates and other supporting documents as may be required by the Company. However, the Company and the NCNCNPS holder shall have a right to redeem the NCNCNPS before the redemption date as the Board of Directors may deem fit and the Company obtaining the requisite approvals for the same. In the event of redemption of NCNCNPS on receipt / surrender of duly discharged share certificates and other supporting documents as may be required by the Company and the Company obtaining the requisite approvals for the redemption, redemption proceeds shall be paid within seven days from the date of receipt of complete documents and the requisite approvals for redemption.

The NCNCNPS holders shall be entitled to such rights and privileges as are available to them under the Companies Act, 2013 or any statutory modifications or re-enactments as may be in force from time to time and the Rules made there under.

(B) 12% Non-Convertible Cumulative Redeemable Preference Shares (NCCRPS)

The NCCRPS shall be redeemed at par i.e. ₹10/- per share. The NCCRPS shall normally be redeemed on expiry of 10 years from the date of allotment i.e. September 29, 2015 of NCCRPS. The NCCRPS will be redeemed on the redemption date against the surrender of the duly discharged share certificates and other supporting documents as may be required by the Company. However, the Company and the NCCRPS holder shall have a right to redeem the NCCRPS before the redemption date as the Board of Directors may deem fit and the Company obtaining the requisite approvals for the same. In the event of redemption of NCCRPS on receipt / surrender of duly discharged share certificates and other supporting documents as may be required by the Company and the Company obtaining the requisite approvals for the redemption, redemption proceeds shall be paid within seven days from the date of receipt of complete documents and the requisite approvals for redemption.

The NCCRPS holders shall be entitled to such rights and privileges as are available to them under the Companies Act, 2013 or any statutory modifications or re-enactments as may be in force from time to time and the Rules made there under.

(C) 0% Optionally Convertible Redeemable Preference Shares

Preference shares carries no voting and dividend right. In the event of liquidation of the Company, the holders of preference shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of preference shares held by the shareholders.

These preference shares are either redeemable or convertible on or before 10 years from the date of allotment i.e. March 28, 2012.

In case of conversion, each Optionally Convertible Redeemable Preference Shares will be converted into equity share at fair value to be determined by the independent valuer, discounted at mutually agreed rate.

(₹ in thousand)

Note 11 - Trade payables

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
- Total outstanding dues of micro enterprises and small enterprises		
- Total outstanding dues of creditors other than micro enterprises and small enterprises	-	41
Total	**-**	**41**

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

According to the information available with the Company there are no dues (Previous year Rs Nil) payable to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2020.

Note 12 - Other financial liabilities

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Interest accrued and due	-	63
Total	**-**	**63**

Note 13 - Provisions

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Provision for gratuity	135	118
Total	**135**	**118**

Note 14 - Other current liabilities

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Payable to employees	143	158
Provision for expenses	3,026	9,046
Statutory liabilities	672	515
Other payables	18,748	8,459
Total	22,589	18,178

Reliance Money Solutions Private Limited

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

(₹ in thousand)

Note 15 - Revenue from operations

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Income from distribution and related activities	1,655	4,692
Total	**1,655**	**4,692**

Note 16 - Other income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest on income tax refund	476	-
Profit on sale of fixed asset	-	6
Liability written back	496	1,343
Total	**972**	**1,349**

Note 17 - Employee benefit expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, bonus & allowances	4,907	8,981
Contribution to provident fund and other funds	244	252
Staff welfare expenses	105	194
Total	**5,256**	**9,427**

Note 18 - Other expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Payment to auditors		
- as Statutory audit fees	50	50
Advance & other balances write off	-	238
Bank charges	18	20
Communication	4	7
Legal and professional charges	515	705
Marketing and advertisement	737	928
Printing and stationery	-	15
Provision for doubtful debts (net of provision)	-	551
Travelling and conveyance expenses	30	79
Rent, rates and taxes	56	389
Software expenses	-	63
Seminar and training	-	506
Loss on sale\discardment of property, plant and equipment	-	486
Impairment of Assets	35	-
Membership & Subscriptions	20	-
Miscellaneous expenses	7	8
Total	**1,472**	**4,045**

