

Financial Statement

2016-17

Reliance Commercial Finance Limited

Independent Auditor's Report

To,
The Members,
Reliance Commercial Finance Limited
(Formerly Reliance Gilts Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of Reliance Commercial Finance Limited (Formerly Reliance Gilts Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

Independent Auditor's Report (Continued)
Reliance Commercial Finance Limited
(Formerly Reliance Gilts Limited)

CHATURVEDI & SHAH
Chartered Accountants

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. Further to our comments in the Annexure A, and as required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

Independent Auditor's Report (Continued)
Reliance Commercial Finance Limited
(Formerly Reliance Gilts Limited)

CHATURVEDI & SHAH
Chartered Accountants

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations as at March 31, 2017 on its financial position in its financial statements - Refer Note No.36 (ii) of the financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) The Company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note No.38 of the financial statements.

For Chaturvedi & Shah
Chartered Accountants
Firm's Registration No:101720W

Vijay Napawaliya
Partner
Membership No: 109859

Mumbai
Dated : April 20, 2017

Annexure A to the Independent Auditor's Report (Continued)
(Referred to in our report of even date)

- (i) In respect of its fixed assets :
- a. The Company has maintained proper records, showing full particulars including quantitative details and situation of its fixed assets.
 - b. The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any immovable properties, thus, paragraph 3 (i) (c) of the Order is not applicable to the Company.
- (ii) According to the information and explanations given to us, the Company is a Systemically Important Non-deposit taking Non-Banking Financial Company which is primarily engaged in lending activities. Accordingly, Company's business does not involve inventories. Thus, paragraph 3 (ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loan secured/unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of clauses (iii)(a), (iii)(b) and (iii)(c) of paragraph 3 of the Order are not applicable.
- (iv) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, during the year under audit, the Company has not given any loan, guarantee or security to parties covered under Section 185 of the Act. As the Company is registered as a non banking financial Company with the Reserve Bank of India, thus the provision of Section 186 except Sub-section (1) of the Act is not applicable to the Company. In our opinion and according to the information and explanations given to us, during the year, the Company has not made any investments through more than two layers of Investment Company as mentioned in Sub-section 1 of Section 186 of the Act.
- (v) According to the information and explanations given to us, the Company is a Systemically Important Non-deposit taking Non-Banking Financial Company therefore, paragraph 3 (v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not specified for maintenance of cost records under sub section (1) of Section 148 of the Companies Act, 2013 in respect of activities carried on by the Company. Hence the provisions of clause 3 (vi) of the Order is not applicable to the Company.

Reliance Commercial Finance Limited
(Formerly Reliance Gilts Limited)

Annexure A to the Independent Auditor's Report (Continued)
(Referred to in our report of even date)

(vii) In respect of statutory dues:

a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable except in case of professional tax in which there were few delays in payment of the said dues. Further, there are no undisputed amounts payable outstanding as at March 31, 2017 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us, and based on our audit procedures, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government, or dues to debenture holders as at March 31, 2017.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). The Company has raised moneys through term loans during the year. Fund raised through term loans by the Company have been applied for the purpose for which they were raised except in case where term loans amounting to Rs.300 crore have been taken which were lying in bank accounts at the year end, and were subsequently utilized for the purpose for which loans have been taken.

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

(xi) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, during the year the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandate by the provisions of Section 197 read with Schedule V of the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company, accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

Reliance Commercial Finance Limited
(Formerly Reliance Gilts Limited)

CHATURVEDI & SHAH
Chartered Accountants

Annexure A to the Independent Auditor's Report (Continued)
(Referred to in our report of even date)

- (xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, all transactions with related parties are in accordance with the provisions of Section 177 and Section 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014.
- (xiv) In our opinion and according to the information and explanations given to us, during the year under audit, the Company has not made any preferential allotment of fully or partly convertible debentures. During the year the Company has issued equity shares on preferential allotment basis to its holding company as per requirement of Section 42 of the Companies Act, 2013 and the amount raised have been used for the purposes for which the funds were raised.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered any non-cash transactions with directors and persons connected with him. Hence the provisions of clause 3 (xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company has been registered as required under Section 45-IA of the Reserve Bank of India Act, 1934.

For Chaturvedi & Shah
Chartered Accountants
Firm's Registration No:101720W

Vijay Napawaliya
Partner
Membership No: 109859

Mumbai
Dated : April 20, 2017

**Annexure "B" to the Independent Auditor's Report of even date on the financial statements of Reliance Commercial Finance Limited
(Formerly Reliance Gilts Limited)**

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

We have audited the internal financial controls over financial reporting of Reliance Commercial Finance Limited (Formerly Reliance Gilts Limited) ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, 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 over financial reporting 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Annexure "B" to the Independent Auditor's Report of even date on the financial statements of Reliance Commercial Finance Limited
(Formerly Gilts Limited)**

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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, 2017, 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 Chaturvedi & Shah
Chartered Accountants
Firm's Registration No:101720W

Vijay Napawaliya
Partner
Membership No: 109859

Mumbai
Dated : April 20, 2017

RELIANCE COMMERCIAL FINANCE LIMITED
(Formerly known as Reliance Gifts Limited)

BALANCE SHEET AS AT MARCH 31, 2017

(Rupees in crore)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
I. EQUITY AND LIABILITIES :			
1 Shareholders' Funds			63.30
(a) Share Capital	3	522.83	
(b) Reserves and Surplus	4	1,982.89	(2.78)
2 Non-current liabilities			-
(a) Long-term borrowings	5	5,811.95	-
(b) Other non-current liabilities	6	102.33	-
(c) Long-term provisions	7	26.06	-
3 Current liabilities			-
(a) Short-term borrowings	8	1,820.52	-
(b) Trade payables	9	-	-
- Micro, small and medium enterprises		15.13	-
- Others		-	-
(c) Other current liabilities		3,380.65	-
* Previous Year Rs. 42,938	10	-	-
(d) Short-term provisions		22.00	-
* Previous Year Rs. 38,550	11	-	-
TOTAL		13,684.36	60.52
II. ASSETS :			
1 Non-current assets			-
(a) Property, Plant and Equipment	12	19.08	-
(i) Tangible assets		10.30	-
(ii) Intangible assets		199.18	9.16
(b) Non current investments	13	40.16	-
(c) Deferred tax Asset (Net)	14	7,421.79	-
(d) Long-term loans and advances	15	-	-
* Previous Year Rs. 48,471		242.08	-
(e) Other non-current assets	16	-	-
2 Current assets			50.00
(a) Current investments	17	-	0.06
(b) Cash & bank balance	18	410.75	1.30
(c) Short-term loans and advances	19	5,055.12	-
(d) Other current assets	20	255.90	-
TOTAL		13,684.36	60.52

See accompanying notes to the financial statements '1-45

As per our report of even date

For and on behalf of the Board

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. : 101720W

Padmanabh Vora
(Director)
(DIN: 00003192)

Deena Mehta
(Director)
(DIN: 00168992)

Lav Chaturvedi
(Director)
(DIN: 02859336)

Vijay Napawaliya
Partner
Membership No. 109859

Devang Mody
(Executive Director & CEO)
(DIN: 07794726)

Anurish Shah
(Chief Financial Officer)

Shruti Thakurel
(Company Secretary)

Mumbai
Date: April 20, 2017

Mumbai
Date: April 20, 2017

RELIANCE COMMERCIAL FINANCE LIMITED
(Formerly known as Reliance Gilts Limited)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(Rupees in crore)

Particulars	Note No.	2016-17	2015-16
REVENUE			
(I) Revenue from operation	21	1,927.76	0.05
(II) Other Income			
* Previous Year Rs. 5,618	22	25.58	*
(III) TOTAL REVENUE (I+II)		<u>1,953.34</u>	<u>0.05</u>
EXPENSES			
Employee Benefits expense	23	129.90	-
Finance Cost	24	1,039.87	-
Depreciation and Amortisation	12	11.09	-
Other Expenses	25	429.80	0.01
(IV) TOTAL EXPENSES		<u>1,610.66</u>	<u>0.01</u>
(V) PROFIT BEFORE TAX (III-IV)		342.68	0.04
(VI) TAX EXPENSE :			
Current Tax		87.67	0.01
[Net of MAT Credit Entitlement of Rs. 59.98 crore (Previous year Rs. Nil)] (Refer Note No.43)		*	*
Income tax for Earlier Year			
* Rs.17,265 (Previous year reversal of Rs.49,265)			
Deferred Tax/ (Credit)		(40.16)	-
(VII) PROFIT AFTER TAX (V-VI)		<u>295.17</u>	<u>0.03</u>
(VIII) EARNING PER EQUITY SHARE	35		
(Face value of Rs. 10 each fully paid up)			
Basic & Diluted (In Rupees)		46.04	0.01

See accompanying notes to the financial statements '1-45

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. : 101720W

Vijay Napawaliya
Partner
Membership No. 109859

Mumbai
Date: April 20, 2017

For and on behalf of the Board

Padmanabh Vora
(Director)
(DIN: 00003192)

Deena Mehta
(Director)
(DIN: 00168992)

Lav Chaturvedi
(Director)
(DIN: 02859336)

Devang Mody
(Executive Director & CEO)
(DIN: 07794726)

Amrisha Shah
(Chief Financial Officer)

Ekta Thakurel
(Company Secretary)

Mumbai
Date: April 20, 2017

RELIANCE COMMERCIAL FINANCE LIMITED
(Formerly known as Reliance Gilt Limited)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(Rupees in crore)

Particulars	2016-2017		2015-16	
A. Cash Flow from Operating Activities				
Net Profit Before Tax		342.68		0.03
Adjusted for				
Depreciation and Amortisation	11.09	-		
Bad Debts Recovered	(20.74)	-		
Contingent Provision against Standard Assets	8.73	-		
* (Previous year Rs. 31,800)	-	-		
Provision for NPA & Doubtful Debts	46.61	-		
Provision for Repossessed Assets	6.47	-		
Loss on Sale of Repossessed Assets	47.69	-		
Provision for Diminution in Value of Investments	12.65	-		
Provision for Gratuity	2.51	-		
Provision for Leave Encashment	1.22	-		
Excess Provision Written Back	-	-		
* Rs. 1,985 (Previous Year Rs. 5,618)	-	-		
Bad Debts Written Off	114.62	-		
Loss on Assets Discarded	0.06	-		
Amortised DSA Commission	56.84	-		
Interest on Fixed deposits / investments	(18.02)	(0.03)		
(Profit)/ Loss on Sale of Current Investments (Net)	(9.36)	-		
Amortised Brokerage Commission	1.07	-		
Discount on Commercial Papers	31.25	-		
Interest Expenses	1,007.50	-		
		1,300.17		(0.05)
Operating Profit/(Loss) before Working Capital Changes		1,642.85		(0.02)
Adjusted for				
Proceeds from issue of Commercial Papers (Net)	955.77	-		
Proceeds from Short term Borrowing (Net)	(1,990.50)	-		
Proceeds from Long term Borrowing	2,905.00	-		
Repayments of Long term Borrowings	(3,251.28)	-		
Trade Receivable & Loans and advances	(1,070.85)	(1.00)		
Other non current and current assets	(385.62)	-		
Other liabilities and provisions	12.41	(0.02)		
Trade Payables	9.33	-		
		(2,815.94)		(1.02)
Cash Generated from Operation		(1,173.09)		(1.04)
Interest Paid	(1,007.37)	-		
Taxes Paid	(25.31)	(1,032.68)		(0.01)
Net Cash from / (used in) Operating Activities		(2,205.77)		(1.05)
B. Cash Flow from Investing Activities				
Purchase of Fixed Asset	(28.61)	-		
Purchase of Non-Current Investments	(120.82)	-		(50.00)
Sale of Non-Current Investments	9.16	-		-
(Purchase)/Sale of Current Investments (Net)	59.38	-		-
Interest on Fixed deposits / investments	7.42	-		0.05
Net Cash from / (used in) Investing Activities		(73.47)		(49.95)
C. Cash Flow from Financing Activities				
Issue of Equity Share Capital including Securities Premium	1,750.04	-		51.00
Issue of Preference Share Capital	400.00	-		-
Net Cash from / (used in) Financing Activities		2,150.04		51.00
Net Increase / (decrease) in Cash and Cash Equivalents (A + B + C)		(129.20)		(0.00)
Opening Balance of Cash and Cash Equivalents	0.06	-	0.06	-
Add: Balance pursuant to Scheme of Arrangement (Refer Note No. 40)	493.00	-	-	-
		493.06		0.06
Closing Balance of Cash and Cash Equivalents		363.86		0.06

