

Financial Statement

2020-2021

Reliance Securities Limited

Independent Auditors' Report

To the Members of Reliance Securities Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Reliance Securities Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021; and its profits and total comprehensive income, change in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

1. We draw attention to Note no.50 of the financial statements, regarding non receipt of confirmation against certain fixed deposits (FDs) amounting to Rs.754.02 Lakhs by the Company from a Scheduled Commercial Bank as on March 31, 2021 for the reasons stated in the said note. These FDs include "Client Margin" FDRs of Rs.570.00 Lakhs. Based on the facts fully described in the aforesaid note, view of the Company and legal opinion obtained by the Company from an independent legal experts, the management of the Company is confident that they will be in a position to recover said Client Margin FDRs from the Bank over a period of time and no adjustments are required in the carrying amount of said "Client Margin" FDRs.
2. We draw attention to Note no. 52 of the financial statements, which describes the uncertainties relating to the COVID-19 pandemic outbreak and management's evaluation of the impact on the financial results of the Company as at the reporting date. The impact of these uncertainties on the Company's operations is significantly dependent on future developments.

Our opinion is not modified in respect of the above matters.

Key Audit Matters

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

The Key Audit Matter	How the matter was addressed in our audit
<p>Marked Linked Debentures (MLD)</p> <p>The Company has non-convertible debentures (Marked Linked Debentures) of Rs. 7,587 Lakhs as at March 31, 2021. The rate of interest on which is linked to performance of specified indices over the period of the debentures. The terms and conditions of the Marked Linked Debentures are detailed in note 19 of the financial statements.</p> <p>Further, Marked Linked Debentures is a key number in the balance sheet and will remain an important funding mechanism for continued growth. Therefore, in our view, Marked Linked Debentures is important to the readers understanding of the financial statements. As a result of these items we consider accounting for Marked Linked Debentures to be a key audit matter at March 31, 2021.</p>	<p>We carried out following procedures in respect to Marked Linked Debentures:</p> <ul style="list-style-type: none"> - held discussion with management and obtained understanding of valuation process including management's determination and approval of assumptions and data inputs. - evaluate the design and tested operating effectiveness of controls related to the data considered in the valuation, related calculations and Valuation reports provided by management's external expert. <p>Based on our audit procedures, we noted no reportable matters regarding MLD classification and its valuation.</p>
<p>Provisions and contingent liabilities in relation to tax positions</p> <p>Refer note no. 41 of the financial statement.</p> <p>The company has received various demands and show cause notices from the service tax department in respect of various matters.</p> <p>The management have made judgments relating to the likelihood of an obligation arising and whether there is a need to recognize a provision or disclose a contingent liability. We therefore focused on this area as a result of uncertainty and potential material impact.</p>	<p>We have involved our tax experts to gain an understanding of the current status of the tax cases and monitored changes in the disputes by reading external opinions received by the Company if any, where relevant, to establish that the tax provisions had been appropriately adjusted to reflect the latest external developments.</p> <p>For legal, regulatory and tax matters our procedures included the following:</p> <ul style="list-style-type: none"> • testing key controls surrounding litigation, regulatory and tax procedures; • performing substantive procedures on the underlying calculations supporting the provisions recorded; • where relevant, reading external legal opinions obtained by management; • discussing open matters with the litigation, regulatory, general counsel and tax teams; • assessing management's conclusions through understanding precedents set in similar cases; <p>Based on the evidence obtained, while noting the inherent uncertainty with such legal, regulatory and tax matters, we determined the level of provisioning and disclosure of contingent liabilities as at March 31, 2021 to be appropriate.</p>

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

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

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

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

Responsibilities of management for the financial statements

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

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

Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and the statement of change in equity dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements in Note no. 41 of the financial statements;
 - ii. The Company have derivative contracts as mentioned in Note no. 5 & 17 and losses on those contracts as on March 31, 2021 has been recognised in the books of account. Further, there were no long-term contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company for the year ended March 31, 2021.

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

Vishal D. Shah
Partner
Membership No.:119303
UDIN: 21119303AAAAIZ7653

Place: Mumbai
Date: April 30, 2021.

Annexure A to Auditors' Report

Referred to in our Auditors' Report of even date to the members of Reliance Securities Limited on the financial statements for the year ended March 31, 2021

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets on the basis of available information except for in some assets where company is in the process of tagging the assets.
- (b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of time. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical assets were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, we report that, the title deeds of all the immovable properties comprising of land and buildings other than self-constructed properties are held in the name of the Company.
- (ii) According to the information and explanations given to us, the company does not hold any physical inventories. Thus, paragraph 3 of the Order is not applicable to the company.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any company, firm, limited liability partnerships or other party covered in the register maintained under Section 189 of the Act.
- (iv) Based on the information and explanations given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act, to the extent applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
- (vi) According to information & explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Act. Hence, the provision of Clause (vi) of paragraph 3 of the order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, Tax Deducted at Source (TDS), goods and services tax (GST), Cess and other material statutory dues as applicable. According to information & explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at March 31, 2021 for a period of more than six months from the date of becoming payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, service-tax, as at March 31, 2021 which have not been deposited on account of a dispute are as follows:

Name of the statute	Nature of dues	Amount (Rs. Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Service Tax	Demand, Interest & penalty	1,159	March 2005 to January 2009	Commissioner of CGST
Service Tax	Demand, Interest & penalty	995	October 2009 to September 2010	Commissioner of CGST
Service Tax	Demand, Interest & penalty	637	March 2005 to August 2008	Commissioner of CGST
Service Tax	Demand, Interest & penalty	667	October 2008 to September 2009	Commissioner of CGST
Service Tax	Demand, Interest & penalty	1,899	2007-08 to 2009-10	Commissioner of CGST
Service Tax	Demand, Interest & penalty	308	2007-08 to 2009-10	Commissioner of CGST
Service Tax	Demand, Interest & penalty	920	August 2018	Commissioner of CGST
Service Tax	Demand, Interest & penalty	222	2016-17	Commissioner of CGST
Service Tax	Demand, Interest	127	2019-20	Commissioner of CGST
Service Tax	Demand, Interest & penalty	465	2015-16	Commissioner of CGST
Service Tax	Demand, Interest & penalty	385	2014-15	Joint Commissioner of CGST

- (viii) According to the information and explanations given to us and based on examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or dues to debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and in our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were raised.
- (x) According to the information and explanations given to us, no fraud by the Company or fraud on the Company by its officers and employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and accordingly the provisions of clause 3(xii) of the Order are not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details of related party transactions as required by the applicable accounting standards have been disclosed in the financial statements.
- (xiv) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the company

- (xv) According to the information and explanations given to us, the Company has not entered any non-cash transactions with directors or persons connected with them. 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 is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

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

Vishal D. Shah
Partner
Membership No.:119303
UDIN: 21119303AAAAIZ7653

Mumbai
Date: April 30, 2021

Annexure B to the Independent Auditor's Report on the financial statements of Reliance Securities Limited for year ended March 31, 2021

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

We have audited the internal financial controls over financial reporting of Reliance Securities Limited (hereinafter referred to as "the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

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

unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Vishal D. Shah
Partner
Membership No.:119303
UDIN: 21119303AAAAIZ7653

Place: Mumbai
Date: April 30, 2021

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Financial Assets			
(a) Cash and cash equivalents	3	2,205	4,291
(b) Bank balance other than (a) above	4	20,856	24,772
(c) Derivative financial instruments	5	8	9
(d) Receivables	6		
(i) Trade receivables		1,954	3,772
(ii) Other receivables		251	659
(e) Loans	7	2,275	4,762
(f) Investments	8	5,036	31
(g) Other financial assets	9	38,119	11,757
		70,704	50,053
Non-financial Assets			
(a) Inventories	10	1,657	61
(b) Current tax assets (net)	11	1,026	1,067
(c) Deferred tax assets (net)	12	-	844
(d) Investment property	13	13	14
(e) Property, plant and equipment	14	587	753
(f) Goodwill	15 A	8	-
(g) Other intangible assets	15 B	574	646
(h) Other non-financial assets	16	450	704
		4,315	4,089
Total Assets		75,019	54,142
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
(a) Derivative financial instruments	17	246	987
(b) Payables			
(I) Trade payables	18A		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		43,530	25,545
(II) Other payables	18B		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(c) Debt securities	19	7,587	6,204
(d) Borrowings (other than debt securities)	20	2,839	5,050
(e) Other financial liabilities	21	1,736	2,226
		55,938	40,012
Non-Financial Liabilities			
(a) Provisions	22	307	231
(b) Other non-financial liabilities	23	8,182	4,630
		8,489	4,861
EQUITY			
(a) Equity share capital	24	21,000	21,000
(b) Instruments entirely equity in nature	25A	2,500	2,500
(c) Other equity	25B	(12,908)	(14,231)
		10,592	9,269
Total Liabilities and Equity		75,019	54,142
Significant accounting policies and notes to the financial statements	1 to 54		

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

For Pathak H. D. & Associates LLP

Chartered Accountants

Firm registration No. 107783W/W100593

For or on behalf Reliance Securities Limited

Sd/-

Vishal D. Shah

Partner

Membership No.: 119303

Sd/-

Lav Chaturvedi

Executive Director & CEO

DIN : 02859336

Sd/-

Aman Gudral

Director

DIN : 08822974

Sd/-

Amit Agrawal

Chief Financial Officer

Sd/-

Vrunda Dhanesha

Company Secretary

M. No. A35255

Place : Mumbai

Date: April 30, 2021

Reliance Securities Limited
Statements of profit and loss for the year ended March 31, 2021

(Amount in Lakh)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
A Revenue from operations			
Interest income	26	3,233	4,896
Fees and commission income	27	12,431	13,986
Net gain on fair value changes	28	11,191	1,786
Total Revenue from operations		26,855	20,668
B Other Income	29	197	165
C Total Income (A + B)		27,052	20,833
Expenses			
Finance costs	30	2,460	1,784
Fees and commission expense		2,479	1,917
Employee Benefits Expenses	31	11,160	9,690
Depreciation, amortization and impairment	13 ,14 & 15 B	603	697
Others expenses	32	8,214	10,634
D Total Expenses		24,916	24,722
(I) Profit before exceptional items and tax (C-D)		2,136	(3,889)
(II) Exceptional items		-	-
(III) Profit before tax (I -II)		2,136	(3,889)
(IV) Tax Expense:			
(i) Current tax		-	-
(ii) Deferred tax		844	-
(iii) Taxes of earlier years (net)		(34)	(12)
(V) Profit for the year (III-IV)		1,326	(3,877)
(VI) Other Comprehensive Income			
Items that will not be reclassified to profit or loss :			
Re-measurement of post retirement benefit obligation gain/(loss)		(4)	(70)
Income tax relating to items that will not be reclassified to profit or loss		-	17
Subtotal (A)		(4)	(53)
Items that will be reclassified to profit or loss		-	-
Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
Other Comprehensive Income (A + B)		(4)	(53)
(VII) Total Comprehensive Income for the year		1,322	(3,930)
Earnings per equity share (Amount in ₹)			
Basic		0.60	(1.76)
Diluted		0.60	(1.76)

Significant accounting policies and notes to the financial statements 1 to 54

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

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

For or on behalf Reliance Securities Limited

Sd/-
Vishal D. Shah
Partner
Membership No.: 119303

Sd/-
Lav Chaturvedi
Executive Director & CEO
DIN : 02859336

Sd/-
Aman Gudral
Director
DIN : 08822974

Place : Mumbai
Date: April 30, 2021

Sd/-
Amit Agrawal
Chief Financial Officer

Sd/-
Vrunda Dhanesha
Company Secretary
M. No. A35255

Reliance Securities Limited
Statement of Cash Flow for the year ended March 31, 2021