Note 19 - Disclosure in accordance with Ind-AS 24 Related party transactions

Relationships during the year

(A) Holding Company

Reliance Capital Limited

(B) Fellow Subsidiaries

Reliance Capital Pension Fund Limited
Reliance General Insurance Company Limited
Reliance Nippon Life Insurance Company Limited
Reliance Health Insurance Limited
Reliance Commercial Finance Limited
Reliance Home Finance Limited (ceased w.e.f. March 5, 2020)
Reliance Securities Limited
Reliance Commodities Limited
Reliance Financial Limited
Reliance Wealth Management Limited
Reliance Money Solutions Private Limited
Reliance Money Precious Metals Private Limited
Reliance Exchangenext Limited
Reliance Corporate Advisory Services Limited
Quant Capital Private Limited
Quant Broking Private Limited
Quant Securities Private Limited
Quant Investment Services Private Limited
Gullfoss Enterprises Private Limited
Reliance Underwater Systems Private Limited (w.e.f. August 16, 2019)
Reliance Capital AIF Trustee Company Private Limited (Ceased w.e.f. September 27, 2019)
Reliance Capital Trustee Co. Limited (ceased w.e.f. September 27, 2019)

(C) Associate Companies of Holding Company

Ammolite Holdings Limited
Reliance Asset Reconstruction Company Limited
Global Wind Power Limited (w.e.f. June 18, 2019)
Reinplast Advanced Composites Private Limited
Reliance Nippon Life Asset Management Limited (ceased w.e.f. September 27, 2019)
Reliance Home Finance Limited (w.e.f. March 5, 2020)

(D) Key management personnel

Names	**Designation**
Mr. Ashok Karnavat	Independent Director
Mr. Satyendra Mohanlal Sarupria	Independent Director
Mr. Gop Kumar (till Sep 30, 2019)	Director
Mr. Ashish Turakhia	Director
Mr. Ganesh Pai (till Feb 28, 2020)	Director
Mr. Santosh Kumar Bhnadari	Chief Financial Officer
Ms. Archana Parikh (till Oct 30, 2019)	Company Secretary
Mr. Hemal Joshi	Manager

(` in thousand)

(E) Transactions with related parties during the year :

Nature of Transaction	Holding Company		Fellow Subsidiaries		Key Management Personel	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Unsecured loan (Inter Corporate Loan)						
Quant Capital Private Limited						
Opening Balance	-	-	94,500	-	-	-
Loan taken during the year	-	-	-	3,14,500	-	-
Loan repaid during the year	-	-	(94,500)	(2,20,000)	-	-
Balance Payable	-	-	-	94,500	-	-
Reliance Financial Limited						
Opening Balance	-	-	91,300	1,63,800	-	-
Loan taken during the year	-	-	2,22,550	2,30,500	-	-
Transfer on account of demerge scheme	-	-	(1,90,050)	-	-	-
Loan repaid during the year	-	-	(1,23,800)	(3,03,000)	-	-
Balance Payable	-	-	-	91,300	-	-
Expenditures						
Interest Expense						
Reliance Financial Limited	-	-	-	11,468	-	-
Quant Capital Private Limited	-	-	-	6,466	-	-
Medical Insurance						
Reliance General Insurance Company Limited	-	-	274	108	-	-
Employee Life insurance expenses						
Reliance Nippon Life Insurance Company Limited	-	-	11	33	-	-
Reimbursement of PLI Incentive						
Reliance Securities Limited	-	-	2,809	3,457	-	-
Rent expenses						
Reliance Securities Limited	-	-	1,943	-	-	-
Director Sitting Fee						
Ashok Karnavat	-	-	-	-	90	90
Satyendra Mohanlal Sarupria	-	-	-	-	90	90
Income						
Broking Commission - Mutual Fund						
Reliance Nippon Life Asset Management Limited	-	-	-	146	-	-
Reimbursement of Expenses						
Reliance Securities Limited	-	-	2,881	-	-	-
Receivable / (Payable)						
Reliance Home Finance Limited	-	-	-	15	-	-
Reliance Securities Limited	-	-	1,301	-	-	-
Reliance Financial Limited	-	-	(3,534)			
Reliance General Insurance Company Limited	-	-	5	6	-	-
Reliance Nippon Life Asset Management Limited	-	-	-	257	-	-
Reliance Nippon Life Insurance Company Limited	-	-	-	53	-	-