RELLANCE COMMERCIAL FINANCE LIMITED
(Formerly known as Relliance Gills Limited)

Notes:

1. The Previous year's figures have been regrouped and reclassified wherever necessary. The figures for current year includes figures of Commercial Finance Business of Relliance Capital Limited (RCL) which is demerged with the Company with effect from April 1, 2016 i.e. the Appointed Date and therefore to that extent not strictly comparable to that of previous year's figures.

2. The cash flow statement has been prepared in accordance with "Indirect Method" as prescribed in Accounting Standard- 3 (AS-3) on "Cash Flow Statements" notified by the Companies (Accounting Standards) Rules, 2006.

As per our report of even date

For and on behalf of the Board

For Chaturvedi & Shah
Chartered Accountants
Registration No. / 101720/W

Padmanabh Vora
(Director)
(DIN: 00003192)

Deena Mehra
(Director)
(DIN: 00144992)

Lev Chaturvedi
(Director)
(DIN: 02850336)

Vijay Nagawalla
Partner
Membership No. 109659

Devang Mody
(Executive Director & CEO)
(DIN: 07794726)

Aneesh Shah
(Chief Financial Officer)

Sktg. Bhakurel
(Company Secretary)

Mumbai
Date: April 20, 2017

Mumbai
Date: April 20, 2017

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

1 Background

Reliance Commercial Finance Limited ("the Company") formerly known as Reliance Gilts Limited, was incorporated on August 17, 2000 with the Registrar of Companies (RoC), Maharashtra, Mumbai. Subsequently, as on May 21, 2009 the Company was registered as a Non-Banking Financial Company without accepting public deposits, as defined under Section 45-IA of the Reserve Bank of India Act, 1934. The Company is principally engaged in lending activities.

2 Significant Accounting Policies

a Basis of Preparation of Financial Statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting unless otherwise stated. They are in conformity with the accounting principles generally accepted in India ("GAAP"), and comply with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 as amended by the Companies (Accounting Standards) Amendment Rules, 2016 specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. These financial statements are presented in Indian rupees rounded in crores upto two decimal, except otherwise stated.

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 in Schedule III of the Act. Based on the nature of the services and their realisation in cash and 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.

The Company complies in all material respects, with the prudential norms relating to income recognition, asset classification and provisioning for bad and doubtful debts and other matters, specified in the directions issued by the Reserve Bank of India ("RBI") in terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016, as applicable to the Company.

b Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialised.

c Revenue Recognition

i) Interest Income

Interest income is recognised as it accrues on a time proportion basis taking into account the amount outstanding and the rate applicable except in the case of non performing assets ("NPAs") where it is recognised, upon realisation.

ii) Dividend Income

Dividend Income is recognised when the right to receive payment is established.

iii) Loan Processing Fee Income

Loan processing fee income is accounted for upfront as and when it becomes due.

iv) Income from assignment / securitization

In case of assignment / securitization of loans, the assets are derecognized when all the rights, title, future receivables and interest thereof along with all the risks and rewards of ownership are transferred to the purchasers of assigned/secured loans. The profit if any, as reduced by the estimated provision for loss/expenses and incidental expenses related to the transaction, is recognised as gain or loss arising on assignment / securitization.

v) Brokerage and Other Income

In other cases, income is recognized when there is no significant uncertainty as to determination and realization.

vi) Income from investments

Profit / (Loss) earned from sale of securities is recognised on trade date basis. The cost of securities is computed based on weighted average basis.

vii) Servicing fee income

Servicing fees received is accounted for based on the underlying deal structure of the transaction as per the agreement.

viii) Foreclosure & Other Operating Charges

Foreclosure & Other Operating Charges i.e. Bounce Charges, Loan Reschedulement Charges are accounted as and when received.

ix) Infrastructure Cost Recovery

Infrastructure Cost Recovery income towards support services is accounted as and when it becomes due on contractual terms with the parties.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

d. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. The Company has used the cost model as measurement bases for determining the gross carrying amount. Cost includes acquisition cost which is directly attributable to bring the asset to its working condition for its intended use.

e. Intangible Assets

Intangible Assets are recognised 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 amortisation.

f. Depreciation/Amortisation

Depreciation on Property, Plant and Equipment is provided in accordance with the provisions of Schedule II of the Companies Act, 2013. Tangible assets are depreciated on straight line basis method over the useful life of assets, as prescribed in Part C of Schedule II of the Companies Act, 2013. The estimated useful lives for the different types of assets are:

- (i) Furniture and Fixtures - 10 years
- (ii) Office equipments - 5 years
- (iii) Computers - 3 years
- (iv) Vehicles - 8 years

Intangible assets comprise, computer software are amortised on straight line basis over the useful life of the software up to a maximum of five years commencing from the month in which such software is first installed.

g. Loan origination / acquisition cost

All direct cost incurred for the loan origination is amortised over the tenure of the loan.

h. Discount on Commercial Papers

The difference between the acquisition cost and the redemption value of commercial papers is apportioned on time basis and recognized as discount expense.

i. Investments

Investments are classified as long term or current based on intention of the management at the time of purchase. Current investments are valued, scrip wise at cost or fair value, whichever is lower. Long-term investments are carried at carrying cost less diminution in value which is other than temporary, determined separately for each individual investment. Unquoted investments in the units of Mutual Funds in nature of current investment are valued at lower of cost or Net Asset Value declared by Mutual Funds in respect of each particular scheme.

j. Repossessed assets

Assets repossessed against the settlement of loans are carried in the balance sheet at outstanding loan amount. The classification and provision is based on the underlying Days Past Due (DPD) of these loans.

k. Contingent Provision against standard assets, Provision for Non Performing Assets (NPA) & Doubtful Debts

Loans and advances, receivables are identified as bad/ doubtful based on the duration of the delinquency. The duration is set at appropriate levels for each product. Contingent Provision against standard assets, Provision for Non Performing Assets (NPA) & Doubtful Debts are made based on the management's assessment of the degree of impairment and the level of provisioning which meets the NBFC prudential norms prescribed by Reserve Bank of India.

l. Securitised Assets

Derecognition of Securitised assets in the books of the Company, recognition of gain or loss arising on Securitisation and accounting for credit enhancement provided by the Company is based on the Guidance Note on Accounting for Securitisation issued by the Institute of Chartered Accountants of India.

m. Security of loans given

Housing loans / loans against property granted are secured by equitable registered mortgage of property and / or undertaking to create a security. Other Secured loans are secured against hypothecation of respective assets.

n. Cash & Cash Equivalents

In the cashflow statements, cash and cash equivalents includes cash in hand, balance in banks and fixed deposits without lien with original maturities of three months or less

o. Employee Benefits

i. Provident fund

Contributions payable to the recognized provident fund, which is a defined contribution scheme, are charged to the Statement of Profit and Loss

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

ii) Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in the return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such defined benefit plan 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 is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as on the balance sheet date.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

iii) Leave Encashment

Leave encashment which is a defined benefit, is accrued for based on an actuarial valuation at the balance sheet date carried out by an independent actuary.

The employees of the Company are entitled for compensated absence. The employees can carry forward a portion of the unutilised accrued leave balance and utilise it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the service that increases the entitlement. The Company measures the expected cost of compensated absence as the amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

iv) Phantom Shares Stock Option

As a long term incentive plan to employees, the Company has initiated Phantom Stock Option plan which are cash settlement rights where the employees are entitled to get cash compensation based on formula linked to fair market value of shares upon exercise of phantom stock option over notional or hypothetical shares, whereby instead of becoming entitled to buy the actual shares on vesting, they become entitled to cash payment equivalent to appreciation in the value over defined base price of share. The present value of the obligation under such plan is determined based on actuarial valuation at the year end and any actuarial gains/ losses are charged to statement of profit and loss as applicable.

p Borrowing costs

Borrowing costs, which are directly attributable to the acquisition / construction of fixed assets, till the time such assets are ready for intended use, are capitalised as part of the cost of the assets. Other borrowing costs are recognised as an expense in the year in which they are incurred. Brokerage costs directly attributable to a borrowing are expensed over the tenure of the borrowing.

q Operating leases

Lease payments for assets taken on an operating lease are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

r Earnings per share

The basic earnings per share is computed by dividing the net profit / (loss) attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and also the number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that reduce profit / (loss) per share are included.

s Provision for Current Tax and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit entitlement is recognised where there is convincing evidence that the same can be realised in future.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

t Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

ii Provisions, Contingent Liabilities and Contingent Assets

The Company creates a provision when there is a present obligation as a result of past events and it is probable that there will be outflow of resources and a reliable estimate of the obligation can be made of the amount of the obligation.

Contingent liabilities are not recognised but are disclosed in the notes to the financial statements. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised nor disclosed in the financial statements.