(Amount in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
A. Cash flows from operating activities		
Net Profit before tax as per statement of profit and loss	2,136	(3,889)
Adjustments for :		
(Profit)/Loss on sale of investments (net)	(1)	(7)
Loss on sale/Disartment of fixed assets	10	89
Excess provision/ Credit balance written back	(138)	(14)
Provision for doubtful debts/advances	281	1,874
Bad debts written off	222	21
Depreciation & amortisation expenses	603	697
Dividend accrue on preference shares	140	162
Interest on income tax refund	(44)	(34)
Interest expenses	2,320	1,612
Operating Profit Before working capital changes	5,529	511
Changes in assets and liabilities		
(Increase)/Decrease in bank balances not considered as cash and cash equivalents	3,915	1,790
(Increase)/Decrease in trade receivables	1,751	7,080
(Increase)/Decrease in inventories	(1,596)	709
(Increase)/ Decrease in loans	2,487	9,193
(Increase)/ Decrease in other financial assets	(26,362)	(9,332)
(Increase)/ Decrease in other non financial assets	142	14
Increase/ (Decrease) in derivatives instruments (net)	(740)	(1,805)
Increase/ (Decrease) in trade payables	17,985	(1,002)
Increase/ (Decrease) in other financial liabilities	(30)	(49)
Increase/ (Decrease) in provision	72	(180)
Increase/ (Decrease) in other non-financial liabilities	3,552	(613)
Cash flows from / (used in) operating activities	6,705	6,316
Payment of taxes (net of refunds)	119	(429)
Net cash flows from / (used in) operating activities (A)	6,824	5,887
B. Cash flows from investing activities		
Purchase of property plant and equipment & intangible assets	(278)	(268)
Sale of fixed assets	6	7
Purchase of investments	(5,036)	(31)
Sale of investments	32	3,134
Net Cash flows from / (used in) from investment activities (B)	(5,276)	2,842
C. Cash flows from financing activities		
Proceeds from allotment of equity shares	-	-
(Repayment to) / Borrowing from financial institutions and others (net)	(828)	(8,482)
Interest paid	(2,806)	(1,176)
Dividend paid on preference shares	-	-
Net Cash flows from / (used in) Financing activities (C)	(3,634)	(9,658)
Net increase / (decrease) in cash or cash equivalents (A+B+C)	(2,086)	(929)
Opening balance of cash and cash equivalents	4,291	5,221
Closing balance of cash and cash equivalents (refer note "a")	2,205	4,292

Reliance Securities Limited
Statement of Cash Flow for the year ended March 31, 2021

(Amount in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Notes :		
a) Cash and cash equivalents comprise		
Cash in hand	-	-
Bank overdraft	-	-
Balance with scheduled banks		
-in current accounts	2,205	4035
-in cheque in hand	-	256
Total cash and cash equivalents	2,205	4,291

b) **Net debt reconciliation**

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

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	2,205	4,291
Debt securities	(7,587)	(6,204)
Borrowings	(2,839)	(5,050)
Net debt	(8,221)	(6,963)

Particulars	Cash and bank overdraft	Debt securities	Borrowings	Total
Net debt as at March 31, 2020	4,291	(6,204)	(5,050)	(6,963)
Cash flows	(2,086)	184	2,211	309
Interest expense	-	(1,602)	(718)	(2,320)
Interest paid	-	35	718	753
Net debt as at March 31, 2021	2,205	(7,587)	(2,839)	(8,221)

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

c) Figures in brackets indicate cash outflow.

d) The previous year's figures have been regrouped and reclassified wherever necessary.

The accompanying notes (1- 54) forms an integral part of the financial statements

For Pathak H. D. & Associates LLP

Chartered Accountants

Firm registration No. 107783W/W100593

Sd/-

Vishal D. Shah

Partner

Membership No.: 119303

For or on behalf Reliance Securities Limited

Sd/-

Lav Chaturvedi

Executive Director & CEO

DIN : 02859336

Sd/-

Aman Gudral

Director

DIN : 08822974

Place : Mumbai

Date: April 30, 2021

Sd/-

Amit Agrawal

Chief Financial Officer

Sd/-

Vrunda Dhanesha

Company Secretary

M. No. A35255

Statement of change in equity
a. Equity Shares

Particulars	No. of shares	Amount
Balance as at April 1, 2019	21,00,00,000	21,000
Changes in equity share capital	-	-
Balance As at March 31, 2020	21,00,00,000	21,000
Balance as at April 1, 2020	21,00,00,000	21,000
Changes in equity share capital	-	-
Balance As at March 31, 2021	21,00,00,000	21,000

b. Instruments entirely equity in nature

Particulars	No. of shares	Amount
Balance as at April 1, 2020	2,50,00,000	2,500
Changes in equity share capital	-	-
Balance As at March 31, 2020	2,50,00,000	2,500
Balance as at April 1, 2020	2,50,00,000	2,500
Changes in equity share capital	-	-
Balance As at March 31, 2021	2,50,00,000	2,500

c. Other equity

Particulars	Reserves and Surplus				Other comprehensive income	Total
	Capital reserve	Retained earnings	Debenture Redemption Reserve	Share based options outstanding account		
Balance as at April 1, 2019	2,602	(13,398)	561	38	(103)	(10,300)
Add:						
Transfer from Statement of Profit and Loss	-	-	-	-	-	-
Profit for the year	-	(3,877)	-	-	-	(3,877)
Other comprehensive income for the year	-	-	-	-	(53)	(53)
Balance As at March 31, 2020	2,602	(17,275)	561	38	(156)	(14,230)
Balance as at April 1, 2020	2,602	(17,275)	561	38	(156)	(14,230)
Add:						
Transfer from Statement of Profit and Loss	-	-	-	-	-	-
Profit for the year	-	1,326	-	-	-	1,326
Other comprehensive income for the year	-	-	-	-	(4)	(4)
Balance As at March 31, 2021	2,602	(15,949)	561	38	(160)	(12,908)

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

For or on behalf Reliance Securities Limited

Sd/-
Vishal D. Shah
Partner
Membership No.: 119303

Sd/-
Lav Chaturvedi
Executive Director & CEO
DIN : 02859336

Sd/-
Aman Gudral
Director
DIN : 08822974

Place : Mumbai
Date: April 30, 2021

Sd/-
Amit Agrawal
Chief Financial Officer

Sd/-
Vrunda Dhanesha
Company Secretary
M. No. A35255

RELIANCE SECURITIES LIMITED**Financial statements for the year ended March 31, 2021****NOTES****1 Corporate Information**

Reliance Securities Limited is a public limited company incorporated under the provisions of the Companies Act applicable in India on 17 June 2005. The registered office of the company is located at '11th Floor, R-Tech IT Park, Nirlon Compound, Off Western Express Highway, Goregaon (East) Mumbai Maharashtra - 400063'. The company is licensed by the Securities and Exchange Board of India (SEBI) to operate as stock broker.

2 Significant Accounting Policies**2.01 Basis of preparation of financial statements****(i) Compliance with Ind AS**

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

(ii) Historical Cost Convention

The Financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivatives instruments) are measured at fair value.
- Defined benefit plans – plan assets measured at fair value.
- Share based payments

2.02 Financial instruments**Initial recognition and measurement**

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

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

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

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

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

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

RELIANCE SECURITIES LIMITED

Financial statements for the year ended March 31, 2021

2.03 Financial assets

(i) Classification and subsequent measurement

The company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost

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

Debt instruments

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

Classification and subsequent measurement of debt instruments depend on:

- (i) the company's business model for managing the asset; and
- (ii) the cash flow characteristics of the asset.

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

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured as described in note 35. Interest income from these financial assets is recognized using the effective interest rate method.

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

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

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

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

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

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

RELIANCE SECURITIES LIMITED**Financial statements for the year ended March 31, 2021**

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

Interest income

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

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

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

Equity instruments

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

The company subsequently measures all equity investments at fair value.

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

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

(ii) Impairment

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

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 35, which also sets out key sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL detailed information about the judgements and estimates made by the company in the above areas is set out in note 35.

(iii) Derecognition of financial instruments

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

RELIANCE SECURITIES LIMITED

Financial statements for the year ended March 31, 2021

2.04 Financial Liabilities

(i) Classification and subsequent measurement

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

- Financial liabilities at fair value through profit or loss: this classification is applied to derivatives, financial liabilities held for trading and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss; and
- Financial liabilities arising from the transfer of financial assets which did not qualify for de-recognition, whereby a financial liability is recognized for the consideration received for the transfer. In subsequent periods, the company recognizes any expense incurred on the financial liability.

Market linked debentures (MLDs)

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

(ii) Derecognition

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

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

2.05 Derivatives and hedging activities

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

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

Derivatives that are not designated as hedges

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

RELIANCE SECURITIES LIMITED

Financial statements for the year ended March 31, 2021

2.06 Revenue Recognition

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

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

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

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

(i) Brokerage fee income

Revenue recognition for brokerage fees can be divided into the following two categories:

- a) Brokerage fees – over time - Fees earned for the provision of services are recognized over time as the customer simultaneously receives and consumes the benefits, as the services are rendered. These include brokerage fees which is fixed at inception irrespective of number of transaction executed. The revenue for such contracts is recognized over the term of the contract.
- b) Brokerage fees – point in time - Revenue from contract with customer is recognized point in time as performance obligation satisfied. These include brokerage fees which is charged per transaction executed.

(ii) Interest income

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

(ii) Dividend income

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

(iii) Delay payment interest

Delay payment interest is recognised on an accrual basis.

(iv) Infrastructure and resource management fees

Infrastructure and resource management service fees are recognized on accrual basis as per agreements.

(v) Income from trading in derivatives

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

2.07 Income Tax

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

Current tax

The current income tax charge is calculated on the basis of the tax laws (As per Section 115BAA of The Income tax Act 1962) enacted or substantively enacted at the end of the reporting period in the countries where the company operates and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

RELIANCE SECURITIES LIMITED**Financial statements for the year ended March 31, 2021****Deferred tax**

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

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

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

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

2.08 Leases

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

2.09 Impairment of assets

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

2.10 Cash and cash equivalents

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

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

2.11 Property, plant and equipment

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

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

RELIANCE SECURITIES LIMITED**Financial statements for the year ended March 31, 2021**

Depreciation methods, estimated useful lives & residual value

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

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

Assets	Useful Life
Leasehold Improvements	Primary period of lease
Office Equipments	5 years
Furniture and Fixtures	10 years
Data Processing Equipments	
(i) Servers and networks	6 years
(ii) End user devices (desktops, laptops, etc.)	3 years
Membership Rights of Bombay Stock	10 years

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

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

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

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

Leases

The company's lease asset classes primarily consist of leases for buildings taken on lease for operating its branch offices. The company assesses whether a contract contains a lease, at inception of a contract. At the date of commencement of the lease, the company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. However there is no lease recognised as a low-value lease during the current year.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term.

The lease liability is initially measured at amortized cost at the present value of the future lease payments.

2.12 Intangible Assets

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

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

The estimated useful lives for the below assets are:

Assets	Useful Life
Software	6 Years

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

RELIANCE SECURITIES LIMITED**Financial statements for the year ended March 31, 2021****2.13 Investment properties**

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

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

2.14 Off-setting financial instruments

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

2.15 Inventories

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

2.16 Borrowing costs

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

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

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

2.17 Provisions, Contingent Liabilities and Contingent Asset**Provisions**

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

Contingent liabilities

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events. Contingent liability is not recognised as it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with reliability. Contingent Liabilities are not recognised but are disclosed in the financial statements.

Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. A contingent asset is not recognised however disclosed in the financial statements, if any.

RELIANCE SECURITIES LIMITED**Financial statements for the year ended March 31, 2021****2.18 Employee benefits****(i) Short-term obligations:**

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

(ii) Post-employment obligations

The company operates the following post-employment schemes:

- (a) Gratuity; and
- (b) Provident fund.

Defined Benefits plans**Gratuity Obligations**

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

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

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

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

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

Defined contribution plans**Provident fund**

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

(iii) Other long term employee benefit obligation:**Leave encashment**

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

2.19 Dividends

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

For all equity instruments (in the nature of equity) measured at amortized cost, interest expenses (refer note 25A) is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments over the expected life of the financial instrument. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument. Interest expense is included in finance cost in the statement of profit and loss.

RELIANCE SECURITIES LIMITED

Financial statements for the year ended March 31, 2021

2.20 Earnings per share

(a) Basic earnings per share

Earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of equity shares outstanding during the financial Year, adjusted for bonus element in equity shares issued during the Year (Note 43).