(F) *Terms & conditions*

All transactions were made on normal commercial terms and conditions.
All outstanding balances are unsecured and are repayable in cash.

Reliance Money Solutions Private Limited

Note: 20 Demerger of distribution business

The Company had entered into an scheme of agreement with Reliance Financial Limited for demerger of it’s entire "Distribution business of financial products" (other than mutual funds distribution business) with the appointed date of April 1, 2017.
The Composite Scheme of Arrangement (Scheme) had been filed with National Company Law Tribunal (NCLT) under the provisions of section 232 and other relevant provisions of the Companies Act, 2013 and rules made thereunder, as may be applicable, read with section 2 (19AA) of the Income Tax Act,1961. The scheme is approved by NCLT.
In accordance with the aforesaid Scheme of arrangement and as per NCLT approval:

All the Assets and liabilities of the demerged undertaking has been transferred at their respective book values.
The difference between Net Assets Value i.e Book Value of Assets minus liabilities as on Appointed date amounting to Rs 591.97 Lakhs, has been transferred to Capital Reserve in the Books of the Company as per the approved Scheme.

Financial statements for the year ended March 31, 2020 (₹ in thousand)

Note 21- 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 group is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Employer's Contribution to Provident Fund (Included in 'Contribution to provident and other funds' under Employee Benefits Expense)	244	252

B. Defined Benefit Plans:

Gratuity and Leave Encashment:

The employees' gratuity fund scheme managed by a Trust (Reliance Securities 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

	Gratuity Benefits (Funded)		**Leave Encashment Benefits (Un-Funded)**	
I. Change in present value of obligation:	**As at March 31, 2020**	**As at March 31, 2019**	**As at March 31, 2020**	**As at March 31, 2019**
Present value of obligations at the beginning of the year	585	438	-	40
Interest Cost	46	34	-	-
Current Service Cost	70	56	-	-
Benefit Paid	(339)	-	-	(40)
Actuarial (gain)/loss on obligations	332	57	-	-
Liability for Transferred In / (out)	-	-	-	-
Present value of obligations at the end of the year	**694**	**585**	**-**	**-**

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Financial statements for the year ended March 31, 2020

(₹ in thousand)

	Gratuity Benefits (Funded)		Leave Encashment Benefits (Un-Funded)	
II. Change in the fair value of Plan Assets :	**As at March 31, 2020**	**As at March 31, 2019**	**As at March 31, 2020**	**As at March 31, 2019**
Fair Value of Plan Assets at the beginning of the year	**468**	**262**	**-**	**-**
Expected Return on Plan Assets	36	20	-	-
Liability at the end of the year	694	585	-	-
Fair value of plan assets at the end of the year	155	468	-	-
(Asset) / Liability Recognised in the Balance Sheet	**539**	**118**	-	**-**

Included under provisions' (Refer Note 13)

IV. Expenses recognised during the year :	**As at March 31, 2020**	**As at March 31, 2019**	**As at March 31, 2020**	**As at March 31, 2019**
Current Service Cost	70	56	-	-
			-	
Interest Cost	46	34	-	-
Expected Return on Plan Assets	(36)	(20)	-	-
Net Actuarial (Gain)/Loss recognised	343	48	-	-
Expense Recognised in statement of profit and loss	421	118	-	-