		(Rupees in crore)	
3. Share Capital		As at March 31, 2017	As at March 31, 2016
a) Authorised:			
20,00,00,000 Equity Shares of Rs. 10 each (March 31, 2016: 20,00,00,000 Equity Shares of Rs. 10 each)	200.00		200.00
40,00,00,000 Preference Shares of Rs. 10 each (March 31, 2016: Nil)	400.00		-
	<u>600.00</u>		<u>200.00</u>

Note :

In terms of the approval of the shareholders obtained at the Extra Ordinary General Meeting of the Company held on March 10, 2017 the Company has increased its Authorised Share Capital from Rs.2,00,00,00,000 (20,00,00,000 Equity Shares of Rs. 10 each) to 6,00,00,00,000 (20,00,00,000 Equity Shares of Rs. 10 each and 40,00,00,000 Preference Shares of Rs. 10 each).

b) Issued, subscribed & Fully paid up			
12,28,25,700 Equity Shares of Rs. 10 each (March 31, 2016: 6,33,00,700 Equity Shares of Rs. 10 each)	122.83		63.30
40,00,00,000 0% Non-Cumulative, Non-Participating and Non-Convertible Redeemable Preference Shares of Rs. 10 each (March 31, 2016: Nil)	400.00		-
	<u>522.83</u>		<u>63.30</u>

Note :

In terms of the approval of the shareholders obtained at the Extra Ordinary General Meeting of the Company held on March 10, 2017, the members of the Company have duly approved Preferential allotment of 5,95,25,000 equity share of Rs. 10 each at a premium of Rs. 284 per share aggregating to Rs.1,750 crore to its Holding Company i.e. Reliance Capital Limited, which has been allotted on March 27, 2017.

c) Par Value per Share	Amount in Rs.	Amount in Rs.
Equity	10	10
Preference Shares	10	10

		As at March 31, 2017		As at March 31, 2016	
d) Reconciliation of issued, subscribed and fully paid up Share Capital		No of Shares	Amount Rs. in crore	No of Shares	Amount Rs. in crore
Equity Shares					
Opening Balance		6,33,00,700	63.30	1,23,00,700	12.30
Addition during the year		5,95,25,000	59.53	5,10,00,000	51.00
Reduction during the year		-	-	-	-
Closing Balance		<u>12,28,25,700</u>	<u>122.83</u>	<u>6,33,00,700</u>	<u>63.30</u>
0% Non-Cumulative, Non-Participating and Non-Convertible Redeemable Preference Shares					
Opening Balance		-	-	-	-
Addition during the year		40,00,00,000	400.00	-	-
Reduction during the year		-	-	-	-
Closing Balance		<u>40,00,00,000</u>	<u>400.00</u>	<u>-</u>	<u>-</u>

RELIANCE COMMERCIAL FINANCE LIMITED
(Formerly known as Reliance GLS Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

e) Rights, Preferences and Restrictions :

1 Voting Rights :

In case of equity Shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holders of equity 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 equity shares held by the shareholders.

For the year ended March 31, 2017, the dividend proposed by the Board of Directors is Re. 0.50 (March 31, 2016 Re. Nil), which is subject to the approval of the shareholders in the ensuing Annual General Meeting. (Refer Note No. 44)

In case of 0% Non-Cumulative, Non-Participating and Non-Convertible Redeemable Preference Shares of Rs. 10 each

40,00,00,000, 0% Non-Convertible Redeemable Preference Shares (NCRPS) shall be redeemed at any time on or before 5 years from the date of allotment i.e. March 29, 2017. These NCRPS shall be redeemed at a premium to an amount calculated to yield a return of 12% per annum with effect from date of allotment up to the date of redemption.

f) Shares held by holding company i.e. Reliance Capital Limited including jointly Held

(Rupees in crore)

f) Shares held by holding company i.e. Reliance Capital Limited					
		As at March 31, 2017		As at March 31, 2016	
	%	No of Shares	Amount Rs. in crore	No of Shares	Amount Rs. in crore
Equity Shares					
Reliance Capital Limited	100%	12,28,25,694	122.83	6,33,00,694	63.30
Reliance Capital Ltd. and its nominees	0%	6	*	6	*
* Rs. 60 (Previous year Rs. 60)					
Total	100%	12,28,25,700	122.83	6,33,00,700	63.30
	%	No of Shares	Amount Rs. in crore	No of Shares	Amount Rs. in crore
Preference Shares					
Reliance Capital Limited	100%	40,00,00,000	400.00	-	-
Total	100%	40,00,00,000	400.00	-	-

(Rupees in crore)

4. Reserves and Surplus

	As at March 31, 2017	As at March 31, 2016
a) Securities Premium Account		
As per Last Balance sheet	-	-
Add: On Equity Shares Issued during the year	1,690.51	-
Less: Transferred to Earmarked for Preference Share Redemption Reserve #	0.39	-
	1,690.12	-
b) Earmarked for Preference Share Redemption Reserve #		
As per Last Balance sheet	-	-
Add: Transfer from Securities Premium Account	0.39	-
	0.39	-
c) Statutory Reserve Fund*		
As per Last Balance sheet	0.16	0.15
Add: Transfer from Surplus in Statement of Profit & Loss	59.03	0.01
	59.19	0.16
d) Surplus in Statement of Profit & Loss		
As Per Last Balance Sheet	(2.95)	(2.97)
Add: Transfer from Statement of Profit & Loss	295.17	0.03
Less: Transfer to Special Reserve Fund	59.03	0.01
	233.19	(2.94)
	1,982.89	(2.78)

Created pursuant to the terms of allotment of 0% Non-Cumulative, Non-Participating and Non-Convertible Redeemable Preference Shares of Rs. 10 each as effective yield of 12% repayable on maturity.

* Created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934.

RELIANCE COMMERCIAL FINANCE LIMITED
(Formerly known as Reliance Gilt Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

5. Long-term borrowings	As at March 31, 2017	(Rupees in crore) As at March 31, 2016
From Banks / Financial Institutions - Term Loans - Secured (Refer Note No. 31)	5,811.95 <hr/> 5,811.95	- <hr/> -
6. Other non-current liabilities	As at March 31, 2017	(Rupees in crore) As at March 31, 2016
Collateral deposit from customers	102.33 <hr/> 102.33	- <hr/> -
7. Long Term Provisions	As at March 31, 2017	(Rupees in crore) As at March 31, 2016
a) Provision for Employees Benefits (Refer Note No. 32) - Leave Encashment	1.18	-
b) Contingent provision against standard assets	24.88 <hr/> 26.06	- <hr/> -
8. Short-term borrowings	As at March 31, 2017	(Rupees in crore) As at March 31, 2016
a) From Banks / Financial Institutions - Loans - Unsecured - Cash Credit facilities - Secured (Refer Note 1 below)	310.00 523.50	- -
b) From Others Commercial Papers - Unsecured (Refer Note 2 below)	987.02 <hr/> 1,820.52	- <hr/> -

Notes :

1. Cash credit referred above are secured by pari passu first charge on all present and future book debts (performing assets), receivable, bills, claims and loan assets of the Company.
2. In respect of Commercial Papers referred above, maximum face value amount outstanding during the year was Rs. 987.02 crore (Previous year Rs.Nil).

RELIANCE COMMERCIAL FINANCE LIMITED
(Formerly known as Reliance Gilt Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

9. Trade Payables	As at March 31, 2017	As at March 31, 2016
		(Rupees in crore)
Due to Micro, Medium & Small Enterprises	15.00	-
Due to Others	0.13	-
Due to Related Party (Refer Note No. 34)	<u>15.13</u>	<u>-</u>

Note:

Disclosure of amounts payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

10. Other Current Liabilities	As at March 31, 2017	As at March 31, 2016
		(Rupees in crore)
a) Current maturities of long term debts		-
- Term Loans from Banks/ Financial Institutions	2,930.77	-
(a) Secured (Refer Note No. 31)	-	-
(b) Unsecured	<u>2,930.77</u>	<u>-</u>
b) Interest accrued and not due on borrowings	0.13	-
(a) Secured	-	-
(b) Unsecured	<u>0.13</u>	<u>-</u>
b) Advance from Customers	60.58	-
c) Payable under Securitisation / Assignment (Net)	293.82	-
d) Temporary Book Overdraft	3.86	-
d) Collateral deposit from customers	11.28	-
e) Other Payables #	50.21	*
* Previous Year Rs. 42,938	<u>3,350.65</u>	<u>-</u>

Notes:

Other Payables includes TDS, statutory payments and other liabilities.

11. Short Term Provisions	As at March 31, 2017	As at March 31, 2016
		(Rupees in crore)
a) Provision for Employees Benefits (Refer Note No. 32)	0.05	-
Leave Encashment	2.51	-
Gratuity	19.44	*
b) Contingent provision against standard assets	-	-
* Previous Year Rs. 38,550	<u>22.00</u>	<u>-</u>

RELIANCE COMMERCIAL FINANCE LIMITED
(Formerly known as Reliance Gibbs Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Note "12"
Property, Plant and Equipment

Note "12"

Property, Plant and Equipment

(Rupees in crore)

Sr. No.		Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount			
		As at April,1 2016	Pursuant to Scheme of Arrangement (Refer Note No. 40)	Addition	Deduction	As at March 31, 2017	As at April,1 2016	Pursuant to Scheme of Arrangement (Refer Note No. 40)	Depreciation	Deduction	Upto March 31, 2017	As at March 31, 2017	As at March 31, 2016
(i)	Tangible Assets												
1	Furniture and Fixtures	-	10.86	1.60	0.22	12.24	-	2.36	1.35	0.20	3.71	8.53	-
2	Office equipments	-	9.19	0.71	0.08	9.82	-	4.47	1.30	0.03	5.74	4.08	-
3	Computers	-	25.65	5.63	0.78	30.50	-	20.60	4.30	0.79	24.31	6.19	-
4	Vehicles	-	1.10	-	-	1.10	-	0.68	0.14	-	0.82	0.28	-
	Total	-	46.80	7.94	1.08	53.66	-	28.51	7.09	1.02	34.58	19.68	-
	Previous Year	-	-	-	-	-	-	-	-	-	-	-	-

(ii)	Intangible Assets											
	Computer Software	-	31.27	4.10	-	35.37	-	21.07	4.00	25.07	10.30	-
	Total	-	31.27	4.10	-	35.37	-	21.07	4.00	25.07	10.30	-
	Previous Year	-	-	-	-	-	-	-	-	-	-	-

Note :

1 In respect of Intangible Assets :

- It is other than internally generated.
- In case of addition, balance useful life of 4 years (Previous year Nil).

RELIANCE COMMERCIAL FINANCE LIMITED
(Formerly known as Reliance Gills Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

						(Rupees in crore)	
13.	Non current investments		Quantity			Value	
	Face Value / Issue Price	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016		
Trade investments							
(a) Equity Shares valued at cost unless stated otherwise							
Quoted, fully paid-up							
3i Infotech Ltd	10	2 46 80 693	-			24.68	-
						24.68	-
						12.22	-
Less : Provision for Diminution In Value of Investments						12.46	-
Unquoted, fully paid-up							
Adone Hotels & Hospitality Limited	10	1	-			*	-
* Rs. 10 (Previous Year Rs. Nil)						#	-
5WAW5 Credit Corporation India Private Limited	10	17 20 668	-				-
Unquoted, fully paid-up							
Reliance Capital Pension Fund Limited	10	-	87 50 000			-	9.16
						-	9.16
(b) Preference Shares valued at cost unless stated otherwise							
Unquoted, fully paid-up							
0.001% Cumulative, Compulsory, Redeemable Non Convertible Preference share of Adone Hotels & Hospitality Limited	10	2 00 00 000	-			20.00	-
0.10% Cumulative, Non Convertible, Redeemable Preference share of 3i Infotech Ltd	10	4 18 39 000	-			20.92	-
0.001% Optionally Convertible Cumulative Redeemable Preference share of Asmitha Microfin Limited	10	62 54 000	-			6.25	-
0.001% Optionally Convertible Cumulative Redeemable Preference share of Share Microfin Microfin Limited	10	88 05 750	-			8.81	-
						55.98	-
Less : Provision for Diminution In Value of Investments						-	-
						55.98	-

RELIANCE COMMERCIAL FINANCE LIMITED
(Formerly known as Reliance Gilt Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(Rupees in crore)