(b) Diluted earnings per share

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

2.21 Foreign currency translations

Initial recognition

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

Subsequent recognition

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

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

2.21 Functional and presentation currency

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

2.22 Critical accounting estimates and judgements

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

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

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

- a) Estimation of deferred tax -Note 12
- b) Estimated fair value of unlisted entities-Note 35
- c) Estimation of defined benefit obligation-Note 39
- d) Measurement of fair values and Expected Credit Loss (ECL)-Note 36
- e) Measurement of obligation on phantom stock option - Note 40

Reliance Securities Limited
Financial statements for the year ended March 31, 2021

(Amount in Lakh)

Note 3 - Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and Cash equivalents		
Balance with banks in current accounts	2,205	4,291
Total	2,205	4,291

Note 4 - Bank balance other than cash and cash equivalents above

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed deposit accounts		
- Held as lien	3,407	2,816
- Held as margin money	16,678	20,833
- Held as security with Directorate of Enforcement	113	113
- Others	1,251	1,194
(Less): Impairment loss allowance	(593)	(184)
Total	20,856	24,772

In respect of balances with Banks in Fixed Deposit accounts above includes:

- (a) Rs. 3,407 Lakh (March 31, 2020 - Rs.2,816 lakh) kept as deposit with bank under lien.
- (b) Rs. 16,678 Lakh (March 31, 2020 - Rs.20,833 Lakh) as collateral security deposit in favour of National Stock Exchange of India Limited placed as margin.
- (c) Rs. 113 Lakh (March 31, 2020 - Rs.113 Lakh) kept as deposit with Directorate of Enforcement.

Note 5 - Derivative financial instruments

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

The table below shows the fair values of derivative financial instruments recorded as assets together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

Particulars	Notional Amounts	Fair value of assets
Index linked derivatives		
As at March 31, 2021		
Options Purchased	1,082	8
Total	1,082	8
Index linked derivatives		
As at March 31, 2020		
Options Purchased	48	9
Total	48	9

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

The company's risk management strategy and how it is applied to manage risk are explained in Note 36

Reliance Securities Limited
Financial statements for the year ended March 31, 2021

(Amount in Lakh)

Note 6 - Receivables

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Trade receivables		
(a) Secured		
Considered good	1,931	3,691
Receivables-Credit impaired	3,322	2,933
Less : Impairment loss allowance	(3,322)	(2,933)
(b) Unsecured		
Considered good	23	81
Receivables-Credit impaired	218	697
Less : Impairment loss allowance	(218)	(697)
Total (i)	1,954	3,772
(ii) Other receivables		
Unsecured considered good		
- Receivable - Related parties	248	619
- Receivable - Others	3	30
- Receivable from key managerial person	-	10
Total (ii)	251	659
Total (i+ii)	2,205	4,431

Reconciliation of impairment allowance on trade and other receivables:

Impairment allowance measured as per general approach	Amount in Lakh
Impairment allowance as at April 1, 2020	3,630
Add/(less): changes during the financial year 2020-2021	(90)
Impairment allowance as at March 31, 2021	3,540

Note 7 - Loans

Particulars	As at March 31, 2021	As at March 31, 2020
At amortised cost		
(i) Inter corporate deposits	1,400	3,550
(ii) SEBI Margin Trade Funding	1,575	1,567
Total (A) - Gross	2,975	5,117
(Less): Impairment loss allowance	(700)	(355)
Total (A) - Net	2,275	4,762
B		
Secured by intangible assets	1,575	1,567
Unsecured	1,400	3,550
(Less): Impairment loss allowance	(700)	(355)
Total (B) - Net	2,275	4,762
C		
(i) Public sector	-	-
(ii) Others		
Individual	1,570	1,524
HUF	5	27
Firm/AOP	-	-
Company	1,400	3,566
Total (C) - Gross	2,975	5,117
(Less): Impairment loss allowance	(700)	(355)
Total (C) - Net	2,275	4,762

Reconciliation of impairment allowance on Loans

Impairment allowance measured as per general approach	(Amount in Lakh)
Impairment allowance as at March 31, 2020	355
Add/(less): changes during the year	345
Impairment allowance as at March 31, 2021	700

* Company has given inter-corporate loan on which interest was due on 31st March 2021 but company has not received any interest amount on such Inter corporate loans, considering the COVID 19 pandemic situation, management of the company has decided to make 50% estimated provision on the outstanding principle balance of Inter corporate loans i.e. Rs. 700 Lacs.

Reliance Securities Limited
Financial statements for the year ended March 31, 2021

(Amount in Lakh)

Note 8 - Investments

Particulars	At amortised cost	At fair value through			Total
		Other comprehensive income	Profit and loss	Subtotal	
As at March 31, 2021					
Investment in equity shares (Unquoted)					-
Equity shares of Reliance Money Infrastructure Limited of ₹ 10 each.	-	-	19	-	19
Investment in mutual fund (Quoted) -					
Aditya Birla Sun Life Savings Fund Direct Plan Growth	-	-	508	-	508
HDFC Low Duration Fund - Direct Plan	-	-	503	-	503
ICICI Prudential Ultra Short Term Fund - Direct Plan - Growth	-	-	757	-	757
Kotak Savings Fund - Direct Plan - Growth	-	-	504	-	504
HDFC Credit Risk Debt Fund - Direct- Growth	-	-	353	-	353
ICICI Prudential Credit Risk Fund -Direct Plan - Growth	-	-	353	-	353
Axis LFDP Growth	-	-	1,053	-	1,053
Kotak Ld Ret Growth	-	-	503	-	503
DSP Liquidity Fund - Direct Plan - Growth	-	-	251	-	251
IDFC Cash Fund-Growth-(Direct Plan)	-	-	251	-	251
Total	-	-	5,036	-	5,036
Total - Gross	-	-	5,055	-	5,055
(Less): Impairment loss allowance	-	-	(19)	-	(19)
Total - Net	-	-	5,036	-	5,036

Particulars	At amortised cost	At fair value through			Total
		Other comprehensive income	Profit and loss	Subtotal	
As at March 31, 2020					
Investment in equity shares (Unquoted)					
Equity shares of Reliance Money Infrastructure Limited of ₹ 10 each.	-	-	19	-	19
Investment in mutual fund (Quoted) -					
2101670.408 Units of ABSL AMC Ltd Medium Term Plan segregated Portfolio 1- Direct-Growth	-	-	31	-	31
Total - Gross	-	-	50	-	50
(Less): Impairment loss allowance	-	-	(19)	-	(19)
Total - Net	-	-	31	-	31

Reliance Securities Limited**Financial statements for the year ended March 31, 2021****(Amount in Lakh)****Note 9 - Other financial assets**

Particulars	As at March 31, 2021	As at March 31, 2020
Deposit with tax authority	0	0
Deposit with vendor		
- Considered good	563	785
- Considered doubtful	103	18
Less: provision for doubtful advances	(103)	(18)
Deposit with exchange/clearing member for Margin	37,263	9,984
Deposit with exchange for arbitration	91	-
Less: provision	(91)	-
Interest accrued on fixed deposit	216	182
Interest accrued on SEBI MTF loan	77	25
Interest accrued on interest corporate deposit	-	781
Total	38,119	11,757

Note 10 - Inventories

Particulars	As at March 31, 2021		As at March 31, 2020	
	Quantity	Amount	Quantity	Amount
Valued at Market Price				
- Equity instruments				
Allcargo Logistics Limited	27,000	33	-	-
Shilpa Medicare Limited	13,500	45	-	-
Jindal Stainless (Hisar) Limited	27,000	34	-	-
Bharat Petroleum Corporation Limited	22,500	96	-	-
Vedanta Limited	1,23,800	283	-	-
ICICI BANK Limited	5	0	-	-
Rossari Biotech Limited	4,500	47	-	-
Fortis Healthcare Limited	64,800	129	-	-
Jet Airways Ltd	7,584	7	7,584	1
Jubilant Foodworks Limited	50	1	-	-
Just Dial Limited	1,125	10	-	-
Vodafone Idea Limited	2,61,000	24	-	-
SBI-ETF NIFTY 50	300	-	300	-
Strides Pharma Science Ltd.	4,500	38	-	-
IRCON International Limited	63,000	56	-	-
Yes Bank Limited	3,00,000	47	-	-
Total (A)	9,20,664	850	7,884	1
- Bonds/ Debenture instruments				
Reliance Asset Reconstruction Company Limited (ISIN- INE407I07076)	750	758	-	-
Reliance Capital Limited (ISIN- INE013A07Z42)	195	49	195	49
ECL Finance Limited (ISIN- INE804I08601)	-	-	45	-
Andhra Bank Limited (ISIN- INE434A08067)	-	-	1	11
Total (B)	945	807	241	60
Total (A+B)	9,21,609	1,657	8,125	61
(i) Overseas Investments	-	-	-	-
(ii) Investments in India	9,21,609	1,657	8,125	61
Total (A+B)	9,21,609	1,657	8,125	61
Less: Allowance for Impairment loss				-
Total	9,21,609	1,657	8,125	61

Reliance Securities Limited**Financial statements for the year ended March 31, 2021****(Amount in Lakh)****Note 11 - Current tax assets (net)**

Particulars	As at March 31, 2021	As at March 31, 2020
Advance payment of tax and tax deducted at source (net of provision)	1,026	1,067
Total	1,026	1,067

Note 12 - Deferred tax assets (net)

Particulars	As at March 31, 2021	As at March 31, 2020
Minimum Alternate Tax Credit*	-	844
Total	-	844

* The Company has adopted new tax regime (Section 115BAA of The Income Tax Act 1962) from current year, As per new regime MAT credit can't be carry forward. Therefore the Company has reversed the Deferred tax credit on MAT in March 2021.

Reliance Securities Limited
Financial statements for the year ended March 31, 2021

Note 13 - Investment property
Building

(Amount in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Gross carrying amount		
Opening gross carrying amount / Deemed cost	14	14
Additions	-	-
Closing gross carrying amount	14	14
Accumulated depreciation		
Opening accumulated depreciation	(0.59)	(0.35)
Depreciation charge	(0.24)	(0.24)
Closing accumulated depreciation	(0.83)	(0.59)
Net carrying amount	13	14
Fair value of investment property	14	14

Note:

Investment property kept as collateral security against the market linked debentures (MLDs) outstanding as on that date.

Reliance Securities Limited
Financial statements for the year ended March 31, 2021
Note 14 - Property, plant and equipment

(Amount in Lakh)

Particulars	Right of Use Asset	Leasehold Improvements	Office equipments	Furniture and fixtures	Data processing equipments	Total
As at March 31, 2021						
Gross block as at April 01 2020	147	527	225	26	1,651	2,576
Additions	-	124	27	14	32	197
Disposals	-	(215)	(14)	(3)	(9)	(241)
As at March 31, 2021	147	436	238	37	1,674	2,532
Accumulated depreciation as at April 01 2020	(93)	(440)	(165)	(18)	(1,108)	(1,824)
Depreciation charge for the year	(54)	(38)	(33)	(11)	(210)	(346)
Disposals	-	203	11	2	9	226
As at March 31, 2021	(147)	(274)	(187)	(27)	(1,309)	(1,945)
Net carrying amount As at March 31, 2021	-	162	51	10	365	587
As at March 31, 2020						
Gross block as at April 01 2019	147	836	224	27	1,504	2,738
Additions	-	19	20	5	171	215
Disposals	-	(328)	(19)	(6)	(24)	(377)
As at March 31, 2020	147	527	225	26	1,651	2,576
Accumulated depreciation as at April 01 2019	(44)	(580)	(138)	(19)	(904)	(1,685)
Depreciation charge for the year	(49)	(99)	(42)	(4)	(227)	(421)
Disposals	-	239	14	5	23	281
As at March 31, 2020	(93)	(440)	(166)	(18)	(1,108)	(1,825)
Net carrying amount As at March 31, 2020	54	87	59	8	543	753

Reliance Securities Limited
Financial statements for the year ended March 31, 2021

(Amount in Lakh)

Note 15 A - Goodwill

Particulars	Goodwill
As at March 31, 2021	
Gross block as at April 01, 2020	-
On account of business acquisition	8
Disposals	-
As at March 31, 2021	8
Accumulated amortisation as at April 01, 2020	-
Amortisation charge for the year	-
Disposals	-
As at March 31, 2021	-
Net carrying amount As at March 31, 2021	8

Note 15 B - Intangible assets*

Particulars	Membership rights of Bombay Stock Exchange Limited	Software	Total
As at March 31, 2021			
Gross block as at April 01, 2020	75	2,530	2,605
Additions	-	185	185
Disposals	-	-	-
As at March 31, 2021	75	2,715	2,790
Accumulated amortisation as at April 01, 2020	(75)	(1,884)	(1,959)
Amortisation charge for the year	-	(257)	(257)
Impairment loss for the year	-	-	-
Disposals	-	-	-
As at March 31, 2021	(75)	(2,141)	(2,216)
Net carrying amount As at March 31, 2021	-	574	574
As at March 31, 2020			
Gross block as at April 01 2019	75	2,483	2,558
Additions	-	47	47
Disposals	-	-	-
As at March 31, 2020	75	2,530	2,605
Accumulated amortisation as at April 01 2019	(75)	(1,608)	(1,683)
Amortisation charge for the year	-	(276)	(276)
Impairment loss for the year	-	-	-
Disposals	-	-	-
As at March 31, 2020	(75)	(1,884)	(1,959)
Net carrying amount As at March 31, 2020	-	646	646

*In respect of Intangible assets, it is other than internally generated.