(₹ in thousand)

	Gratuity Benefits (Funded)	
Amount recorded in Other comprehensive Income (OCI)	**As at March 31, 2020**	**As at March 31, 2019**
Remeasurments during the year due to		
-changes in financial assumptions	-	-
-Experience adjustments	-	-
-Actuarial (Gains)/Losses on Obligation For the Period	332	57
-Return on Plan Assets, Excluding Interest Income	10	(9)
Amount recognised in OCI during the year	**343**	**48**

V. Investment details :	**As at March 31, 2020**	**As at March 31, 2019**
Total value of investments for employees gratuity fund scheme is managed by insurance company	-	-

VI. Assumptions :	**As at March 31, 2020**	**As at March 31, 2019**
Discount Rate (per annum)	6.89%	7.79%
Rate of Return on Plan Assets	6.89%	7.79%
Salary Escalation	6.00%	6.00%
Rate of Employee Turnover	For 0 yrs to 4 yrs 54.00 % p.a. & 2% thereafter	For 0 yrs to 4 yrs 54.00 % p.a. & 2% thereafter
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)Ult	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A	N.A

VII. - Particulars of amounts for the year and previous years	**Gratuity for the year ended March 31,**				
	2020	**2019**	**2018**	**2017**	**2016**
Present value of obligations at the end of the year	694	585	438	481	2,774
Fair value of plan assets at the end of the year	155	468	262	280	2,704
Excess of obligation Over plan asset	539	118	177	201	70
Experience Adjustment on Plan Liability (Gain)/Loss	332	57	93	(194)	1,065
Actuarial Gain /(Loss) due to Plan Asset	(10)	9	(4)	(94)	(27)

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.

(₹ in thousand)

C. Sensitivity analysis:

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

			Impact on defined benefit obligation			
	Change in assumption		**Increase in assumption**		**Decrease in assumption**	
	As at March 31, 2020	**As at March 31, 2019**	**As at March 31, 2020**	**As at March 31, 2019**	**As at March 31, 2020**	**As at March 31, 2019**
Discount Rate	1.00%	1.00%	(87)	(74)	103	88
Salary growth rate	1.00%	1.00%	103	89	(88)	(76)
Employee Turnover	1.00%	1.00%	8	15	(9)	(17)

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, 2020**	**As at March 31, 2019**	**As at March 31, 2020**	**As at March 31, 2019**
	%		**(Amount)**	
Insurer managed funds	100.00%	100.00%	155	468
Total	**100.00%**	**100.00%**	**155**	**468**

(E) 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.

Financial statements for the year ended March 31, 2020 (₹ in thousand)

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 insuere which is then paid to the employees after receipt of such claim. The investment risk in this case is not borne by the Company.

(F) 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 ₹ 179 thousand.

The weighted average duration of the defined benefit obligation is 16 years (2019 – 16 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**
March 31, 2020					
Defined benefit obligation (gratuity)	17	18	59	1911	**2,005**
March 31, 2019					
Defined benefit obligation (gratuity)	16	17	56	1927	**2,016**

Reliance Money Solutions Private Limited

Notes to financial statements for the year ended March 31, 2020

Note 22 - Maturity analysis of assets and liabilities

(₹ in thousand)