	Face Value/ Issue Price	Quantity As at March 31, 2017	As at March 31, 2016	Value As at March 31, 2017	As at March 31, 2016
(c) Debentures & Bonds valued at cost unless stated otherwise					
Unquoted, fully paid-up					
SWAWS Credit Corporation India Private Limited -OCD-18-March-2018	100	57 355	-	#	-
BKS Galaxy Realtors Private Limited-NCD-SR-II 30-Sep-2020	8 000	2 500	-	2.00	-
Shah Group Builders Limited -NCD-SR-II 30-Sep-2016	43	15 00 000	-	4.29	-
				6.29	-
				0.43	-
Less : Provision for Diminution In Value of Investments				5.86	-
# written off					
(d) Security Receipts valued at cost unless stated otherwise					
Unquoted, fully paid-up					
Suraksha ARC Trust 002-22 Dec.2016	1 000	1 98 900	-	19.89	-
Suraksha ARC Trust 003 -22 Dec.2016	1 000	26 350	-	2.64	-
Reliance ARC Trust 026 -30 Dec.2016	948	8 15 924	-	77.35	-
				99.88	-
(e) Others -Unit of AIF valued at cost unless stated otherwise					
Quoted *, fully paid-up					
IFMR Impact Long Term Multi Asset Class Fund	1 00 000	2 490	-	25.00	-
				25.00	-
				199.18	9.16

Total

Notes :

1 The aggregate value of investments:

	As at March 31, 2017		As at March 31, 2016	
	Book Value	Market Value	Book Value	Market Value
Quoted	37.46	38.72	-	-
Unquoted	161.72	-	9.16	-
TOTAL	199.18	38.72	9.16	-

2 The aggregate Provision for diminution in the value of investments:

	As at March 31, 2017	As at March 31, 2016
Quoted	12.22	-
Unquoted	0.43	-
TOTAL	12.65	-

3 Basis of Valuation

at cost less provision for diminution in the value of Investments

at cost

4 * for units of Fund net assets value (NAV) is taken as Market Value

RELIANCE COMMERCIAL FINANCE LIMITED
(Formerly known as Reliance Gilt Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

		(Rupees in crore)	
14. Deferred Tax Assets		As at	As at
Particulars		March 31, 2017	March 31, 2016
Deferred tax Asset disclosed in the Balance Sheet comprises the following:			
a) Deferred Tax Asset		1.28	-
Disallowance under the Income Tax Act, 1961		53.08	-
Provision for NPA/diminution in the value of Assets		54.36	-
Total			
b) Deferred Tax Liability		2.32	-
Related to Fixed Assets		11.88	-
Unamortised Expenditure		14.20	-
Total			
		40.16	-
Net Deferred Tax Asset (a) - (b)			
			-
		(Rupees in crore)	
15. Long Term Loans and Advances		As at	As at
Particulars		March 31, 2017	March 31, 2016
a) Capital Advances		16.57	-
(Unsecured, Considered Good)			
		13.62	-
b) Security Deposits			
(Unsecured, Considered Good)			
c) Loans			
(i) Secured, Considered Good			
Related Party	0.92		-
Private Company in which director is a			
- member/Director	6,006.53	6,007.45	-
Others		840.14	-
(ii) Unsecured, Considered Good			
(i) Secured, Considered Doubtful	327.16		
Less: Provision for NPA & Doubtful Debts	40.02	287.14	
(ii) Unsecured, Considered Doubtful	51.60		
Less: Provision for NPA & Doubtful Debts	21.91	29.69	
d) Installments Due			
Secured, Considered Doubtful	232.99		-
Principal Overdue	37.44	195.55	-
Less: Provision for NPA & Doubtful Debts			
e) Service Tax Credit available		0.08	-
		31.55	-
f) Taxes paid			
(Net of Income Tax Provision Rs. 87.68 crore)			
* Previous Year Rs. 48,471 (Net of Income Tax Provision Rs. 193,000)		7,421.79	-

RELIANCE COMMERCIAL FINANCE LIMITED
(Formerly known as Reliance Gilt Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

16. Other Non Current Assets		(Rupees in crore)	
	As at March 31, 2017	As at March 31, 2016	
a) Fixed Deposits with banks (Maturity > 3 Months)			
i) Credit enhancement towards Securitisation/ Direct Assignment	128.44	-	
ii) Others	2.00	-	
		130.44	-
b) Unamortised Expenditure			
(i) Unamortised DSA Commission			
As per Last Balance sheet	-	-	
Add: Pursuant to Scheme of Arrangement	64.43	-	
Add: Incurred during the Year	43.20	-	
Less: Amortised during the year	56.84	-	
	50.79	-	
Less: to be amortised over the next one year (Refer Note 20 (b))	16.19	-	
		34.60	-
(ii) Unamortised Brokerage on Borrowing			
As per Last Balance sheet	-	-	
Add: Pursuant to Scheme of Arrangement	1.99	-	
Add: Incurred during the Year	0.90	-	
Less: Amortised during the year	1.07	-	
	1.82	-	
Less: to be amortised over the next one year (Refer Note 20 (b))	0.94	-	
		0.88	-
c) Prepaid Expenses		7.27	-
d) Repossessed Asset	97.94	-	
Less: Provision for Repossessed Assets	29.05	68.89	-
		242.08	-

17. Current investments		(Rupees in crore)	
	Quantity	Value	
Face Value/ Issue Price	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Other investments - Unquoted, fully paid-up			
Reliance Liquid Fund - Treasury Plan	-	-	50.00
Direct Plan Growth Plan - Growth	1 000	1 35 909	-
		-	50.00

Notes:

1 The aggregate value of investments:

	As at March 31, 2017		As at March 31, 2016	
	Book Value	Market Value	Book Value	Market Value
Quoted	-	-	-	-
Unquoted	-	-	50.00	50.22
TOTAL	-	-	50.00	50.22

2 The aggregate Provision for diminution in the value of investments:

	As at March 31, 2017	As at March 31, 2016
Quoted	-	-
Unquoted	-	-
TOTAL	-	-

3 Basis of Valuation

As at March 31, 2017	As at March 31, 2016
at cost or fair value, whichever is lower	at cost or fair value, whichever is lower

4 The market value mentioned above is based on the NAV provided by the respective mutual funds

RELIANCE COMMERCIAL FINANCE LIMITED
(Formerly known as Reliance Gilt Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

		(Rupees in crore)	
18. Cash & Bank Balance			
Particulars	As at March 31, 2017	As at March 31, 2016	
a) Cash & Cash equivalents	363.34	0.06	
Balance with Banks in Current Accounts	0.52	-	
Cash on hand			
	<u>363.86</u>	<u>0.06</u>	
b) Other Bank Balances			
Fixed Deposits with banks (Maturity < 3 Months)	41.89	-	
i) Credit enhancement towards Securitisation/Direct Assignment	5.00	-	
ii) Others			
	<u>46.89</u>	<u>-</u>	
	<u>410.75</u>	<u>0.06</u>	

Note :
In respect of balances with Scheduled Banks in Fixed Deposit accounts Rs. 41.89 crore (Previous Year Rs. Nil) is kept as credit enhancement towards securitisation / assignment transaction.

		(Rupees in crore)	
19. Short-term loans and advances			
	As at March 31, 2017	As at March 31, 2016	
a) Loans repayments within next 12 months (Considered Good)			
i) Secured	-	-	
Loan to Director	9.68	-	
Private Company in which director is a member/Director		-	
Related Party		-	
Others	<u>4,497.51</u>	<u>-</u>	
	4,507.19	-	
ii) Unsecured	403.58	1.30	
b) Installments Due (Considered Good)	141.67	-	
- Secured	-	-	
- Unsecured	2.68	-	
c) Sundry Advances (Unsecured, Considered Good)			
	<u>5,055.12</u>	<u>1.30</u>	

		(Rupees in crore)	
20. Other Current Assets			
	As at March 31, 2017	As at March 31, 2016	
a) Interest Accrued on			
Fixed Deposits	1.12	-	
Other Investments	9.48	-	
Loans and advances #	<u>228.17</u>	<u>-</u>	
	238.77	-	
b) Unamortised Expenditure			
DSA Commission	16.19	-	
Brokerage on Borrowing	<u>0.94</u>	<u>-</u>	
	17.13	-	
	<u>255.90</u>	<u>-</u>	

Interest Accrued on loans & advances includes Rs. 0.13 crore (Previous year Rs. Nil) due by Private Company in which one director is a member & Director.

RELIANCE COMMERCIAL FINANCE LIMITED
(Formerly known as Reliance GBS Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

21. Revenue from operation		(Rupees in crore)	
	2016-17	2015-16	
a) Interest income			
Interest on:			
- Loans	1,681.20	0.05	
- Fixed Deposit	13.48	-	
- Long term investments	4.54	-	
	1,699.22		0.05
b) Other Financial income			
Processing Fee	122.00	-	
Servicing Fee on Securitisation/ Assignment	51.75	-	
Foreclosure & Other Operating Income	40.10	-	
	213.85	-	
Less : Service Tax Recovered	27.89	-	
	185.96		-
d) Bad Debts Recovered	20.74		-
e) Profit on Loans sold to Asset Reconstruction Company	21.84		
	1,927.76		0.05

22. Other Income		(Rupees in crore)	
	2016-17	2015-16	
a) Profit on Sale of Investments (Net)			
- Current	9.38	-	
- Long Term	-	-	
b) Interest on Income Tax Refund			
* Rs.1,159	14.09	-	
c) Brokerage & Commission	1.84	-	
Less : Service Tax Recovered		-	
	12.25		-
d) Miscellaneous Income	0.04		-
e) Infrastructure Cost Recovery (Net)	3.91		-
f) Credit Balance / Excess Provision Written Back	-		-
* Rs.1,985 (Previous Year Rs. 5,618)			
	25.58		-

23. Employee Benefits Expense		(Rupees in crore)	
	2016-17	2015-16	
Payments to and Provision for Employees			
- Salary & Bonus etc	116.22	-	
- Contribution to Provident fund and other Funds	6.60	-	
- Staff Welfare & other amenities	7.08	-	
	129.90		-

RELIANCE COMMERCIAL FINANCE LIMITED
(Formerly known as Reliance Gills Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

28. Disclosure related to Schedule to the balance sheet of the Company, as required by Annex I of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DBR/2016-17/45 Master Direction DBR, PD. 006/03.10.11/2016-17 dated September 1, 2016 (the "Notification")

Particulars	Amount Outstanding		Amount Overdue	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
(Rupees in crore)				
Liabilities Side				
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
a) Debentures	-	-	-	-
i) Secured	-	-	-	-
ii) Unsecured	-	-	-	-
(Other than falling within the meaning of public deposits)	-	-	-	-
b) Deferred Credits	8,742.85	-	-	-
i) Term Loans (Inclusive of interest accrued but not due Rs.0.33 crore)	-	-	-	-
d) Inter-corporate Loans and Borrowing	987.02	-	-	-
e) Commercial Paper	-	-	-	-
f) Public Deposits	-	-	-	-
g) Other Loans	523.50	-	-	-
- Cash Credit	200.00	-	-	-
- Unsecured loans	-	-	-	-
(2) Break up of (1)(f) above (Outstanding Public Deposits inclusive of interest accrued thereon but not paid)	-	-	-	-
a) In the form of unsecured debentures	-	-	-	-
b) In the form of partly secured debentures	-	-	-	-
c) Other Public Deposits	-	-	-	-
(Rupees in crore)				