Reliance Securities Limited
Financial statements for the year ended March 31, 2021

(Amount in Lakh)

Note 16 - Other non-financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Capital advances - considered good	29	141
Service tax paid under protest		
- Considered good	-	-
- Considered doubtful	961	961
Less: Provision for doubtful	(961)	(961)
	-	-
Advance to vendors		
- Considered good	58	151
- Considered doubtful	-	-
Less: provision for doubtful advances	-	-
Receivable from employees	7	17
Prepaid expenses	262	334
Other Receivable	-	-
- Considered good	94	61
- Considered doubtful	-	10
Less: provision for doubtful	-	(10)
Total	450	704

Reliance Securities Limited
Financial statements for the year ended March 31, 2021

(Amount in Lakh)

Note 17 - Derivative financial instruments

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

The table below shows the fair values of derivative financial instruments recorded as liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

Particulars	Notional amounts - Liabilities	Fair value of liabilities
As at March 31, 2021		
Premium received on options	38,868	246
Total	38,868	246
As at March 31, 2020		
Premium received on options	7,981	987
Total	7,981	987

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

The company's risk management strategy and how it is applied to manage risk are explained in Note 36

Reliance Securities Limited
Financial statements for the year ended March 31, 2021

(Amount in Lakh)

Note 18A - Trade Payables

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Total outstanding dues of micro enterprises and small enterprises	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Due to margin money deposits	42,956	25,056
- Due to others	574	489
Total	43,530	25,545

Note 18B - Other Payables

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Total outstanding dues of micro enterprises and small enterprises	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Total	-	-

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

According to the information available with the Company there are no dues (Previous year Rs Nil) payable to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2021.

Reliance Securities Limited
Financial statements for the year ended March 31, 2021

(Amount in Lakh)

Note 19 - Debt Securities

Particulars	As at March 31, 2021	As at March 31, 2020
At fair value through profit and loss - Secured		
- Market Linked Debenture (NCDs)	7,587	6,204
Total (A)	7,587	6,204
Debt securities in India	7,587	6,204
Debt securities outside India	-	-
Total (B)	7,587	6,204

Security clause in respect to debentures

NCDs amounting to Rs 7,587 Lakh (March 31, 2020 - 6,204 Lakh) are secured by way of first ranking mortgage over the Immovable property and second charge on the present and future book debts and receivables hypothecated in favour to Banks towards Working Capital facility and a first charge on present and future non-current assets and current assets of the company as specifically mentioned in the Trust deed and the asset cover thereof exceeds hundred per cent of the principal amount of the said debentures.

Maturity profile of Non Convertible Debentures are as set out below (Fair value):

Series	2022-23	2023-24	2024-27	Total	Maturity Date
RC190319/2	132	-	-	132	01-Jul-22
RC190319/3	66	-	-	66	01-Jul-22
RC180430	687	-	-	687	02-Nov-22
RC180731	1,775	-	-	1,775	31-Jan-23
RC180731/2	395	-	-	395	31-Jan-23
RC180823	1,003	-	-	1,003	23-Feb-23
RC180731/3	264	-	-	264	31-Jan-23
RC181214	-	265	-	265	20-Jun-23
RC181221	-	825	-	825	26-Jun-23
RC181214/2	-	265	-	265	20-Jun-23
RC181214/3	-	265	-	265	20-Jun-23
RC181214/4	-	133	-	133	20-Jun-23
RC181214/5	-	265	-	265	20-Jun-23
RC181214/6	-	397	-	397	20-Jun-23
RC190319	132	-	-	132	01-Jul-22
RC190325	-	159	-	159	07-Oct-23
RC190325/2	-	287	-	287	07-Oct-23
RC190329	-	-	170	170	30-Mar-27
RC190329/2	-	-	102	102	30-Mar-27
TOTAL	4 454	2 861	272	7 587	

Reliance Securities Limited**Financial statements for the year ended March 31, 2021****Note 20 - Borrowings (Other than Debt Securities)**

(Amount in Lakh)

Particulars	Nature (Secured/ unsecured)	Notes	As at March 31, 2021	As at March 31, 2020
At amortised cost				
Inter Corporate Deposit - From related parties	Unsecured	i	2,839	5,050
Total (A)			2,839	5,050
Borrowings in India			2,839	5,050
Borrowings outside India			-	-
Total (B) to tally with (A)			2,839	5,050

Note:-

(i) Inter corporate deposit from related party - Reliance Capital Limited of Rs. 2,839 Lakh (Rs. 5,050 Lakh for March 31, 2020) carrying interest rate of 12% p.a.

The Company has requested to Reliance Capital Limited (as per letter dated August 27,2020) for extension of ICD repayment which was due on September 7, 2020. Thus, the company got extension for the same for 1 year (i.e. upto September 7, 2021).

Reliance Securities Limited
Financial statements for the year ended March 31, 2021

(Amount in Lakh)

Note 21 - Other financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Deposits received from sub brokers	1,026	1,006
Payable to sub-brokers	21	11
Interest accrued & due	-	487
Provision for lease liability	-	60
Dividend payable on 0 % Compulsorily Convertible Preference Shares of ₹ 10 each	689	662
Total	1,736	2,226

Note 22 - Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for gratuity	307	231
Total	307	231

Note 23 - Other non-financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for expenses	5,528	1,650
Income received in advance	2,054	2,226
Statutory liabilities	545	670
Payable to employees	30	27
Others		
- Related party	21	30
- Others	4	27
Total	8,182	4,630

Reconciliation of provisions other than employee payable

Particulars	Provision for expenses
As at March 31, 2020	1,650
Add: Additions during the year	5,528
Less: forfeited during the year	-
Less: Utilised during the year	(1,650)
As at March 31, 2021	5,528

Reliance Securities Limited
Financial statements for the year ended March 31, 2021

(Amount in Lakh)

Note 24 - Equity Share Capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity Shares of ₹ 10 each	22,00,00,000	22,000	22,00,00,000	22,000
Preference Shares of ₹ 10 each	18,00,00,000	18,000	18,00,00,000	18,000
Total	40,00,00,000	40,000	40,00,00,000	40,000

ISSUED, SUBSCRIBED AND PAID UP	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Equity Shares of ₹ 10 each fully paid up	21,00,00,000	21,000	21,00,00,000	21,000
Total	21,00,00,000	21,000	21,00,00,000	21,000

Note:

1. Terms and rights attached to equity shares

Equity shares:

The company has only one class of equity share having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.

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

2. The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2021 and March 31, 2020 are set out below;

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Equity Shares*				
Number of shares at the beginning	21,00,00,000	21,000	21,00,00,000	21,000
Add : Issued during the year	-	-	-	-
Number of shares at the end	21,00,00,000	21,000	21,00,00,000	21,000

*The company has allotted 1,600 Lakh , Equity Shares on right basis to Reliance Capital Limited on March 19, 2018, out of the proceeds of the issue, 250 Lakh 12 % Non-Convertible Cumulative Redeemable Preference Shares & 1,250 Lakh , 10% Cumulative Redeemable Preference Shares of ₹ 10 each fully paid up, which were allotted to Reliance Capital Limited have been redeemed.

3. The details of shareholder holding more than 5% and shares held by the holding/ultimate holding company as at March 31, 2021 and March 31, 2020 are set out below;

Equity shares	As at March 31, 2021		As at March 31, 2020	
	No. of shares	%	No. of shares	%
Reliance Capital Limited (the holding company) and its nominees	21,00,00,000	100%	21,00,00,000	100%

Reliance Securities Limited
Financial statements for the year ended March 31, 2021

4. During the financial year 2015-16, pursuant to approved by the board of directors on 2nd March 2016, a sum of ₹ 2,500 Lakh was capitalized from Capital Redemption Reserve account for issuance of 250 Lakh bonus shares of ₹ 10 each fully paid-up and these bonus shares were allotted by the Company on 30th March 2016. The said bonus shares were issued in the proportion of 1 equity share for every 1 equity share of ₹ 10 each held by the equity shareholders of the Company on 2nd March 2016 without payment being received in cash.

5. During the financial year 2016-17, pursuant to the Scheme of Amalgamation of Reliance Money Express Limited with the Company, the company has allotted 250 Lakh ,12 % Non-Convertible Cumulative Redeemable Preference Shares to Reliance Capital Limited on March 08, 2017 as fully paid up without payment being received in cash.

Note 25A - Instruments entirely equity in nature

Particulars	As at March 31, 2021	As at March 31, 2020
0% Compulsorily Convertible Preference Shares of Rs. 10 each	2,500	2,500
Total	2,500	2,500

Note:

1. Terms and Rights attached to 0% Compulsorily Convertible Preference Shares (CCPS)

(i) The CCPS holders shall be entitled to such rights and privileges as are available to them under the Companies Act, 2013

(ii) The CCPS shall be compulsorily convertible into equity shares of the Company 10 years from the date of such variation at such price and on such terms and conditions as may be mutually agreed between the Company and the preference shareholder at the time of such conversion.

(iii) The yield payable on the CCPS modified from 12% to 6% p.a. with effect from the date of allotment of the 0% Non-Convertible Non-Cumulative Compulsorily Redeemable Preference Shares (NCNCCRPS).

(iv) The conversion ratio of the CCPS shall be 2 fully paid equity shares of the Company for every 5 CCPS held. During the tenor of the CCPS, the Company has the option to convert the same (along with guaranteed yield accrued thereon till date) at any time into fully paid equity shares of the Company in the conversion ratio mentioned above.

(v) To the extent the Company has not exercised its option to convert the CCPS into equity shares during the tenor of the CCPS, and further if the Company has also not exercised its redemption option as stated below, the CCPS shall be compulsorily converted into fully paid equity shares (along with guaranteed yield accrued thereon till date) of the Company at the end of the tenor of the CCPS. For determining the number of equity shares to be issued against the guaranteed yield accrued till the date of conversion, the amount of yield accrued will be divided by Rs.25 (i.e. value per share). The issue price of equity shares on conversion would be Rs. 25/- per share comprising of a face value of Rs. 10/- each and a premium of Rs. 15/- per share.

(vi) The Company has a discretion to pay the yield on the CCPS in cash.

Reliance Securities Limited
Financial statements for the year ended March 31, 2021

2. The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2021 and March 31, 2020 are set out below;

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
CCPS*				
Number of shares at the beginning	2,50,00,000	2,500	2,50,00,000	2,500
Add : Issued during the year	-	-	-	-
Number of shares at the end	2,50,00,000	2,500	2,50,00,000	2,500

* The company had allotted 2,50,00,000 , 0% Non-Convertible Non-Cumulative Compulsorily Redeemable Preference Shares (NCNCCRPS) to Reliance Financial Limited on October 29, 2015, The term of issue had been modified vide board meeting dated March 19, 2018 (as mentioned above) and the Preference Shares had became 0% Compulsorily Convertible Preference Shares (CCPS).

3. The details of shareholder holding more than 5% and shares held by the holding/ultimate holding company as at March 31, 2021 and March 31, 2020 are set out below;

Equity shares	No. of shares	%	No. of shares	%
Reliance Financial Limited	2,50,00,000	100%	2,50,00,000	100%

Note 25B - Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Capital reserve	2,602	2,602
(ii) Retained earnings	(15,948)	(17,275)
(iii) Other Comprehensive Income	(160)	(156)
(iv) Debenture Redemption Reserve	560	560
(v) Share based options outstanding account	38	38
Total	(12,908)	(14,231)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Capital reserve		
Opening Balances	2,602	2,602
Add: Transfer from Statement of Profit and Loss	-	-
Closing Balances	2,602	2,602
(ii) Retained earnings		
Opening Balances	(17,275)	(13,398)
Add : Profit for the year	1,327	(3,877)
Less : Transfer to Debenture Redemption Reserve	-	-
Closing Balances	(15,948)	(17,275)
(iii) Other Comprehensive Income		
Opening Balances	(156)	(104)
Add: Other comprehensive income for the year	(4)	(52)
Closing Balances	(160)	(156)
(iv) Debenture Redemption Reserve		
Opening Balances	560	560
Add: Transfer from Statement of Profit and Loss	-	-
Closing Balances	560	560
(v) Share based options outstanding account		
Opening Balances	38	38
Add: Stock options benefit from parent company during the period/year	-	-
Closing Balances	38	38

Nature and purpose of reserve

a) Capital reserve

Capital Reserves are mainly the reserves created during business combination for the gain on bargain purchase. The Company's capital reserve is mainly on account of business combination of Reliance Money Express Limited with Reliance Securities Limited.

b) Debenture redemption reserve

The company is required to create a debenture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures.

c) Retained earnings

Retained earnings represents accumulated deficit in statement of profit and loss.

d) Other comprehensive income

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

e) Share options outstanding account

The share options outstanding account is used to recognise the fair value of options issued to employees under share based payments arrangement scheme by the parent company over the vesting period.