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, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Non-current assets						
Property, plant and equipment	-	20	20	-	145	145
Other intangible assets	-	-	-	-	-	-
Financial assets						
(a) Other Financial assets	-	-	-	-	-	-
Other non-current assets	-	-	-	-	-	-
Current assets						
Financial assets						
(a) Cash and cash equivalents	820	-	820	2,905	-	2,905
(b) Trade receivables	1,734	-	1,734	276	-	276
(c) Other Financial Assets	-	-	-	-	-	-
Non-financial Assets	-	-	-	-	-	-
Current tax assets (Net)	-	42	42	-	739	739
Other current assets	4,934	-	4,934	3,923	-	3,923
Total assets	**7,488**	**62**	**7,550**	**7,104**	**884**	**7,988**
Non-current liabilities						
Financial liabilities						
i. Borrowings (Preference Shares)	-	6,00,415	6,00,415	-	6,00,415	6,00,415
Other non-current liabilities	-	-	-	-	-	-
Current liabilities						
Financial liabilities						
i. Trade payables	-	-	-	41	-	41
ii. Other Financial liabilities	-	-	-	63	-	63
Provisions	135	-	135	118	-	118
Other current liabilities	22,589	-	22,589	18,178	-	18,178
Total liabilities	**22,724**	**6,00,415**	**6,23,139**	**18,400**	**6,00,415**	**6,18,815**
Net	**(15,236)**	**(6,00,353)**	**(6,15,589)**	**(11,297)**	**(5,99,531)**	**(6,10,827)**

Notes to financial statements for the year ended March 31, 2020 (₹ in thousand)

23 Financial risk management

A The Company’s activities expose it credit risk and liquidity risk. In order to minimise any adverse effects on the financial performance of the company, it moniters, measure and manage the risk as per below matrix :-

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade and other receivables, financial assets measured at amortised cost	Aging analysis, credit ratings	Diversification of bank deposits, credit limits and regular monitoring
Liquidity risk	Borrowings, subordinated liabilities (Preference Shares)	Rolling cash flow forecasts	Availability of committied credit lines, borrowing facilities, Asset liability measurement

23.1 Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Trade receivables

The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

Trade receivable ageing

Particulars	As at March 31, 2020	As at March 31, 2019
More than six month	2,400	2,896
Less than six month	1,734	276

(a) Expected credit loss mesurment :-

A default on a trade receivables is when the counterparty fails to make contractual payments within 180 days days of when they fall due in case of third party distribution business clients . This definition of default is determined by considering the business environment in which Company operates and other macro-economic factors.

The Company has established an allowance for impairment that represents its expected credit losses in respect of trade receivables. The management uses a simplified approach "180 days past due for the purpose of computation of expected credit loss for trade receivables. An impairment analysis is performed at each reporting date and impairtment allowance is provide for amounts outstanding more than 180 days from billing date for trade receivables. The Company evaluates the concentration of risk with respect to trade receivables as below.

Reconciliation of loss allowance provision:

Particulars	Amount
Loss allowance as on March 31, 2018	**2,141**
changes in loss allowance	755
Loss allowance as on March 31, 2019	**2,896**
changes in loss allowance	(496)
Loss allowance as on March 31, 2020	**2,400**

Cash and cash equivalents

Credit risk on cash and cash equivalents and other deposits with banks are limited as the Company generally invest in deposits with banks with high credit ratings assigned by external credit rating agencies, accordingly the Company considers that the related credit risk is low.

23.2 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.

Analysis of financial assets and liabilities by remaining contractual maturities.

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities as at March 31, 2020. 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, 2020 (₹ in thousand)

Contractual maturities of assets and liabilities	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Current assets						
Financial assets						
i. Trade receivables	-	1,734	-	-	-	1,734
ii. Cash and cash equivalents	820	-	-	-	-	820
Total financial assets	**820**	**1,734**	**-**	**-**	**-**	**2,554**
Non-current liabilities						
Financial liabilities						
i. Borrowings- (Preference Shares)	-	-	-	415	6,00,000	6,00,415
Total financial liabilities	**-**	**-**	**-**	**415**	**6,00,000**	**6,00,415**

As at March 31, 2019 (₹ in thousand)

Contractual maturities of assets and liabilities	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Current assets						
Financial assets						
i. Trade receivables	-	-	276	-	-	276
ii. Cash and cash equivalents	2,905	-	-	-	-	2,905
Total financial assets	**2,905**	**-**	**276**	**-**	**-**	**3,181**
Non-current liabilities						
Financial liabilities						
i. Borrowings- (Preference Shares)	-	-	-	-	6,00,415	6,00,415
Current liabilities						
Financial liabilities						
i. Trade payables						
(a) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	-	41	-	-	-	41
ii. Other financial liabilities	63					63
Total financial liabilities	**63**	**41**	**-**	**-**	**6,00,415**	**6,00,519**

B **Capital management**

Risk management

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders. The capital of the Company consist of equity capital and accumulated profits. The Company avails borrowings only for day to day working capital requirement for daily core business operations.