Particulars	Amount Outstanding	
	March 31, 2017	March 31, 2016
(3) Break up of loans and advances including bills receivable other than those included in (1) below (Gross Amount) (Refer Note (b) below)		
a) Secured	11,216.46	-
b) Unsecured	1,248.30	1.24
	12,464.76	1.24

Notes:

- a) Housing loans / loans against property and construction finance granted are secured by equitable registered mortgage of property and / or undertaking to create a security and other loans and advances are secured by way of hypothecation and/or pledging of the underlying asset.
- b) In case of loans & advances given in para (3) above, Provision for NPA & Doubtful Debts is Rs.99.37 crore (Previous year Rs.Nil)

Particulars	Amount Outstanding	
	March 31, 2017	March 31, 2016
(Rupees in crore)		
(4) Break up of leased assets and stock on hire and other assets counting towards APC activities		
(i) Lease assets including lease rentals under sundry debtors	-	-
a) Financial lease	-	-
b) Operating lease	-	-
(ii) Stock on hire including higher charges under sundry debtors	-	-
a) Assets on Hire	-	-
b) Repossessed Assets	-	-
(iii) Other loans counting towards APC activities	-	-
a) Loans where assets have been repossessed	-	-
b) Loans other than (a) above	-	-
(Rupees in crore)		
Particulars	As at March 31, 2017	As at March 31, 2016

(5) Break up of investments:

a) Current investments		
i) Quoted	-	-
ii) Unquoted	-	-
a) Equity (stock-in-trade)	-	-
b) Preference	-	-
c) Debentures and bonds	-	-
d) Units of Mutual fund	-	-
e) Government securities	-	-
f) Others	-	-
iii) Unquoted	-	-
a) Shares	-	-
b) Equity	-	-
c) Preference	-	-
d) Debentures and bonds	-	30.00
e) Units of Mutual fund	-	-
f) Government securities	-	-
g) Others	-	-

RELIANCE COMMERCIAL FINANCE LIMITED
(Formerly known as Reliance C&F Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

		(Rupees in crore)	
Particulars		As at March 31, 2017	As at March 31, 2016
iv) Long term investments (Amount net of provisions of Rs. 12.65 crore (Previous Year Rs. Nil))			
D) Quoted			
i) Shares		12.44	-
a) Equity		-	-
b) Preference		-	-
ii) Debentures and bonds		-	-
iii) Units of Mutual fund		-	-
iv) GCI securities		-	-
v) Others		25.00	-
Unit of AIF		-	-
E) Unquoted			
i) Shares		-	9.14
a) Equity * Rs. 10		58.98	-
b) Preference		5.46	-
ii) Debentures and bonds		-	-
iii) Units of Mutual fund		-	-
iv) GCI securities		-	-
v) Others		99.38	-
Security Receipts		-	-
Total Investments (Net of provisions of Rs. 12.65 crore (Previous Year Rs. Nil))		199.17	89.14

		(Rupees in crore)					
		Secured		Unsecured		Total	
Particulars		As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
a) Related parties		-	-	-	-	-	-
1) Subsidiaries		-	-	-	-	-	-
2) Companies in the same group		-	-	-	-	-	-
3) Other related parties		-	-	-	-	-	-
b) Other than related parties		11,216.46	-	1,295.31	1.29	12,511.77	1.29
Total		11,216.46	-	1,295.31	1.29	12,511.77	1.29

		(Rupees in crore)			
Particulars		Market value / Fair Value or NAV		(Net of provisions)	
		As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
a) Related parties					
1) Subsidiaries		-	-	-	-
2) Companies in the same group		-	9.14	-	9.14
3) Other related parties		-	-	-	-
b) Other than related parties		200.44	50.22	199.18	50.00
Total		200.44	59.36	199.18	59.14

		(Rupees in crore)	
Particulars		As at March 31, 2017	As at March 31, 2016
a) Gross Non Performing Assets		-	-
i) Related Parties		614.03	-
ii) Other than Related Parties		-	-
b) Net Non Performing Assets		-	-
i) Related Parties		516.24	-
ii) Other than Related Parties		68.89	-
c) Assets Acquired in satisfaction of Debt (Net of Provision of Rs. 20.05 crore) (Refer Note 3 below)		-	-

Notes:

- In case of unquoted investments, in the absence of market value book value has been considered.
- Investments are classified between non-current and current investments (including current portion of long term investments) as required under Schedule III to the Companies Act, 2013.
- Assets Acquired in satisfaction of Debt is other than asset acquired but not transferred to the Company under the Scheme of Arrangement and not included in the Gross Non Performing Assets and Net Non Performing Assets given above.
- Related parties as per Accounting Standard of ICAI and Companies in same group means companies under the same management as per Section 37(1)(b) of the Companies Act, 1956.
- Gross Non Performing Assets and Net Non Performing Assets given above includes loans & advances and bonds & debentures.

- 2) Disclosure as required by Annex XII of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DNBR/2016-1798 Master Direction DNBR, PD, 009/03.10.11/2016-17 dated September 1, 2016 (the "Notification")

		(Rupees in crore)	
Particulars		As at March 31, 2017	As at March 31, 2016
1. Capital to Risk Assets Ratio (CRAR)			
i) CRAR (%)		17.35	106.19
ii) CRAR - Tier I capital (%)		14.38	106.09
iii) CRAR - Tier II capital (%)		3.03	0.01
iv) Amount of Subordinated Debt raised as Tier II Capital		-	-
v) Amount raised by issue of Perpetual Debt Instruments		-	-

RELLANCE COMMERCIAL FINANCE LIMITED
(Formerly known as Rellance Gilt Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

2 Investments	(Rupees in crore)	
	As at March 31, 2017	As at March 31, 2016
1) Value of Investments		
i) Gross Value of Investments	211.83	91.16
a) In India	-	-
b) Outside India	-	-
ii) Provisions for Depreciation	12.65	-
a) In India	-	-
b) Outside India	-	-
iii) Net Value of Investments	199.18	91.16
a) In India	-	-
b) Outside India	-	-
2) Movement of provisions held towards depreciation of Investments		
i) Opening Balance	-	-
ii) Add: Provisions made during the year	12.65	-
iii) Less: Write-off / write-back of excess provisions during the year	-	-
iv) Closing balance	12.65	-

3 Derivatives	(Rupees in crore)	
	As at March 31, 2017	As at March 31, 2016

During the year the Company has not entered into any derivatives contract and at the year end there is no outstanding derivative contract.

4 Disclosures relating to Securitisation		(Rupees in crore)	
Sr. No.	Particulars	2016-17	2015-16
1	No. of SPVs sponsored by the Company for Securitisation Transactions (Nos.)	4	-
2	Total amount of securitized assets as per books of the SPVs sponsored by the Company	291.02	-
3	Total amount of exposures retained by the Company to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
a)	Off-balance sheet exposures	-	-
•	First loss	-	-
•	Others	-	-
b)	On-balance sheet exposures	160.50	-
•	First loss	-	-
•	Others	-	-
4	Amount of exposures to securitisation transactions other than Minimum Retention Requirement (MRR)		
a)	Off-balance sheet exposures		
i)	Exposure to own securitizations	-	-
•	First loss	-	-
•	Others	-	-
ii)	Exposure to third party securitizations	-	-
•	First loss	132.48	-
•	Others	-	-
b)	On-balance sheet exposures		
i)	Exposure to own securitizations	-	-
•	First loss	-	-
•	Others	-	-
ii)	Exposure to third party securitizations	-	-
•	First loss	-	-
•	Others	-	-

5 Disclosures relating to Assignment		(Rupees in crore)	
Sr. No.	Particulars	2016-17	2015-16
1	No. of Direct Assignments (Nos.)	88	-
2	Total amount of assigned assets as per books of the Assigner (Rupees)	4,394.11	-
3	Total amount of exposures retained by the Company to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
a)	Off-balance sheet exposures	-	-
•	First loss	-	-
•	Others	-	-
b)	On-balance sheet exposures	438.60	-
•	First loss	-	-
•	Others	-	-
4	Amount of exposures to securitisation transactions other than Minimum Retention Requirement (MRR)		
a)	Off-balance sheet exposures		
i)	Exposure to own securitizations	-	-
•	First loss	-	-
•	Others	-	-
ii)	Exposure to third party securitizations	-	-
•	First loss	-	-
•	Others	-	-
b)	On-balance sheet exposures		
i)	Exposure to own securitizations	-	-
•	First loss	-	-
•	Others	-	-
ii)	Exposure to third party securitizations	-	-
•	First loss	-	-
•	Others	-	-

RELIANCE COMMERCIAL FINANCE LIMITED
(Formerly known as Reliance Gilt Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

6. Details of Financial Assets Sold in Securitisation/ Reconstruction Company for Assets Reconstruction		(Rupees in crore)	
Particulars	2016-17	2015-16	
(i) No. of accounts	2,743	-	
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC	96.97	-	
(iii) Aggregate consideration	122.49	-	
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-	
(v) Aggregate gain / loss over net book value	25.52	-	

7. Details of Assignment transactions undertaken by the Company		(Rupees in crore)	
Particulars	2016-17	2015-16	
(i) No. of accounts	-	-	
(ii) Aggregate value (net of provisions) of accounts sold	-	-	
(iii) Aggregate consideration	-	-	
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-	
(v) Aggregate gain / loss over net book value	-	-	

8. (a) Details of Non Performing Financial Assets Purchased		(Rupees in crore)	
Particulars	2016-17	2015-16	
(i) No. of accounts Purchased During the year	-	-	
(ii) Aggregate Outstanding	-	-	
(iii) Of these, number of accounts restructured during the year	-	-	
(iv) Aggregate outstanding	-	-	

(b) Details of Non Performing Financial Assets Sold		(Rupees in crore)	
Particulars	2016-17	2015-16	
(i) No. of Accounts Sold During the year	2,743	-	
(ii) Aggregate Outstanding (net of provisions)	96.97	-	
(iii) Aggregate consideration received	122.49	-	

9. Asset Liabilities Management Maturity pattern of certain items of asset and liabilities (At Book Value)		(Rupees in crore)							
Particulars	Up to 30/91 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities									
Borrowings from Banks & Financial Institutions	552.50	95.83	880.31	454.03	1,750.80	4,166.98	1,942.84	2.17	9,976.22
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Mutual Borrowings	-	-	987.02	-	-	-	-	-	987.02
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Assets									
Loans / Advances	1,189.91	230.51	225.17	1,236.20	2,060.83	3,092.34	1,820.24	3,456.36	12,411.40
	(-)	(-)	(-)	(-)	(1.29)	(-)	(-)	(-)	(1.29)
Investments	12.46	-	-	-	-	2.00	25.00	199.71	199.17
	(50.00)	(-)	(-)	(-)	(-)	(-)	(-)	(9.16)	(59.16)

Notes:

(i) All unquoted equity shares have been included in 'Over 5 years'. The maturity pattern has been prepared in line with various regulations issued by RBI from time to time, best practices and based upon best estimate of the management with regard to the timing of various cashflows.

(ii) The classification of Assets and Liabilities into current and non-current is carried out based on their residual maturity profile as per requirement of Schedule III to the Companies Act, 2013. The above maturity pattern of assets and liabilities has been prepared by the Company after taking into consideration guidelines for asset-liabilities management (ALM) system in non-banking financial companies issued by RBI, best practices and best estimate of the ALM with regard to the timing of various cash flows, which has been relied upon by the auditors.