Reliance Securities Limited
Financial statements for the year ended March 31, 2021

(Amount in Lakh)

Note 26 - Interest Income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
On financial assets measured at amortised costs:		
Interest charged to clients	1,726	2,547
Interest on deposits with banks	1,507	1,568
Interest on inter corporate loans	-	781
Total	3,233	4,896

Note 27 - Fees and commission & Other operating Income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Brokerage, commission and fees	12,431	13,849
Management fees (net)	-	137
Total	12,431	13,986

Note 28 - Net gain on fair value changes

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net gain/ (loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
Investments (Mutual Fund)	36	211
Derivatives	10,605	1,625
Equity	151	(116)
Bonds	399	66
Total Net gain/(loss) on fair value changes	11,191	1,786
Fair Value changes:		
Realised	11,040	2,200
Unrealised	151	(414)
Total Net gain/(loss) on fair value changes	11,191	1,786

Note 29 - Other Income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest on income tax refund	44	34
Profit/(loss) on sale of mutual fund	1	7
Profit on sale of fixed asset	3	3
Liability written back	138	14
Miscellaneous income	11	6
Interest income-Service tax	-	101
Total	197	165

Reliance Securities Limited
Financial statements for the year ended March 31, 2021

(Amount in Lakh)

Note 30 - Finance Cost

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
On financial liabilities measured at amortised cost:		
Inter corporate deposits	708	943
Bank overdrafts	11	-
Bank loans-long term and short term	-	1
Preference shares	140	162
Discount on commercial papers	-	7
On financial liabilities measured at FVTPL:		
Debentures	1,602	671
Total	2,460	1,784

Note 31 - Employee Benefits Expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, bonus and allowances	10,722	8,963
Contribution to provident fund and other funds	402	544
Staff welfare expenses	36	183
Total	11,160	9,690

Note 32 - Others expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rent, Rates and taxes (net)	968	1,784.25
Insurance	178	248.31
Communication & networking charges	398	487.67
Marketing and advertisement	762	1,025.18
Legal and professional charges	1,552	1,111
Rates and taxes	52	82
Repair & maintenance	108	133
Postage and office couriers	42	102
Bad debts written-off (net)	222	21
Travelling and conveyance expenses	116	567
Bank charges	18	80
Loss on discartment of assets	12	91.33
Stock exchange expenses	585	476.83
Printing and stationery	44	69
Payment to auditors		
- As Statutory audit	13	13.00
- As other audit fee	3	3.00
Membership and subscription	22	36.04
Miscellaneous expenses	9	0.58
Office administrative expenses	334	449.69
Software expenses	2,330	1,662.12
Electricity charges	144	274.79
Provision for doubtful debts/advances	281	1,873.68
Seminar and training	13	8.30
CSR Expenditure	8	34.25
Total	8,214	10,634

Reliance Securities Limited**Notes to the financial statements for the year ended March 31, 2021****(Amount in Lakh)****33 Disclosure in accordance with Ind-AS 24 Related party transactions****Relationships during the year****(A) Holding Company**

Reliance Capital Limited

(B) Subsidiaries of Holding Company

Reliance Capital Pension Fund Limited
Reliance General Insurance Company Limited
Reliance Nippon Life Insurance Company Limited
Reliance Health Insurance Limited
Reliance Commercial Finance Limited
Reliance Commodities Limited
Reliance Financial Limited
Reliance Wealth Management Limited
Reliance Money Solutions Private Limited
Reliance Money Precious Metals Private Limited
Reliance Exchangenext Limited
Reliance Corporate Advisory Services Limited
Quant Capital Private Limited
Quant Broking Private Limited
Quant Securities Private Limited
Quant Investment Services Private Limited
Gulfoss Enterprises Private Limited
Reliance Underwater Systems Private Limited

(C) Associate Companies of Holding Company

Ammolite Holdings Limited
Reliance Asset Reconstruction Company Limited
Global Wind Power Limited
Reinplast Advanced Composites Private Limited
Reliance Home Finance Limited
Reliance Infrastructure Limited

(D) Key management personnel(KMP)**Names**

Mr. Lav Chaturvedi
Mr. Amit Agrawal
Mr. Chetan Desai
Ms. Homai Daruwalla
Mr. Amit Bapna
Mr. Aman Gudral
Mr. Ashish Turakhia
Mr. Viral Sarvaiya
Ms. Vrunda Dhanesha

Designation

Whole-time Director & Chief Executive officer
Chief Financial Officer
Independent Director
Independent Director
Director (upto August 10, 2020)
Director (w.e.f. August 10, 2020)
Company Secretary(upto June 30, 2020)
Company Secretary(w.e.f. July 25, 2020 to December 21, 2020)
Company Secretary(w.e.f. January 21, 2021)

(E) **Key management personnel compensation**

Particular	For the year ended 31st March 2021	For the year ended 31st March 2020
Short term employee benefits	272	466
Termination benefits	15	19
Total compensation	287	485

(excluding stock options)

(F) **Transactions with related party**

Nature of Transaction	Holding company		Fellow Subsidiaries/ Associates of Holding Company		Key Management Personnel & their Relatives	
	For the year ended 31st March	For the year ended 31st March	For the year ended 31st March	For the year ended 31st March	For the year ended 31st March	For the year ended 31st March
	2021	2020	2021	2020	2021	2020
Unsecured loan						
Reliance Capital Limited						
Opening balance	5,050	7,500	-	-	-	-
Taken during the year	-	3,150	-	-	-	-
Repaid during the year	2,211	5,600	-	-	-	-
Closing balance (payable)	2,839	5,050	-	-	-	-
Reliance Financial Limited						
Opening balance	-	-	-	-	-	-
Taken during the year	-	-	32,250	80,413	-	-
Repaid during the year	-	-	32,250	80,413	-	-
Closing balance (payable)	-	-	-	-	-	-

(Cont...)

Nature of Transaction	Holding company		Fellow Subsidiaries/ Associates of Holding Company		Key Management Personnel & their Relatives	
	For the year ended 31st March	For the year ended 31st March	For the year ended 31st March	For the year ended 31st March	For the year ended 31st March	For the year ended 31st March
	2021	2020	2021	2020	2021	2020
Redemption/Sale/Purchases of Bonds						
Reliance Capital Limited Reliance capital Nifty Linked Debenture* Face Value of Rs. 100000 by 123 quantity (Face Value of Rs. 100000 by 215 quantity)	- -	201 -	- -	- -	- -	- -
Reliance Home Finance Nifty Linked Debenture Redemption of Bonds Purchased Face Value of Rs. 500000 by 40 quantity	- -	- -	- -	- -	- -	- -
Redemption of Reliance Finance Limited Market Linked Debenture (Face Value of Rs. 1,00,000 by 984 quantity)	-	-	999	-	-	-
Sale of MLD (Face Value of Rs. 1,00,000 by 1 quantity)	-	-	11	-	-	-
Redemption of Bonds Purchased Face Value of Rs. 100000 by 2677 quantity (Face Value of Rs. 100000 by 5536 quantity)	- -	- -	- -	3,383 -	- -	- -
(Face Value of Rs. 1,00,000 by 465 quantity (Face Value of Rs. 1,00,000 by 2026 quantity)	- -	- -	- -	759 2,430	- -	- -
Sale of Investments (Mutual Funds) 5321431 quantity	-	-	29	1,009	-	-
Reliance Asset Reconstruction Company Limited Purchase of MLD (Face Value of Rs. 1,00,000 by 1750 quantity)	-	-	1,750	-	-	-
Redemption of MLD Purchased (Face Value of Rs. 1,00,000 by 1000 quantity)	-	-	1,000	-	-	-
Reliance Commodities Limited Sale of Bonds (Face Value of Rs. 1,00,000 by 269 quantity)	-	-	-	381	-	-
Purchased of Bonds (Face Value of Rs. 1,00,000 by 100 quantity)	-	-	-	115	-	-
Reliance Wealth Management Limited Sale of Bonds(Face Value of Rs. 1,00,000 by 170 quantity)	-	-	-	170	-	-

(Cont...)

Nature of Transaction	Holding company		Fellow Subsidiaries/ Associates of Holding Company		Key Management Personnel & their Relatives	
	For the year ended 31st March	For the year ended 31st March	For the year ended 31st March	For the year ended 31st March	For the year ended 31st March	For the year ended 31st March
	2021	2020	2021	2020	2021	2020
Payments/expenditures						
Reliance Capital Limited						
Interest on inter corporate deposits	448	765	-	-	-	-
Reimbursement of Expenses						
- Management Fee Rs 25,000/-	0	450	-	-	-	-
- Reimbursement of IT expenses	60	87	-	-	-	-
- Contractual Services	57	21	-	-	-	-
Reliance General Insurance Company Limited						
Medical Insurance	-	-	136	185	-	-
Other Insurance			20	-		
Reimbursement of Expenses	-	-	-	1	-	-
Contractual Services	-	-	1	-	-	-
Reliance Nippon Life Insurance Company Limited						
Insurance	-	-	28	52	-	-
Reimbursement of Expenses Rs. Nil (previous year Rs. 20,293/)	-	-	-	0	-	-
Reliance Financial Limited						
Interest on inter corporate deposits	-	-	87	168	-	-
Dividend payable on Preference Shares	-	-	140	162	-	-
Reimbursement of Expenses	-	-	900	-	-	-
Reliance Infrastructure Limited						
Rent	-	-	123	526	-	-

(Cont..)

Nature of Transaction	Holding company		Fellow Subsidiaries/ Associates of Holding Company		Key Management Personnel & their Relatives	
	For the year ended 31st March	For the year ended 31st March	For the year ended 31st March	For the year ended 31st March	For the year ended 31st March	For the year ended 31st March
	2021	2020	2021	2020	2021	2020
Reliance Wealth Management Limited						
Distributor commission	-	-	-	10	-	-
Purchase of Assets	-	-	19	-	-	-
Reliance Home Finance Limited						
Reimbursement of Expenses	-	-	-	13	-	-
Reliance Commercial Finance Limited						
Reimbursement of Expenses	-	-	-	7		
Reliance Money Solutions Private Limited						
Reimbursement of Expenses	-	-	-	29		
Reliance Commodities Limited						
Reimbursement of Expenses	-	-	18			
Lav Chaturvedi						
Reimbursement of Expenses	-	-	-	-	6	1
B.Gop Kumar						
Reimbursement of Expenses	-	-	-	-	-	2
Chetan Desai						
Director Sitting Fee					4	1
Manu Chadha						
Director Sitting Fee	-	-	-	-	-	4
Reimbursement of Expenses	-	-	-	-	-	1
Homai Daruwalla						
Director Sitting Fee	-	-	-	-	4	6
Amit Agrawal						
Reimbursement of expenses Rs. 9205/-	-	-	-	-	0	-
Viral Sarvaiya						
Filing Fee is Rs. 11,102/-	-	-	-	-	0	-
Reimbursement of expenses Rs. 1647/-	-	-	-	-	0	-
Vrunda Dhanesha						
Filing Fee & other charges Rs. 25,800/-	-	-	-	-	0	-
Ashish Turakhia						
Opening Balance	-	-	-	-	-	10
Loan given	-	-	-	-	-	-
Loan Repaid	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	10
Reimbursement of Expenses	-	-	-	-	-	-

(Cont...)