The company has not paid dividend in last two year to equity stock holders of the company.

RELIANCE MONEY SOLUTIONS PRIVATE LIMITED
Notes to the financial statement for the year ended March 31, 2020

Note 24 - Fair value measurements

a) Financial instruments by category

(₹ in thousand)

Particulars	As at March 31, 2020		As at March 31, 2019	
	FVPL	Amortised cost	FVPL	Amortised cost
Non-current assets				
Financial assets				
i. Other financial assets	-	-	-	-
Current assets				
Financial assets				
i. Trade receivables	-	1,734	-	276
ii. Cash and cash equivalents	-	820	-	2,905
iii. Other Financial Assets	-	-	-	-
Total assets	**-**	**2,554**	**-**	**3,181**
Non-current liabilities				
Financial liabilities				
i. Borrowings	-	6,00,415	-	6,00,415
Current liabilities				
Financial liabilities				
i. Borrowings	**-**	-	**-**	-
ii. Trade payables	-	-	-	41
iii. Other Financial liabilities	-	-	-	63
Total liabilities	**-**	**6,00,415**	**-**	**6,00,519**

RELIANCE MONEY SOLUTIONS PRIVATE LIMITED
Notes to the financial statement for the year ended March 31, 2020

b) Fair value of financial assets and liabilities measured at amortised cost **(₹ in thousand)**

	As at March 31, 2020		As at March 31, 2019	
	Carrying Value	**Fair value**	**Carrying Value**	**Fair value**
Non-current assets				
Financial assets				
i. Other financial assets	-	-	-	-
Current assets				
Financial assets				
i. Trade receivables	1,734	1,734	276	276
ii. Cash and cash equivalents	820	820	2,905	2,905
iii. Other Financial Assets	-	-	-	-
Total financial assets	**2,554**	**2,554**	**3,181**	**3,181**
Non-current liabilities				
Financial liabilities				
i. Borrowings	6,00,415	6,00,415	6,00,415	6,00,415
Current liabilities				
Financial liabilities				
i. Borrowings	-	-	-	-
ii. Trade payables	-	-	41	41
iii. Other Financial liabilities	-	-	63	63
Total financial liabilities	**6,00,415**	**6,00,415**	**6,00,519**	**6,00,519**

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: Trade receivables, cash and cash equivalents, bank deposits and trade payables, borrowings. Such amounts have been classified as Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

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

25 Contingent Liabilities

Unpaid and undeclared dividend on preference shares (includes dividend distribution tax) **(₹ in thousand)**

Particulars	As at 31 March, 2020	As at 31 March, 2019
12% Non-Convertible Cumulative Redeemable Preference Shares (NCCRPS)*	2,00,868	1,50,096

* As the company has accumulated losses, the company has not provided for the dividend on thease instrument in the financial statements.

26 Segment Information for the year ended March 31, 2020

The Company is into distribution of financial products and related activities. As the Company is engaged only in one business segment and there are no geographical segments, the Balance Sheet for the year ended March 31, 2020, and Statement of Profit and Loss for the year ended March 31, 2020 pertain to one business segment and related activities as per Ind AS 108 on Operating Segment"

27 Note for Going Concern

The Company's net worth is negative. However having regard to financial support from its fellow subsidary for its working capital requirment, the financial statements have been prepared on the basis that the company is a going concern and that no adjustment are required to the carrying value of assets and liabilities.