10. Exposure		(Rupees in crore)	
(a) Exposure to Real Estate		As at March 31, 2017	As at March 31, 2016
Category			
(i) Direct Exposure			
(i) Residential Mortgage			
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented		3.01	-
		2,022.05	-
(ii) Commercial Real Estate			
Lending secured by mortgage on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits			
(ii) Investment in Mortgage Backed Securities (MBS) and other securitized exposures -			
(a) Residential		16.87	-
(b) Commercial Real Estate		78.63	-
Total Exposure to Real Estate Sector		2,120.56	-

Notes:

(i) For the exposures to real estate only loans secured by way of mortgage/hypothecation of housing properties, commercial properties and land are considered.

(ii) In respect of investments in Mortgage Backed Securities (MBS), the Security Receipts (SRs) issued are towards a pool of assets. The Mortgage value is arrived at based on the percentage of Mortgage loans participating in the Pool.

(iii) In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.

RELIANCE COMMERCIAL FINANCE LIMITED
(Formerly known as Reliance Gilt Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(Rupees in crore)

(b) Exposure to Capital Market Category	As at March 31, 2017	As at March 31, 2016
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	27.52	-
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESCOs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds are taken as primary security;	-	-
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity-oriented mutual funds 'does not fully cover the advances';	-	-
v) Secured and unsecured advances to stockbrokers and guarantors issued on behalf of stockbrokers and market makers;	-	-
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii) Bridge loans to companies against expected equity flows / issues;	-	-
viii) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	27.52	-

(Rupees in crore)

11 Details of Financing of the Parent Company Product	2016-17	2015-16
--	----------------	----------------

There are no parent Company products which are financed by the Company during the year.

12 Details of Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company	As at March 31, 2017	As at March 31, 2016
	Exposure	Limit
Satish Shyam Teleservices Limited	390.00	203.81

Note: The Commercial Finance division has demerged from Reliance Capital Limited and merged with the Company w.e.f. March 24, 2017. Hence all the sanctions were benchmarked with the net worth of Reliance Capital Limited. Post demerger, the Company is in the process of downsizing the sanction limits and collecting repayments from customers to ensure compliance with the Prudential norms of RBI. As on the date the above exposure has been brought within the exposure limit.

13 Unsecured Advances	As at March 31, 2017	As at March 31, 2016
Advances against Securities of Intangible Assets	-	-
Total Advances against Securities of Intangible Assets	-	-

(Rupees in crore)

14 Miscellaneous Disclosures

1. Registration obtained from other financial sector regulators

Items	Type	Number reference
a) Reserve Bank of India	Registration No.	N-13/0903
b) Ministry of Corporate Affairs	Ministry of Corporate Affairs	U68010MH2000PLC128301

2. Disclosure of Penalties Imposed by RBI and other regulators

During the year there is no penalties were levied by Reserve Bank of India or any other regulator upon the Company.

3. Related Party Transactions

a) Details of all material transactions with related parties has been given in Notes No 34 of the financial statements.

b) Policy on dealing with Related Party Transactions

The transactions between the Company and related parties shall be entered with prior approval of the Audit Committee of the Board of Directors into, in compliance with the applicable provisions of the Companies Act, 2013 and other applicable laws.

4. Ratings assigned by rating agencies and migration of ratings during the year

Rating agency	Borrowings type	Rating	Dated
i) ICRA Limited	Short Term Debt (ST) of Rs. 3,000 Crore	[ICRA] A1+	March 2, 2017
ii) ICRA Limited	Short Term Debt (ST) of Rs. 1,000 Crore	[ICRA] A1+	January 2, 2017
iii) Credit Analysis & Research Limited (CARE)	Long Term Bank Borrowings of Rs. 10,000 Crore	CARE AA+	March 16, 2017
iv) Credit Analysis & Research Limited (CARE)	Non-Convertible Debentures of Rs. 1,000 Crore	CARE AA+	March 31, 2017
v) Credit Analysis & Research Limited (CARE)	Subordinate Debt - Tier II Unsecured Debt of Rs. 500 Crore	CARE AA+	March 31, 2017
vi) Credit Analysis & Research Limited (CARE)	Market Linked Debentures of Rs. 200 Crore	CARE PP - MLD AA+	March 31, 2017

(Rupees in crore)

5 Remuneration of Directors	2016-17	2015-16
Transactions with the Non-Executive Directors	8.13	-
Director Sitting Fees Non-Executive Directors	0.13	-

(Rupees in crore)

6. Net Profit or Loss for the period, prior period items and changes in accounting policies	2016-17	2015-16
--	----------------	----------------

During the year there is no changes in the accounting policies and no prior period items.

RELIANCE COMMERCIAL FINANCE LIMITED
(Formerly known as Reliance GDS Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

12. Additional Disclosures

1. Provisions and Contingencies

Particulars	(Rupees in crore)	
	As at March 31, 2017	As at March 31, 2016
a) Provision for depreciation on investments	12.65	-
b) Provision for NPA & Doubtful Debts	46.81	-
c) Provision made towards Income tax	87.67	*
* Previous Years Rs. 53,735		
d) Other Provisions and Contingencies (with details)	6.67	-
e) Provision for Repossessed assets	6.73	*
* Contingent provision against standard assets		
* Previous Years Rs. 38,550		

2. Concentration of Advances

Particulars	(Rupees in crore)	
	As at March 31, 2017	As at March 31, 2016
Total Advances to twenty largest borrowers	3,558.00	1.29
Percentage of Advances to twenty largest borrowers to Total Advances of the Company	28.14%	100%

3. Concentration of Exposures

Particulars	(Rupees in crore)	
	As at March 31, 2017	As at March 31, 2016
Total Exposure to twenty largest borrowers	3,558.00	1.29
Percentage of Exposures to twenty largest borrowers to Total Exposure of the Company	27.96%	100%

4. Concentration of NPAs

Particulars	(Rupees in crore)	
	As at March 31, 2017	As at March 31, 2016
Total Exposure to top four NPA accounts	131.15	-

5. Sector-wise NPAs

Particulars	Percentage of NPAs to total advances in that sector	
	2016-17	2015-16
Agriculture & allied activities	3.51	-
MSME	3.43	-
Corporate borrowers	9.83	-
Services	4.02	-
Unsecured personal loans	-	-
Auto loans	7.59	-
Other personal loans	7.86	-

6. Movement of NPAs

Particulars	(Rupees in crore)	
	As at March 31, 2017	As at March 31, 2016
Net NPAs to Net Advances (%)	4.13%	-
Movement of NPAs (Gross)		
(a) Opening Balance	-	-
(b) Additions during the year/ Pursuant to Scheme of Arrangements	982.94	-
(c) Reductions during the year	371.20	-
(d) Closing Balance	611.74	-
Movement of Net NPAs		
(a) Opening Balance	-	-
(b) Additions during the year/ Pursuant to Scheme of Arrangements	625.94	-
(c) Reductions during the year	315.54	-
(d) Closing Balance	310.38	-
Movement of provisions for NPAs		
(a) Opening Balance	-	-
(b) Additions during the year/ Pursuant to Scheme of Arrangements	157.01	-
(c) Write-off	57.64	-
(d) Closing Balance	99.37	-

Gross Non Performing Assets and Net Non Performing Assets given above including bonds & debentures.

7. Overseas Assets (for those with joint Ventures and subsidiaries abroad)

There are no Overseas Assets.

8. Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

There are no Off-balance Sheet SPVs sponsored by the Company which are required to be consolidated as per accounting norms.

9. Customer Complaints (as certified by the management)

Particulars	(Rupees in crore)	
	As at March 31, 2017	As at March 31, 2016
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year/ Pursuant to Scheme of Arrangements	961	-
(c) No. of complaints redressed during the year	940	-
(d) No. of complaints pending at the end of the year	21	-

10. Other Information

Items	As at March 31, 2017		As at March 31, 2016	
	India	India	India	India
Area, currency of operation	None	None	None	None
Joint venture partners with regard to Joint ventures and Overseas subsidiaries	None	None	None	None

Sr. No.	Type of Restructuring Asset Classification	Under CDR Mechanism				Under SDR Debt Restructuring Mechanism				Others				Total			
		Standard	Substandard	Doubtful	Loss	Standard	Substandard	Doubtful	Loss	Standard	Substandard	Doubtful	Loss	Standard	Substandard	Doubtful	Loss
1	Restructured Accounts as on April 1 of the FY 2016-17	3	-	-	-	2	-	-	-	1	-	-	-	3	-	-	-
	No. of borrowers	25.17	-	-	-	21.17	-	-	-	39.04	-	-	-	39.04	-	-	-
	Amount outstanding	14.82	-	-	-	8.66	-	-	-	2.00	-	-	-	62.11	-	-	-
	Provision thereon	0.06	-	-	-	-	-	-	-	-	-	-	-	2.08	-	-	-
2	From restructuring during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	2	-	-	3	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	14.82	-	-	14.82	-	-	-	-	-	-	-	74.82	-	-	-
	Provision thereon	-	14.51	-	-	14.51	-	-	-	-	-	-	-	14.51	-	-	-
3	Upgradations to restructured standard category	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which come to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	0.02	-	-	-	11.629	-	-	-	1	-	-	-	0.02	-	-	-
	No. of borrowers	0.02	-	-	-	0.02	-	-	-	39.04	-	-	-	0.02	-	-	-
	Amount outstanding	0.02	-	-	-	-	-	-	-	2.00	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	1	-	-	-	1	-	-	-	1	-	-	-	1	-	-	-
	No. of borrowers	8.27	-	-	-	8.29	-	-	-	39.04	-	-	-	88.71	-	-	-
	Amount outstanding	0.03	-	-	-	0.03	-	-	-	2.00	-	-	-	2.02	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31 of the FY 2016-17	1	-	-	-	3	-	-	-	-	-	-	-	1	-	-	-
	No. of borrowers	14.63	-	-	-	88.15	-	-	-	-	-	-	-	14.83	-	-	-
	Amount outstanding	14.51	-	-	-	14.51	-	-	-	-	-	-	-	74.82	-	-	-
	Provision thereon	0.02	-	-	-	0.02	-	-	-	-	-	-	-	0.02	-	-	-

RELIANCE COMMERCIAL FINANCE LIMITED
(Formerly known as Reliance Gills Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

31. Security clause in respect to Secured Loans from banks

- (a) Term loans from banks includes Rs. 8,742.72 (Previous year Rs. Nil) which are secured by part pass first charge on all present and future bank debts, receivables, bills, claims and loan assets of the Company.

assets of the Company							(Rupees in crore)
(b)	Maturity profile of Term loans from banks are as set out below:						
	2017-18	2018-19	2019-20	2020-21	2021-22	2022- 23	Total
Term Loan from Banks	2,090.77	2,194.91	1,972.03	1,173.33	465.68	5.00	8,742.72

32. Employee benefits

a) Defined contribution plan

Contribution to defined contribution plans, recognised as expense for the year is as under:

	(Rupees in crore)	
Particulars	2016-17	2015-16
Employer's contribution to provident fund	2.90	-
Employer's contribution to superannuation fund	0.10	-
Employer's contribution to pension scheme	1.26	-
	4.27	-

(c) Defined benefit plans

The following tables summarise the components of the net employee benefit expenses recognised in the Statement of Profit and Loss, the fund status and amounts recognised in the balance sheet for the gratuity benefit plan and leave encashment plan.