Nature of Transaction	Holding company		Fellow Subsidiaries/ Associates of Holding Company		Key Management Personnel & their Relatives	
	For the year ended 31st March 2021	For the year ended 31st March 2020	For the year ended 31st March 2021	For the year ended 31st March 2020	For the year ended 31st March 2021	For the year ended 31st March 2020
Receipts/Income						
Reliance Capital Limited						
Reimbursement of Expenses		-				
Interest of investments		-				
Brokerage Income	184	133	-	-	-	-
MLD portfolio management services	600					
Other Services	-	1,125	-	-	-	-
Reliance Nippon Life Asset Management Limited (formerly Reliance Capital Asset Management Limited)						
Distribution Income- Receipts	-	-	-	29	-	-
DPC & DP AMC Charges	-	-	-	0	-	-
Nil (previous year Rs. 2.271/-)						
Reliance General Insurance Company Limited						
Brokerage Income	-	-	6	3	-	-
Distribution Income- Receipts	-	-	19	25	-	-
Rental Income	-	-	8	-	-	-
Reliance Nippon Life Insurance Company Limited						
Distribution Fees	-	-	996	1,144	-	-
Brokerage Income	-	-	4	42	-	-
Reimbursement of Expenses	-	-	-	-	-	-
Reliance Health Insurance Limited						
Distribution Fees	-	-	1	14	-	-
Reliance Home Finance Limited						
Distribution Fees			-	-		
Brokerage Income - Receipts	-	-	159	106	-	-
Rent Income			17	-		
DPC & DP AMC Charges Nil (previous year Rs. 1,000/-)	-	-	-	0	-	-

(Cont...)

Nature of Transaction	Holding company		Fellow Subsidiaries/ Associates of Holding Company		Key Management Personnel & their Relatives	
	For the year ended 31st March	For the year ended 31st March	For the year ended 31st March	For the year ended 31st March	For the year ended 31st March	For the year ended 31st March
	2021	2020	2021	2020	2021	2020
Reliance Commodities Limited						
Brokerage Income (previous year Rs.53)	-	-	41	0	-	-
Reimbursement of Expenses - Receipts	-	-	8	34	-	-
Reimbursement of PLI Incentive	-	-	-	27	-	-
IT Infrastructure and support Charges	-	-	83	200	-	-
Interest receivable	-	-	59	-	-	-
Reliance Financial Limited						
Brokerage Income	-	-	52	107	-	-
Management Fees	-	-	-	300	-	-
Distribution Fees	-	-	-	18	-	-
Rent Reimbursement	-	-	24	-	-	-
Reimbursement of expenses	-	-	-	-	-	-
Reimbursement of PLI Incentive	-	-	-	1,190	-	-
Quant Capital Private Limited						
Management fees	-	-	-	38	-	-
Rent Reimbursement	-	-	1	-	-	-
Quant Securities Private Limited						
Management fees	-	-	-	8	-	-
Rent Reimbursement	-	-	1	-	-	-
Quant Investment Services Private Limited						
Management fees	-	-	-	8	-	-
Rent Reimbursement	-	-	1	-	-	-
Quant Broking Private Limited						
Management fees	-	-	-	38	-	-
Rent Reimbursement	-	-	1	-	-	-
Reliance Wealth Management Limited						
Brokerage Income	-	-	7	28	-	-
Management Fees.	-	-	-	132	-	-
Reimbursement of expenses - Management fees	-	-	-	150	-	-
Reimbursement of expenses - Rent	-	-	1	-	-	-

Nature of Transaction	Holding company		Fellow Subsidiaries/ Associates of Holding Company		Key Management Personnel & their Relatives	
	For the year ended 31st March	For the year ended 31st March	For the year ended 31st March	For the year ended 31st March	For the year ended 31st March	For the year ended 31st March
	2021	2020	2021	2020	2021	2020
Reliance Money Solutions Private Limited						
Reimbursement of PLI Incentive	-	-	-	28	-	-
Rent Received			-	19		
Interest Income	-	-	-	-	-	-
Reliance Money Precious Metals Private Limited						
Management Fees.	-	-	-	25	-	-
Reliance Corporate Advisory Services Limited						
Brokerage Income	-	-	2	-	-	-
Reliance Asset Reconstruction Company Limited						
Distribution Fees	-	-	-	-	-	-
Rental Income			36	-	-	-
Sale of Assets	-	-	4	-	-	-
Interest received on MLD	-	-	153	-	-	-
Reliance Commercial Finance Limited						
Brokerage Income Rs. 10,814/-	-	-	0	4	-	-
Priyanka Agrawal						
Brokerage Income Rs.35,451/- (previous year Rs.1,946/-)	-	-	-	-	0	0
Geeta Agrawal						
Brokerage Income Nil (previous year Rs. 1,629/-)	-	-	-	-	-	0
Manishkumar Dhanuka						
DPC & DP AMC Charges Nil (previous year Rs.156/-)	-	-	-	-	-	0
Brokerage Rs. Nil	-	-	-	-	-	-
Manishkumar Dhanuka (HUF)						
DPC & DP AMC Charges Nil (previous year Rs.200/-)	-	-	-	-	-	0
Brokerage Rs. Nil	-	-	-	-	-	-
Megha Dhanuka						
DPC & DP AMC Charges Nil (previous year Rs. 150/-)	-	-	-	-	-	0
Brokerage Rs. Nil	-	-	-	-	-	-
Nina Kothari						
Brokerage Rs. 64,355/- (previous year Rs. Rs.67754/-)	-	-	-	-	1	1
Amitabh Jhunjhunwala						
Brokerage Income	-	-	-	-	-	1
Vaibhav Kabra						
Brokerage Rs. 867/- (previous year Rs. 709/-)	-	-	-	-	0	0
Atul Tandon						
Brokerage Nil (previous year Rs. 2,085/-)	-	-	-	-	-	0

(Cont...)

Nature of Transaction	Holding company		Fellow Subsidiaries/ Associates of Holding Company		Key Management Personnel & their Relatives	
	As at 31st March	As at 31st March	As at 31st March	As at 31st March	As at 31st March	As at 31st March
	2021	2020	2021	2020	2021	2020
Receivables and (payables)						
Reliance Capital Limited	(9,183)	(1,191)	-	-	-	-
Reliance Nippon Life Asset Management Limited (previous year Rs. 5,962/-)	-	-	-	10	-	-
Reliance Nippon Life Insurance Company Limited	-	-	139	148	-	-
Reliance General Insurance Company Limited	-	-	29	28	-	-
Reliance Home Finance Limited	-	-	(3,906)	(2,598)	-	-
Reliance Health Insurance Limited	-	-	-	(2)	-	-
Reliance Commodities Limited	-	-	(479)	-	-	-
Reliance Financial Limited	-	-	(3,388)	(27)	-	-
Reliance Money Precious Metals Private Limited	-	-	-	30	-	-
Reliance Wealth Management Limited	-	-	(1)	(2)	-	-
Reliance Money Solutions Private Limited	-	-	-	(8)	-	-
Reliance Commercial Finance Limited	-	-	2	-	-	-
Reliance Corporate Advisory Services Limited Rs. 6/-	-	-	0	-	-	-
Reliance Asset Reconstruction Company Limited	-	-	15	-	-	-
Reliance Infrastructure Limited	-	-	(94)	(52)	-	-
Lav Chaturvedi	-	-	-	-	1	1
Amit Agrawal	-	-	-	-	1	1
Vrunda Dhanesha	-	-	-	-	1	-
Priyanka Agrawal	-	-	-	-	(2)	-
Nina Kothari Rs. 2016/-	-	-	-	-	0	-
Vaibhav Kabra Rs. 71/-	-	-	-	-	0	-
Atul Tandon Rs. 39/-	-	-	-	-	0	-
Nisha Chaturvedi Rs. 719/-	-	-	-	-	0	-

(Cont...)

Nature of Transaction	Holding company		Fellow Subsidiaries/ Associates of		Key Management Personnel & their	
	As at 31st March	As at 31st March	As at 31st March	As at 31st March	As at 31st March	As at 31st March
	2021	2020	2021	2020	2021	2020
Purchase of Business from Reliance Commodities Limited						
Assets taken over	-	-	2,988	-	-	-
Liabilities taken over	-	-	2,743	-	-	-
Purchase Consideration	-	-	253	-	-	-
Goodwill on account of business acquisition	-	-	8	-	-	-

(G) **Terms & conditions**

All transactions were made on normal commercial terms and conditions.

All outstanding balances are unsecured and are repayable in cash.

The remuneration to key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

34 Income tax

a) The components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Current tax	-	-
Adjustment in respect of current income tax of prior years	(34)	(12)
Deferred tax	844	-
Total	810	(12)

b) Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2021 and March 31, 2020 is, as follows:

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Accounting profit before tax	2,136	(3,889)
Tax at India's statutory income tax rate of 26 % (previous year 29.12%)	537	(1,011)
Tax effect of the amount which are not taxable in calculating taxable income :		
Non deductible expenses for tax purpose	40	67
Temporary difference on which no deferred tax recognised	616	-
Fair value under employee stock option scheme	-	-
Fair value of financial instruments	(132.07)	108
Deferred tax assets not recognised on tax losses and unabsorbed depreciation	-	836
Set off of Earlier year losses	(1,062)	-
Adjustment for earlier year taxes	(34)	(12)
MAT Credit w/off	844	-
Income tax expense at effective tax rate	810	(12)
Effective tax rate	37.93%	0.31%
Accounting profit after tax	1,326	(3,877)

c) Deferred tax assets/liabilities

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

(Amount in Lakh)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Deferred tax liability :		
Fair valuation of investments	(28)	414
Gains recognised on futures	-	-
Total	(28)	414
Deferred tax asset :		
Unused tax losses for which no deferred tax asset has been recognised	135	4,265
Unabsorbed depreciation	667	2,794
Revenue recognition on advance brokerage plan	517	2,226
Expected credit loss recognised	891	3,641
Depreciation difference	161	-
Provision for DD & Expenses	754	-
Provision for gratuity	77	231
Total	3,202	13,157
Net deferred tax liability \ (asset)	(3,230)	(12,743)

* Note: The company has deferred tax assets in the form of brought forward losses and disallowance under income tax. Deferred tax asset has not been recognised due to future benefit which will be flow to the company being can not be reliably measure.

The Company has decided to opt for Section 115BAA under Income Tax Act 1961. As per section 115BAA the company will pay tax at lower rate i.e. 22% under Normal computation of Income Tax.

Further in terms of new provision, the Company would be exempt from computing tax under 115JB i.e MAT. However the Company will have to forego the accumulated MAT credit. Since, the accumulated MAT credit was forming part of Deferred tax asset appearing in the Books, the same has been reversed.

35 Fair value measurements

a) Financial instruments by category

Particular	As at March 31, 2021		As at March 31, 2020	
	Fair value through profit or loss	Amortised cost	Fair value through profit or loss	Amortised cost
Financial Assets				
Cash and cash equivalents	-	2,205	-	4,291
Bank balance other than cash and cash equivalents above		20,856	-	24,772
Derivative financial instruments	8	-	9	-
Receivables				
(I) Trade receivables	-	1,954	-	3,772
(II) Other receivables	0	251	-	659
Loans	-	2,275	-	4,762
Investments				
- equity instruments	-		-	-
- Mutual Funds	5,036		31	-
- Debentures	-	-	-	-
- Preference shares	-	-	-	-
Other financial assets		38,119	-	11,757
Total Financial Assets	5,044	65,660	40	50,013
Financial Liabilities				
Derivative financial instruments	246	-	987	-
Payables				
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	43,530	-	25,545
(II) Other payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-
Debt Securities	7,587	-	6,204	-
Borrowings (Other than debt securities)	-	2,839	-	5,050
Other financial liabilities	689	1,047	662	1,564
Total Financial Liabilities	8,522	47,416	7,853	32,159

b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets measured at fair value at March 31, 2021

	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative financial instruments	8	-	-	8
Investments				
- Mutual Funds-Credit ris fund & Liquid fund	5,036	-	-	5,036
- equity instruments	-	-	-	-
Total financial assets	5,044	-	-	5,044

Financial liabilities measured at fair value at March 31, 2021

	Level 1	Level 2	Level 3	Total
Financial Liabilities				
Derivative financial instruments	246	-	-	246
Debt Securities	689	-	7,587	8,276
	935	-	7,587	8,522

Financial assets measured at fair value at March 31, 2020

	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative financial instruments	9	-	-	9
Investments				
- Mutual Funds-Credit ris fund & Liquid fund	31	-	-	31
- equity instruments	-	-	-	-
Total financial assets	40	-	-	40

Financial liabilities measured at fair value at March 31, 2020

	Level 1	Level 2	Level 3	Total
Financial Liabilities				
Derivative financial instruments	987	-	-	987
Debt Securities (Interest accrued)	662	-	6,204	6,866
	1,648	-	6,204	7,852

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

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

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

c) Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

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

d) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in Level 3 items for the year ended March 31, 2021 and previous year ended March 31, 2020

Particulars	Total
As at March 31, 2019	-
Additions	-
Disposals	-
Gains/(losses) recognised in statement of profit and loss	-
As at March 31, 2020	-
Additions	-
Disposals	-
Gains/(losses) recognised in statement of profit and loss	-
As at March 31, 2021	-

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

	As at March 31, 2021		As at March 31, 2020	
	Carrying Value	Fair value	Carrying Value	Fair value
Financial assets				
Cash and cash equivalents	2,205	2,205	4,291	4,291
Bank balance other than cash and cash equivalents above	20,856	20,856	24,772	24,772
Derivative financial instruments	-	-	-	-
Receivables				
(I) Trade receivables	1,954	1,954	3,772	3,772
(II) Other receivables	251	251	659	659
Loans	2,275	2,275	4,762	4,762
Investments	-	-	-	-
Other financial assets	38,119	38,119	11,757	11,757
Total financial assets	65,660	65,660	50,013	50,013
Financial liabilities				
Trade payables	43,530	43,530	25,545	25,545
Borrowings (Other than debt securities)	2,839	2,839	5,050	5,050
Other financial liabilities	1,047	1,047	1,564	1,564
Total financial liabilities	47,416	47,416	32,159	32,159

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

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

36 Financial risk management

- A** The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the company, derivative financial instruments are used for hedging purposes.