28 Earnings per share

Particulars	As at 31 March, 2020	As at 31 March, 2019
Earning per share from Continuning operations		
Net Profit/ (Loss) after tax as per statement of profit and loss	(4,419)	(7,844)
Less: 12% Dividend on NCCRPS [including dividend tax thereon (not declared)]	(50,772)	(50,633)
Loss attributable to equity shareholders	(55,191)	(58,477)
Weighted average number of equity shares outstanding during the year	10,000	10,000
Nominal value per equity share	10	10
Basic and diluted earnings per share (Amount in ₹)	**(5,519)**	**(5,848)**

Note:

Number of equity shares to be issued upon conversion of 0% Convertible Redeemable Preference Shares are not known at this stage since the conversion ratio will be mutually decided by the company and the preference shareholders at the time of conversion, hence the basic and the diluted earning per share is same.

29 Components of cash and cash equivalents

Particulars	As at 31 March, 2020	As at 31 March, 2019
In current accounts	345	2,940
Cash in hand	5	5
Cheque in hand	470	-
	820	**2,945**

30 Foreign currency transactions

Details of foreign currency transactions are as follows:

Particulars	As at 31 March, 2020	As at 31 March, 2019
Expenditure incurred in foreign currency*	-	-
Income earned in foreign currency*	-	-

*During the year the company has no foreign currency transactions.

31 Corporate Social Responsibility Expenditure

On account of inadequate average net profits in immediately preceding three years, the company is not required to pay any amount towards corporate social responsibility as defined under section 135 of Companies Act 2013.

32 COVID -19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian Financial Markets and a significant decrease in the economic activities. On 24 March 2020 the Indian Government had announced a strict 21 day lockdown which has been further extended by 19 days across the country to contain the spread of virus. Covid 19 presented us an operational challenges and required recalibrating the management methodology for sales, collections, operations, etc. The Company believes that it has taken into account all the possible impact of known events arising out of COVID 19 pandemic in the preparation of financial results. However the impact assessment of COVID 19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions.

33 Income tax

(₹ in thousand)

a) The components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

Particulars	As at March 31, 2020	As at March 31, 2019
Current Tax		
Current tax on profit for the year	-	-
Adjustments for current tax of prior periods	228	(178)
Total current tax expenses	**228**	**(178)**
Deferred Tax	-	-
Total	**228**	**(178)**

b) 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, 2020 and March 31, 2019 is, as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Profit before tax (B)	**(4,191)**	**(8,022)**
Tax/ (benefit) at the Indian tax rate of 26% (March 31, 2019 : 26%)	(1,090)	(2,086)
Tax effect of amounts which are not deductible (taxable)	**-**	**-**
(i) Interest on late payment of TDS U/S 36(1)(va)	-	**5**
(ii) Impairment of fixed assets	-	**-**
(iii) Profit/(loss) on sale of fixed assets	-	(2)
Deferred tax asset has not recognised due to tax losses	1,090	2,082
Calculating taxable income:		
Adjustments for current tax of prior periods	228	(178)
Income tax expenses at effective tax rate (A)	**228**	**(178)**
Effective tax rate (A)/(B)	**-5.43%**	**2.22%**

*As a matter of prudence the company had decided not to recognise Deferred tax assets (net) in books of accounts.

RELIANCE MONEY SOLUTIONS PRIVATE LIMITED
Notes to the Financial Statements for the year ended 31st March, 2020

34 Previous year figures

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

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

As per our attached report of even date

For Pathak H. D. & Associates LLP	**For and on behalf of the Board of Directors**	
Chartered Accountants		
Firm registration No. 107783W/W100593		
Sd/-	Sd/-	Sd/-
Parimal Kumar Jha	**Ashish Turakhia**	**Ashok Karnavat**
Partner	Director	Director
Membership No.: 124262	DIN : 02601110	DIN : 07098455
Place : Mumbai		
Date : May 4, 2020		