	Gratuity benefit funded		Leave Encashment Benefit Unfunded	
Particulars	2016-17	2015-16	2016-17	2015-16
I. Table showing change in Liability at the beginning of the period	18.13	-	1.11	-
Interest Cost	0.82	-	0.08	-
Current Service Cost	1.33	-	0.44	-
Liability Transferred out / Divestments	(1.44)	-	-	-
Benefit Paid	(2.72)	-	(0.15)	-
Actuarial gain/loss on obligations - Due to change in Financial Assumptions	0.83	-	(0.20)	-
Actuarial gain/loss on obligations - Due to Experience	2.54	-	-	-
Liability at the end of the period	11.49	-	1.22	-
II. Changes in the fair Value of Plan Assets and the reconciliation thereof:				
Fair Value of Plan Assets at the beginning of the period	9.28	-	-	-
Expected return on Plan Assets	0.75	-	-	-
Contributions	1.51	-	0.15	-
Liability Transferred out / Divestments	(1.44)	-	-	-
Benefit paid	(2.72)	-	(0.15)	-
Actuarial gain/loss on Plan Assets - Due to Experience	0.16	-	-	-
Fair value of Plan Assets at the end of the period	7.54	-	-	-
Total Actuarial gain/loss to be recognized	(3.20)	-	0.36	-
III. Actual return on Plan Assets	0.75	-	-	-
Expected return on Plan Assets	0.16	-	(0.26)	-
Actual gain/loss on Plan Assets	0.30	-	(0.26)	-
IV. Amount recognised in the Balance Sheet				
Liability at the end of the period	11.49	-	1.22	-
Fair Value of Plan Assets at the end of the period	7.54	-	-	-
Difference Funded status (Surplus/(Deficit))	(3.95)	-	(1.22)	-
Unrecognised Actuarial Gain / (Loss)	(3.95)	-	(1.22)	-
Amount recognised in the Balance Sheet (Liability)	(3.95)	-	(1.22)	-
V. Expenses recognised in the Profit and Loss Account				
Current Service Cost	1.33	-	0.44	-
Interest Cost	0.07	-	0.08	-
Net Actuarial gain/loss to be recognized	3.20	-	(0.26)	-
Expense relating to Holding Company	2.27	-	-	-
Expense recognised in Profit and Loss Account	2.33	-	0.36	-
VI. Amount recognised in the Balance Sheet				
Opening Net Liability	0.35	-	1.11	-
Expense as above	4.00	-	0.26	-
Employers Contribution paid	(1.51)	-	(0.15)	-
Liability relating to Holding Company	1.43	-	-	-
Closing Net Liability/(Assets)	3.91	-	1.22	-
VII. Experience Adjustment				
Experience adjustment on Plan Assets Gain/(Loss)	0.18	-	-	-
Experience adjustment on Plan Liabilities (Gain)/Loss	2.54	-	-	-
VIII. Assumptions				
Discount Rate	7.34%	-	7.45%	-
Rate of return on Plan Assets	7.34%	-	-	-
Salary Escalation Rate	6.00%	-	6.00%	-

RELIANCE COMMERCIAL FINANCE LIMITED
(Formerly known as Reliance Gilt Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Notes:

- ii) Till March 31, 2017, all employees of the Commercial Finance division were on the payroll of Reliance Capital Limited and the Gratuity for these employees was held in the Gratuity Trust of Reliance Capital Limited. The actuarial valuation of the Gratuity liabilities as on March 31, 2017 has been taken by Reliance Capital Limited on group level and gratuity liabilities and expenses has been allocated between the Company and Reliance Capital Limited on estimated basis.
- iii) The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.
- iv) General Description of significant defined plans:
- a) Gratuity Plan
Gratuity is payable to all eligible employees of the Company on superannuation, death and permanent disablement, in terms of the provisions of the Payment of Gratuity Act 1972 or as per the Company's Scheme whichever is more beneficial.
- b) Leave Plan
Encashment of leave can be availed by the employee for balance in the earned account as on January 1, 2009. All carry forward earned leaves with a maximum limit of 10 Days, are available for availing but not for encashment.

Other Employee Benefits - Phantom Stock

I. Details of Option granted, forfeited and exercised

	2016-17	2015-16
Outstanding as at April 1, 2016	-	-
Granted	11,07,700	-
Exercised	-	-
Lapsed/ Forfeited/ Surrendered	-	-
Outstanding as at March 31, 2017	11,07,700	-
Exercisable as at March 31, 2017	-	-

II. Terms and conditions of the scheme

Date of grant	Phantom stock granted under the scheme would vest within not less than 1 year and not more than 5 years from the last date of vesting of such Phantom stock option. Vesting of Phantom stock option would be subject to continued employment with the company and the Phantom stock option would vest on passage of time
Details of vesting schedule and condition	
Appreciation as per Phantom stock option	Excess of fair market of share on the date of exercise determined in terms of Phantom stock option scheme over the
Exercise Period	In case of continuation of employment : Vested Phantom stock option can be exercised any time upto 5 years from the date of last vesting of Phantom stock options and
	In case of cessation of employment : Different periods depending on kind of cessation as per provision of the Phantom stock option scheme
Settlement of Phantom stock option	Within 90 days from the date of exercise by cash

III. Fair value of the Option granted was estimated on the date of grant based on the following assumptions

Discount rate	6.77%
Expected life	5 years

IV. The Company's liability toward the Phantom stock option is accounted for on the basis of an independent actuarial valuation done at the year end. As per the valuation the liability for the year is Rs. 0.52 crore which is debited to Statement of profit and loss account and the liability is shown in the Balance sheet under the head Other current liabilities and credited under Other payables.

33. **Segment reporting:**
The Company is mainly engaged in the commercial finance business, all other activities revolve around the main business of the Company, as such there is no separate reportable segment and Company's all operations are conducted within India, hence there is no separate reportable geographical segment, under Accounting Standard -17 (AS-17), on "Segment Reporting" notified by the Companies (Accounts) Rules, 2014.

34. Related party disclosures

A. List of Related Parties and their relationship:

- i) Holding Company
Reliance Capital Limited
- ii) Subsidiaries of Holding Company / Fellow Subsidiaries
1. Reliance Nippon Life Asset Management Limited (Formerly Reliance Capital Asset Management Limited)
 2. Reliance Asset Management (Singapore) Pte. Limited
 3. Reliance Asset Management (Moritani) Limited
 4. Reliance Capital Asset Management (UK) Limited (ceased from June 14, 2016)
 5. Reliance Capital Pension Fund Limited
 6. Reliance AIF Management Company Limited
 7. Reliance Capital AIF Trustee Company Private Limited
 8. Reliance Capital Trustee Company Limited
 9. Reliance Commodities Limited
 10. Reliance Exchange Limited
 11. Reliance Financial Limited
 12. Reliance General Insurance Company Limited
 13. Reliance Home Finance Limited
 14. Reliance Nippon Life Insurance Company Limited (Formerly Reliance Life Insurance Company Limited)
 15. Reliance Money Express Limited (ceased from February 7, 2017)
 16. Reliance Money Precision Metals Private Limited
 17. Reliance Money Solutions Private Limited
 18. Reliance Securities Limited
 19. Reliance Corporate Advisory Services Limited (Formerly known as Reliance Spot Exchange Infrastructure Limited)
 20. Reliance Wealth Management Limited
 21. Quant Capital Private Limited
 22. Quant Broking Private Limited
 23. Quant Securities Private Limited
 24. Quant Commodity Broking Private Limited (ceased from August 18, 2016)
 25. Quant Capital Finance and Investments Private Limited (ceased from July 7, 2016)
 26. Quant Investments Services Private Limited

RELIANCE COMMERCIAL FINANCE LIMITED
(formerly known as Reliance Gilt Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

- (i) Parties under common control
Reliance Communications Limited
Reliance Infrastructure Limited

- (ii) Key management personnel
Shri Anand Shah Chief Financial Officer (w.e.f. March 9, 2017)
Shri Varun Agrawal Chief Financial Officer (upto February 9, 2017)
Smt. Shikha Thakurani Company Secretary (w.e.f. March 9, 2017)
Shri Ravin Tark Company Secretary (upto February 9, 2017)

B. List of related parties with whom transactions have taken place during the year:

Reliance Capital Limited
Reliance Communications Limited
Reliance Infrastructure Limited
Reliance General Insurance Company Limited
Reliance Home Finance Limited

C. Transactions during the year with related parties:

	(Rupees in crore)				
Particulars	Holding Company	Fellow Subsidiary	Parties under common control	Key Managerial Personnel	Total
Equity Share Capital					
a) Issued during the year	39.53	-	-	-	39.53
	(31.00)	(4)	(4)	(4)	(50.00)
b) Matured / Redeemed during the year	-	-	-	-	-
	(4)	(4)	(4)	(4)	(4)
c) Balance as at March 31, 2017	122.83	-	-	-	122.83
	(63.30)	(4)	(4)	(4)	(65.30)
Preference Share Capital					
a) Issued during the year	400.00	-	-	-	400.00
	(4)	(4)	(4)	(4)	(4)
b) Balance as at March 31, 2017	400.00	-	-	-	400.00
	(4)	(4)	(4)	(4)	(4)
Security Premium Received on Issue of Equity Share					
a) Received on issued during the year	1,690.51	-	-	-	1,690.51
	(4)	(4)	(4)	(4)	(4)
b) Balance as at March 31, 2017	1,690.51	-	-	-	1,690.51
	(4)	(4)	(4)	(4)	(4)
Reimbursement of Expenses given					
Reimbursement of Expenses paid	0.68	-	-	-	0.68
	(4)	(4)	(4)	(4)	(4)
Trade Payable as on March 31, 2017					
Reliance Communications Limited	-	-	0.08	-	0.08
	(4)	(4)	(4)	(4)	(4)
Reliance Infrastructure Limited	-	-	0.09	-	0.09
	(4)	(4)	(4)	(4)	(4)
With Reliance Home Finance Limited					
Income	-	26.23	-	-	26.23
Reimbursement of Expenses Received	-	(4)	(4)	(4)	(4)
Expenses					
Reimbursement of Expenses paid	-	3.54	-	-	3.54
	(4)	(4)	(4)	(4)	(4)
Vatation Expenses paid	-	0.22	-	-	0.22
	(4)	(4)	(4)	(4)	(4)
With Reliance General Insurance Co. Ltd.					
Income	-	0.90	-	-	0.90
Reimbursement of Expenses Received	-	(4)	(4)	(4)	(4)
Expenses					
Insurance Premium paid	-	2.20	-	-	2.20
	(4)	(4)	(4)	(4)	(4)
Rent Expenses	-	0.28	-	-	0.28
	(4)	(4)	(4)	(4)	(4)
Reimbursement of Expenses paid	-	1.19	-	-	1.19
	(4)	(4)	(4)	(4)	(4)
With Reliance Nippon Life Asset Management Limited					
Sale of Investments	-	9.16	-	-	9.16
	(4)	(4)	(4)	(4)	(4)
With Reliance Capital Pension Fund Limited					
Investment as on March 31, 2017	-	-	-	-	-
	(4)	(9.38)	(4)	(4)	(9.16)
With Reliance Nippon Life Asset Management Company Limited					
Income	-	0.08	-	-	0.08
Reimbursement of Expenses Received	-	(4)	(4)	(4)	(4)
With Reliance Nippon Life Insurance Company Limited					
Income	-	0.20	-	-	0.20
Reimbursement of Expenses Received	-	(4)	(4)	(4)	(4)
Expenses					
Insurance Expenses	-	0.44	-	-	0.44
	(4)	(4)	(4)	(4)	(4)