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

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade and other receivables, Investments, derivatives financial instruments, financial assets measured at amortised cost	Ageing analysis, credit ratings	Diversification of bank deposits, credit limits and regular monitoring
Liquidity risk	Debt securities, Borrowings (other than debts)	Rolling cash flow forecasts	Availability of committed credit lines, borrowing facilities, Asset liability measurement
Market risk - Security prices	Investment in equity securities	Sensitivity analysis	Portfolio diversification

a) Credit risk management

Credit risk is the risk of suffering financial loss, should any of the Company's customers, clients or market counterparties fail to fulfil their contractual obligations to the Company.

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

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

Expected credit loss measurement

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

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Company, market intelligence & goodwill. Outstanding customer receivables are regularly monitored.

The Company has established an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach that "Trade receivables, (Which is uncovered, where collateral value is less than outstanding balance) outstanding for more than 7 days in case of broking business clients and outstanding for more than 180 days in case of third party distribution business clients" for the purpose of computation of expected credit loss for trade receivables and other receivables. An impairment analysis is performed at each reporting date on an individual basis for all parties. **The Company evaluates the concentration of risk with respect to trade receivables as low.**

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

Loss allowance

Reconciliation of loss allowance provision:

	Trade receivables
Loss allowance as at March 31, 2019	2,295
changes in loss allowance	1,335
Loss allowance as at March 31, 2020	3,630
changes in loss allowance	(90)
Loss allowance as at March 31, 2021	3,540

Write-off policy

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

b) Liquidity risk and funding management

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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

i) Financing arrangements

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

Expiring within one year	As at March 31, 2021	As at March 31, 2020
Fix rate		
Short Term Loan	-	-
Floating rate		
Cash Credit Limit	-	-
Overdraft facilities	-	-
Loan against securities	-	-

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

Analysis of financial assets and liabilities by remaining contractual maturities

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

As at March 31, 2021

Contractual maturities of assets and liabilities	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial assets						
Cash and cash equivalents	2,205	-	-	-	-	2,205
Bank balance other than cash and cash equivalents above	-	11,528	8,802	501	25	20,856
Derivative financial instruments	-	8	-	-	-	8
Receivables						
(I) Trade receivables	-	1,954	-	-	-	1,954
(II) Other receivables	-	251	-	-	-	251
Loans	2,275	-	-	-	-	2,275
Investments	-	5,036	-	-	-	5,036
Other financial assets	-	77	216	37,826	-	38,119
Total financial assets	4,480	18,854	9,018	38,327	25	70,704
Financial liabilities						
Derivative financial instruments	-	232	10	4	-	246
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro	-	43,530	-	-	-	43,530
enterprises and small enterprises						
(II) Other payables						
(i) total outstanding dues of micro enterprises and small	-	-	-	-	-	-
enterprises						
(ii) total outstanding dues of creditors other than micro	-	-	-	-	-	-
enterprises and small enterprises						
Debt securities	-	-	-	7,315	272	7,587
Borrowings (Other than debt securities)	2,839	-	-	-	-	2,839
Subordinated liabilities	-	-	-	-	-	-
Other financial liabilities	-	-	1,047	-	689	1,736
Total financial liabilities	2,839	43,762	1,057	7,319	961	55,938
Net	1,641	(24,908)	7,961	31,008	(936)	14,766

As at March 31, 2020

Contractual maturities of assets and liabilities	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial assets						
Cash and cash equivalents	4,291	-	-	-	-	4,291
Bank balance other than cash and cash equivalents above	-	10,688	9,873	4,185	26	24,772
Derivative financial instruments	-	-	3	6	-	9
Receivables	-	-	-	-	-	-
(I) Trade receivables	-	3,772	-	-	-	3,772
(II) Other receivables	-	659	-	-	-	659
Loans	3,195	1,567	-	-	-	4,762
Investments	-	31	-	-	-	31
Other financial assets	-	25	962	10,770	-	11,757
Total financial assets	7,486	16,742	10,838	14,961	26	50,053
Financial liabilities						
Derivative financial instruments	-	815	-	172	-	987
Payables	-	-	-	-	-	-
(I) Trade payables	-	-	-	-	-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	25,545	-	-	-	25,545
(II) Other payables	-	-	-	-	-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Debt securities	-	477	213	5,293	221	6,204
Borrowings (Other than debt securities)	5,050	-	-	-	-	5,050
Subordinated liabilities	-	-	-	-	-	-
Other financial liabilities	-	-	1,564	-	662	2,226
Total financial liabilities	5,050	26,837	1,777	5,465	883	40,012
Net	2,436	(10,095)	9,061	9,496	(857)	10,041

c) Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and equity prices.

Cash flow and fair value interest rate risk

The company's main interest rate risk arises from long-term borrowings with variable rates, which expose the company to cash flow interest rate risk. The company policy is to hedge its interest rate risk on MLD by taking positions in future & options based on specified indices.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

i) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Variable rate borrowing	7,587	6,204
Fixed rate borrowing	2,839	5,050
Total Borrowing	10,426	11,254

As at the end of the reporting period, the Company had the following futures and options contracts outstanding:

Particulars	As at March 31, 2021			As at March 31, 2020		
	No of contracts	Units		No of contracts	Units	
		Long	Short		Long	Short
Options						
Index option Long	3	7,800	-	3	450	-
Index option Short	42	-	(1,40,600)	11	-	(76,350)
Stock option Short	2	-	(2,107)			
Futures						
Stock futures long	41	6,16,415	-	24	47,415	-
Stock futures short	7	-	(69,750)	3	-	(7,500)
Index future short	1	-	(6,300)	2	-	(37,950)
Index future long	1	4,600	-	-	-	-
Net exposure in future & option contract		6,28,815	(2,18,757)		47,865	(1,21,800)

ii) Price risk Exposure

The company's exposure to equity securities price risk arises from investments held by the company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss (note no. 10).

To manage its price risk arising from investments in equity securities, the company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the company.

The majority of the company's equity investments are publicly traded.

iii) Financial liabilities designated at FVPL

The Company has issued certain non-convertible debentures, the rate of interest which is linked to performance of specified indices/stocks over the period of the debentures. The Company hedges its interest rate risk on MLD by taking positions in future & options based on specified indices/stocks. The company designated the entire hybrid contract as a financial liability at fair value through profit or loss.

B Capital management

Risk management

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

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

Reliance Securities Limited
Notes to the financial statements for the year ended March 31, 2021

(Amount in Lakh)

37 Maturity analysis of assets and liabilities

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

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	2,205	-	2,205	4,291	-	4,291
Bank balance other than cash and cash equivalents above	20,330	526	20,856	20,561	4,211	24,772
Derivative financial instruments	8	-	8	3	6	9
Receivables						
(I) Trade receivables	1,954	-	1,954	3,772	-	3,772
(II) Other receivables	251	-	251	659	-	659
Loans	2,275	-	2,275	4,762	-	4,762
Investments	5,036	-	5,036	31	-	31
Other financial assets	293	37,826	38,119	987	10,770	11,757
Non-financial assets						
Inventories	1,657	-	1,657	61	-	61
Current tax assets (Net)	-	1,026	1,026	-	1,067	1,067
Deferred tax assets (Net)	-	-	-	-	844	844
Investment property	-	13	13	-	14	14
Property, plant and equipment	-	587	587	-	753	753
Goodwill	-	8	8	-	-	-
Other intangible assets	-	574	574	-	646	646
Other non-financial assets	421	29	450	563	141	704
Total assets	34,430	40,589	75,019	35,690	18,452	54,142

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Derivative financial instruments	242	4	246	815	172	987
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	43,530	-	43,530	25,545	-	25,545
(II) Other payables						
(i) total outstanding dues of creditors other than micro	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro	-	-	-	-	-	-
Debt securities	-	7,587	7,587	690	5,514	6,204
Borrowings (Other than debt securities)	2,839	-	2,839	5,050	-	5,050
Subordinated liabilities	-	-	-	-	-	-
Other financial liabilities	1,047	689	1,736	1,564	662	2,226
Non-financial Liabilities						
Provisions	307	-	307	231	-	231
Other non-financial liabilities	8,182	-	8,182	4,630	-	4,630
Total liabilities	56,147	8,280	64,427	38,525	6,348	44,873
Net	(21,717)	32,309	10,592	(2,835)	12,104	9,269

38 Segment reporting

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

(i) Broking Activities: Broking activities includes Broking services to clients, research and advisory services and distribution of financial product distribution, depository services, etc.

(ii) Proprietary trading : Proprietary Trading activities includes the trading in securities by the Company in its own name.

(iii) Certain assets and liabilities, which relate to the company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated"

Particulars	Yearly	Yearly
	As at March 31, 2021	As at March 31, 2020
Segment Revenue		
a. Broking activity	15,664	18,882
b. Proprietary trading	11,191	1,786
c. Unallocated	197	165
Total	27,052	20,833
Segment Results		
a. Broking activity	(5,224)	(4,731)
b. Proprietary trading	7,255	782
c. Unallocated	105	60
Total	2,136	(3,889)
Segment Assets		
a. Broking activity	63,133	51,849
b. Proprietary trading	10,684	171
c. Unallocated	1,202	2,122
Total	75,019	54,142
Segment Liabilities		
a. Broking activity	63,051	43,352
b. Proprietary trading	1,376	1,521
c. Unallocated	-	-
Total	64,427	44,873

a) Segment assets includes financial and non financial assets and are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment. Unallocated assets include deferred tax asset current tax assets and unsplit portion of property plant and equipment, intangible assets and investment property as per accuracy level of splitting decided by the management.

b) Segment liabilities includes financial and non financial liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment.