RELIANCE COMMERCIAL FINANCE LIMITED
(Formerly known as Reliance Gilt Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(Rupees in crore)

Particulars	Holding Company	Yellow Subsidiary	Parties under common control	Key Managerial Personnel	Total
With Reliance Securities Limited					
Income	-	0.12	-	-	0.12
Reimbursement of Expenses Received	(-)	(-)	(-)	(-)	(-)
Expenses	-	-	-	-	-
Brokerage Expenses	(-)	(-)	(-)	(-)	(-)
* Rs. 3285					
With Reliance Communications Limited					
Expenses	-	-	1.75	-	1.75
IT & Communication Expenses	(-)	(-)	(-)	(-)	(-)
	-	-	0.80	-	0.80
Rent Expenses	(-)	(-)	(-)	(-)	(-)
Income	-	-	58.92	-	58.92
Interest on loan	(-)	(-)	(-)	(-)	(-)
Loan given during the year	-	-	1,565.70	-	1,565.70
Loan Repaid during the year	(-)	(-)	(-)	(-)	(-)
	-	-	1,821.20	-	1,821.20
With Reliance Big Entertainment Private Limited					
Income	-	-	19.16	-	19.16
Interest on loan	(-)	(-)	(-)	(-)	(-)
Loan given during the year	-	-	140.14	-	140.14
Loan Repaid during the year	(-)	(-)	(-)	(-)	(-)
	-	-	280.28	-	280.28
With Reliance Infotech Limited					
Income	-	-	22.91	-	22.91
Interest on loan	(-)	(-)	(-)	(-)	(-)
Loan given during the year	-	-	876.20	-	876.20
Loan Repaid during the year	(-)	(-)	(-)	(-)	(-)
	-	-	876.20	-	876.20
Employee Benefit Expenses					
Mr. Anand Shah	(-)	(-)	(-)	(-)	(-)
Ms. Esha Thakare	(-)	(-)	(-)	(-)	(-)
* Rs. 72.898					

- Notes:
- The above disclosed transactions entered during the period of existence of related party relationship. The balances and transactions are not disclosed before existence of related party relationship and after cessation of related party relationship.
 - The current year figures are excluding service tax.
 - Expenses incurred towards public utilities services such as telephone and electricity charges have not been considered for related party transaction.
 - For transactions prior to demerger please refer note 40 (iv) below.

36	Basic and Diluted earnings per share	(Rupees in crore)	
	The computation of earnings per share is set out below	2016-17	2015-16
	Particulars		
	Amount used as the numerator	295.17	0.03
	Net Profit after tax	295.17	0.03
	Net Profit attributable to equity shareholders	643.16.111	1.85.93.058
	Weighted average number of equity shares (Nos.)	46.04	0.01
	Basic earnings per share of face value Rs. 10 each (In Rupees)	46.04	0.01
	Diluted earnings per share of face value Rs. 10 each (In Rupees)		

36	Contingent Liabilities and Commitments (As Certified by the Management)	(Rupees in crore)	
	Particulars	As at March 31, 2017	As at March 31, 2016
	Contingent Liabilities	538.47	-
	(i) Guarantees to Banks and Financial Institutions on behalf of third parties	5.38	-
	(ii) Claims against the Company not acknowledged as debt		
	Commitments	5.31	-
	(i) Estimated amount of contracts remaining to be executed on capital account (net of advances)	554.36	-
	(ii) Undrawn Contingent Credit lines		

37	Expenditure in foreign currency	(Rupees in crore)	
	Particulars	2016-17	2015-16
	(i) Legal & Professional Fees	0.15	-
	(ii) Software Maintenance and Others	0.33	-
	(iii) Subscription Fees * Rs. 27.440	-	-
	(iv) Repairs & Maintenance * Rs. 14.828	0.48	-
	TOTAL		

RELIANCE COMMERCIAL FINANCE LIMITED
(Formerly known as Reliance Gifs Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

38 Details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016

(Rupees in crore)

Particulars	Specified Bank Notes	Other Notes	Total
Closing cash in hand as on 08.11.2016	1.20	0.24	1.44
Add : Permitted Receipts	-	4.85	4.85
Less : Permitted Payments	-	-	-
Less : Amount deposited in Bank	1.20	7.63	8.23
Closing cash in hand as on 30.12.2016	-	0.06	0.06

39 Scheme of Arrangement between Company and Reliance MediaWorks Limited (RMWL)

The Board of Directors at its meeting held on March 31, 2017 approved a Scheme of Arrangement for demerger of Lease Rental Business of Reliance MediaWorks Limited (RMWL) into the Company pursuant to Section 230 - 232 of the Companies Act, 2013. The Company has filed the Scheme with National Company Law Tribunal ("NCLT") on March 31, 2017. As per the Scheme, the business of the demerged company would be transferred to the Company from the Appointed Date. Appointed date for the Scheme is March 31, 2017, subject to requisite approvals, including the sanction of National Company Law Tribunal, Mumbai Bench. For the year ended March 31, 2017 there is no impact on the financial statements of the Company on account of above Scheme.

40 Scheme of Arrangement between Company and Reliance Capital Limited (RCL)

The Scheme of Arrangement ("the Scheme") under Sections 230 to 234 of the Companies Act, 1956 between the Company and Reliance Capital Limited and their respective shareholders and creditors was sanctioned by the Hon'ble High Court of Judicature at Bombay vide Order dated December 9, 2016. The Scheme became effective on March 28, 2017 on filing with the Registrar of Companies (RoC) with effect from April 1, 2016 i.e. Appointed Date.

Pursuant to the Scheme, the Commercial Finance Business (CFB) undertaking of Reliance Capital Limited (RCL) has been transferred to the Company. Hence, in accordance with the Scheme:

(i) On Scheme becoming effective with effect from Appointed Date, the Company has recorded all the assets aggregating to Rs. 12,473 crore and liabilities aggregating to Rs.12,473 crore as appearing in the books of RCL related to commercial finance business at their respective book value as on Appointed Date. The assets & liabilities taken over include:

Assets / Liabilities Taken Over	Amount (Rs. in crore)
Assets	
Property, Plant and Equipment (Net of accumulated Depreciation Rs. 49.38 crore)	28.30
Investments	91.00
Loans & Advances	11,351.00
Cash and Cash Equivalents	493.00
Other Bank	156.00
Other Current Assets	353.50
Total Assets	12,473.00
Liabilities	
Bank Borrowings	7,027.00
Provisions	36.00
Trade payables	0.00
Other current liabilities	516.00
Short term borrowings	2,824.00
Current maturities of Non Convertible Debentures	1,352.00
Total Liabilities	12,473.00

(ii) There is no difference between value of assets and liabilities of the RCL's commercial finance business as recorded by the Company, accordingly there is no capital reserve or goodwill.

(iii) With effect from the Appointed Date and upto and including the effective date, RCL shall be deemed to have been carrying on and to be carrying on all business and activities relating to Commercial Finance Business for and on account of and in trust of the Company. As per the scheme approved by the Hon'ble High Court of Bombay, all profits accruing to RCL or losses arising or incurred by RCL in relation to the Commercial Finance Business for the period commencing from the Appointed Date to the Effective Date shall, for all purposes, be treated as the profits or losses, as the case may be, of the Company. Accordingly Statement of Profit & Loss has been prepared for the year ended March 31, 2017.

(iv) During the period from the Appointed Date to the Effective Date the Company has paid interest amounting to Rs. 90.64 crore on inter divisional balance, reimbursement of expenses amounting to Rs. 2.50 crore and management fees amounting to Rs. 3 crore to Reliance Capital Limited. Outstanding inter division balance amounting to Rs. 2,874 crore as on March 24, 2017 has been paid by the Company subsequently.

41 Corporate Social Responsibility Expenditures

As per Section 135 of the Companies Act, 2013 the Company is under obligation to incur Corporate Social Expenditures (CSR) amounting to Rs. 6,553 (Previous year Rs. Nil), being 2% of the average net profit during the three immediately preceding financial years towards CSR, calculated in the manner as stated in the Act. During the year, the Company has made a contribution of Rs. 0.33 crore (Previous year Rs. Nil) by contributing for health camps and support for education.

42 The Company has taken approval of the shareholders at Annual General Meeting held on May 30, 2016 for changing its name from Reliance Gifs Limited to Reliance Commercial Finance Limited. Consequent to fresh Certificates of Incorporation dated June 7, 2016 received from the Registrar of Companies (RoC), Maharashtra, Mumbai, the name of the Company has been changed from Reliance Gifs Limited to Reliance Commercial Finance Limited.

43 Pursuant to the Scheme of Arrangement between the Company and Reliance Capital Limited, the Company has received MAT Credit Entitlement under Section 115 JAA of the Income Tax Act, 1961. Based on judicial decisions and pursuant to Scheme of Arrangement, the Company has been made income tax provision for the year ended March 31, 2017 based on availability of MAT credit entitlement. Accordingly income tax provision for the year ended March 31, 2017 is under normal tax and the Company has utilized the MAT Credit amounting to Rs. 59.96 crore.

RELIANCE COMMERCIAL FINANCE LIMITED
(Formerly known as Reliance GDS Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

- 44 The Board of Directors have recommended a dividend of Rs. 0.50 per equity share for the year subject to the approval of the members of the Company at the ensuing Annual General Meeting. In terms of revised Accounting Standard (AS-4) 'Contingencies and Events Occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through Amendments to the Companies (Accounting Standards) Amendment, Rules 2016 dated March 30, 2016, Company has not accounted for proposed dividend as a liabilities as at March 31, 2017. Accordingly the proposed dividend of Rs. 0.14 crore and tax thereon Rs.1.25 crore are not recognised as liability in the financial statements for the year ended March 31, 2017.
- 45 Previous year figures has been regrouped /reclassified wherever necessary. The figures for current year includes figures of Commercial Finance Business of Reliance Capital Limited (RCL) which is demerged with the Company with effect from April 1, 2016 i.e. the Appointed Date and therefore to that extent not strictly comparable to that of previous year's figures.

As per our report of even date

For and on behalf of the Board

For Charteredvi & Shah
Chartered Accountants
Firm Registration No.: 1017239C

Padmansabh Vora
(Director)
(DIN: 00003192)

Usha Mehta
(Director)
(DIN: 00168992)

Lav Chaturvedi
(Director)
(DIN: 02859336)

Vijay Napanwalia
Partner
Membership No.: 109839

Devang Mody
(Executive Director & CEO)
(DIN: 07794728)

Amrish Shah
(Chief Financial Officer)

Eliza Shahane
(Company Secretary)

Mumbai
Date: April 20, 2017

Mumbai
Date: April 20, 2017