39 Employee Benefits

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

A. Defined Contribution Plans:

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

Particular	As at March 31, 2021	As at March 31, 2020
Employer's Contribution to Provident Fund (Included in 'Contribution to provident and other funds' under Employee Benefits Expense) - refer note no. 31	303	443

B. Defined Benefit Plans:

Gratuity:

The employees' gratuity fund scheme managed by a Trust (Reliance Securities Limited Employees Gratuity Assurance Scheme) is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

Gratuity Benefits		
	As at March 31, 2021	As at March 31, 2020
I. Change in present value of obligation:		
Present value of obligations at the beginning of the year	437	448
Interest Cost	29	33
Current Service Cost	57	72
Benefit Paid	(106)	(184)
Actuarial (gain)/loss on obligations	(0)	74
Liability for Transferred In / (out)	(3)	(5)
Present value of obligations at the end of the year	413	437

	As at March 31, 2021	As at March 31, 2020
II. Change in the fair value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the year	207	336
Expected Return on Plan Assets	14	25
Contributions	-	31
Benefit Paid	(106)	(184)
Actuarial gain/(loss) on Plan Assets	(4)	4
Assets Transferred In/(out)	(3)	(5)
Fair Value of Plan Assets at the end of the year	107	207

	As at March 31, 2021	As at March 31, 2020
III. Reconciliation of present value of obligation and fair value of assets :		
Liability at the end of the year	413	437
Fair value of plan assets at the end of the year	107	207
(Asset) / Liability Recognised in the Balance Sheet	307	231

	For the year ended March 31, 2021	For the year ended March 31, 2020
IV. Expenses recognised during the year :		
Current Service Cost	57	72
Interest Cost	29	33
Expected Return on Plan Assets	(14)	(25)
Net Actuarial (Gain)/Loss recognised	4	70
Expense Recognised in statement of profit and loss	76	150

	For the year ended March 31, 2021	For the year ended March 31, 2020
Amount recorded in Other comprehensive Income (OCI)		
Remeasurements during the year due to		
-changes in financial assumptions		
Experience Adjustment on Plan Liability (Gain)/Loss	(0)	74
Actuarial Gain /(Loss) due to Plan Asset	(4)	4
Amount recognised in OCI during the year	4	70

V. Investment details :

Total value of investments for employees gratuity fund scheme is managed by insurance company

VI. Assumptions :	For the year ended March 31, 2021	For the year ended March 31, 2020
Discount Rate (per annum)	5.58%	6.56%
Rate of Return on Plan Assets	5.58%	6.56%
Salary Escalation	6.00%	6.00%
Rate of Employee Turnover	For service 4 years and below 45.00% p.a & For service 5 years and above 8.00% p.a.	For service 4 years and below 31.00% p.a & For service 5 years and above 3.00% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality(2006-08)	Indian Assured Lives Mortality(2006-08)

VII. - Particulars of amounts for the year and previous years	Gratuity for the year ended March 31,				
	2021	2020	2019	2018	2017
Present value of obligations at the beginning of the year	413	437	448	342	280
Fair value of plan assets at the end of the year	107	207	336	250	179
Excess of Obligation Over Plan Asset	307	231	112	92	101
Experience Adjustment on Plan Liability					
(Gain)/Loss	(0)	74	56	45	67
Actuarial Gain /(Loss) due to Plan Asset	(4)	4	4	(11)	1

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

C. Sensitivity analysis:

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

Particulars	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Discount Rate	1.00%	1.00%	(32)	(46)	36	54
Salary growth rate	1.00%	1.00%	36	54	(32)	(47)
Employee Turnover	1.00%	1.00%	(2)	1	2	(1)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined obligation calculated with the projected unit credit method at the end of reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior year.

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

Category of Assets (% Allocation)	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Insurer managed funds	100.00%	100.00%	107	207
Total	100.00%	100.00%	107	207

(E) Risk exposure

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

Asset volatility

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

Changes in bond yields

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

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

(F) Defined benefit liability and employer contribution

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

Expected contribution to the post employment benefit plan (Gratuity) for the year ending March 31, 2022 are 164 Lakh

The weighted average duration of the defined benefit obligation is 10 years (2020 – 13).

The expected maturity analysis of undiscounted post employment benefit plan (gratuity) is as follows :

Particulars	Less than a year	Between 1-2 years	Between 3-5 years	Over 5 years	Total
March 31, 2021					
Defined benefit obligation (gratuity)	31		92	553	676
March 31, 2020					
Defined benefit obligation (gratuity)	14	32	51	949	1,045

40 Phantom stock options

A. (i) The company has granted 22,41,232 (scheme 2015) Phantom Option to its employees in the financial year 2015-16.

Employee stock option (scheme 2015) details as on the balance sheet date are as follow

Description	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017
Option outstanding at the beginning of the year (No.)	-	13,48,602	19,34,617	21,77,389	22,41,232
Granted during the year	-	-	-	-	-
Exercised during the year	-	-	3,30,642	89,884	-
forfeited/Lapsed during the year	-	13,48,602	2,55,373	1,52,888	63,843
Option outstanding at the end of the year	-	-	13,48,602	19,34,617	21,77,389
Vested during the year	Nil	Nil	3,35,849	4,04,900	4,35,478

(ii) Detail of phantom share granted subject to the term and conditions as per Phantom stock scheme.

Particulars	
Date of grant	15th October 2015
Base Price Per Phantom stock Option	₹ Rs.28.57 per shares
Appreciation per Phantom stock Option	Excess of 'fair market of share on the date of exercise' determined in term of the Phantom Stock Option Scheme over the Base Price'
Formula for the valuation of the Co.	Profit Before Tax (PBT) X Fixed Multiplier (15)
Exercise Period	a. In case of continuation of employment : Vested Phantom Stock Options can be exercised any time up to 3 year from the date of last vesting of Phantom stock Options; and b. 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 Options	Within 90 days from the date of exercise by cash.

(iii) Detail of vesting schedules and conditions

Date of vesting (Grant 22,41,232 - Scheme 2015)	Percentage of vesting	Vesting condition
1st Anniversary from the date of grant	20%	Continued employment as on respective date of vesting.
2st Anniversary from the date of grant	20%	
3st Anniversary from the date of grant	20%	
4st Anniversary from the date of grant	20%	
5st Anniversary from the date of grant	20%	

B. (i) During the financial year 2017-18 company has granted 51,99,496 (scheme 2017) Phantom Option to its employees.

Employee stock option details as on the balance sheet date are as follow

Description	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019	As at 31st March 2018
Option outstanding at the beginning of the year (No.)	-	43,63,711	50,73,499	-
Granted during the year	-	-	-	51,99,496
Exercised during the year	-	-	4,38,893	-
forfeited/Lapsed during the year*	-	43,63,711	2,70,895	1,25,997
Option outstanding at the end of the year	-	-	43,63,711	50,73,499
Vested during the year	Nil	Nil	12,00,651	-

(ii) Detail of phantom share granted subject to the term and conditions as per Phantom stock scheme.

Particulars	
Date of grant	10th July 2017
Base Price Per Phantom stock Option	₹ Rs.23.81 per shares -(refer note)
Appreciation per Phantom stock Option	Excess of 'fair market of share on the date of exercise' determined in term of the Phantom Stock Option Scheme over the Base Price'
Formula for the valuation of the Co.	Profit Before Tax (PBT) X Fixed Multiplier (15)
Exercise Period	a. In case of continuation of employment : Vested Phantom Stock Options can be exercised any time up to 3 year from the date of last vesting of Phantom stock Options; and b. 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 Options	Within 90 days from the date of exercise by cash.

Date of vesting (Grant 51,99,496 - Scheme 2017)	Percentage of vesting	Vesting condition
1st Anniversary from the date of grant	25%	Continued employment as on respective date of vesting.
2st Anniversary from the date of grant	25%	
3st Anniversary from the date of grant	25%	
4st Anniversary from the date of grant	25%	

The grant of phantom option are in the nature of long term benefits payments and accordingly, the actuarial valuation has been done for the phantom option on 31st March 2018. The management estimate cost to such schemes:

Note;

Reliance Securities Limited had issued equity shares to its parent company, Reliance Capital Limited, in the financial year 2017-18. Accordingly, the exercise price, the fair market value & number of the phantom options granted to employees were adjusted to reflect the revised equity base with effect from January 01, 2019.

C. (i) During financial year 2018-19 company has granted 30,28,437 (scheme 2018) Phantom Option to its employees.

Employee stock option details as on the balance sheet date are as follow

Description	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
Option outstanding at the beginning of the year (No.)	-	28,94,001	-
Granted during the year	-	-	30,28,437
Exercised during the year	-	-	-
forfeited/Lapsed during the year*	-	28,94,001	1,34,436
Option outstanding at the end of the year	-	-	28,94,001
Vested during the year	Nil	Nil	Nil

(ii) Detail of phantom share granted subject to the term and conditions as per Phantom stock scheme.

Particulars	
Date of grant	7th May 2018
Base Price Per Phantom stock Option	₹ Rs.31.43 per shares
Appreciation per Phantom stock Option	Excess of 'fair market of share on the date of exercise' determined in term of the Phantom Stock Option Scheme over the Base Price'
Formula for the valuation of the Co.	Profit Before Tax (PBT) X Fixed Multiplier (15)
Exercise Period	a. In case of continuation of employment : Vested Phantom Stock Options can be exercised any time up to 3 year from the date of last vesting of Phantom stock Options; and b. 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 Options	Within 90 days from the date of exercise by cash.

Date of vesting (Grant 30,28,437 Scheme 2018)	Percentage of vesting	Vesting condition
1st Anniversary from the date of grant	25%	Continued employment as on respective date of vesting.
2st Anniversary from the date of grant	25%	
3st Anniversary from the date of grant	25%	
4st Anniversary from the date of grant	25%	

The grant of phantom option are in the nature of long term benefits payments. The company has discontinued the phantom shares as on March 31, 2021.

Particulars	Apr 20- Mar 21	Apr 19- Mar 20
Estimated Cost	Nil	Nil

*The company operated three phantom stock option schemes: 2015, 2017 & 2018, introduced in the Financial year 2015-16, 2017-18 & 2018-19 respectively. All the options granted under these schemes have been forfeited and lapsed in the year 2019-20. Accordingly, the company has reversed Rs. 246 Lakh in the previous financial year 2019-20 pertains to provision against phantom stock options.

41 Contingent liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Claims not acknowledged as debts in respect of:		
i. Guarantees given by scheduled banks		
ii. Guarantees given by scheduled banks on behalf of the company to Unique Identification Authority of India	25	25
A. Service Tax		
Demand received from service tax authorities alleging non payment of service tax		
(a) Service tax demanded on services provided to Western Union Financial Services, INC (WU) on the ground that the ultimate beneficiary of service are located in India. Thus liable to service tax under Business Auxiliary Services. (Period 2005-06 to September 2010)	4115	3476
(b) Service tax demanded on services provided to Western Union Financial Services, INC (WU) on the ground that RMEL as an agent provided service on behalf of WU and is liable to service tax under Business Auxiliary Services (Period October 2014 to September 2015)	920	484
(c) Service tax demanded on delay payment interest collected from the Customers	1899	1609
(d) Cost of Foreign currency purchased has been disallowed alleging violation under FEMA (Period 2009-10)*	-	99
(e) Penalty u/s 271(1)(c) initiated under Income Tax Act (Period 2014-15)	-	5
(f) Service tax demanded on difference of Income reported in ITR vis-à-vis STR	850	-
B. Other Legal Matters; Demand raised for various legal matters from respective forum/court.	831	746

In reference to note No. A (a) and (b) - Other claim, identical issue has been decided in favor of Company by Hon'ble Bombay High Court. The Issue is industrywide. The Management is of the opinion that the services are in nature of export and hence not liable to service tax. Accordingly, no provision for the same has been made in the financial statements.

In reference to note No. A (c) - Other claim, the SCN has been issued alleging that the Delay payment interest collected is liable to service tax. The Issue is industrywide. The Management is of the opinion that the amount collected is in nature of interest being covered under negative list service tax and hence not liable to service tax. Accordingly, no provision for the same has been made in the financial statements.

In reference to note No. A (f) - Other claim, the SCN has been issued without appreciating the law and reconciliation of Income The demand is thus untenable. The Management is of the opinion that the service tax has been correctly paid and this no additional service tax is payable. Accordingly, no provision for the same has been made in the financial statements.

42 Capital commitments

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Estimated amount of contracts remaining to be executed on capital account (net of advances)	10	107

43 **Earnings per share (EPS)**

a) **The basic earnings per share has been calculated based on the following:**

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Net profit after tax available for equity shareholders	1,326	(3,877)
Weighted average number of shares for computation of Basic EPS	2,200	2,200
Basic EPS	0.60	(1.76)
Weighted average number of shares for computation of Diluted EPS	2,200	2,200
Diluted EPS	0.60	(1.76)

b) **The reconciliation between the basic and the diluted earnings per share is as follows:**

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Basic earnings per share	0.60	(1.76)
Diluted earnings per share	0.60	(1.76)

44 **Operating lease commitments**

The Company have taken office branches under operating leases, which expire between 2021 to 2027 (Previous Year: 2020 to 2027). The committed lease rentals in the future are:

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Not later than one year	-	16
Later than one year and not later than five years	-	85
Later than five years	-	-

45 **Auditor's Remunerations**

(Amount in Lakh)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
As Auditors		
- Audit Fees	13	13
- Tax Audit Fees	-	-
Other Services		
- Certification	1	1
- Others	3	3
Reimbursement of Expenses	-	-
Total	17	17

46 **Foreign currency transactions**

Details of foreign currency transactions are as follows:

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Expenditure incurred in foreign currency*	-	-
Income earned in foreign currency*	-	-

*During the year the company had no unhedged foreign currency exposures

- 47 Disclosure of loans / advances and investments in its own shares pursuant to Regulation 53 of the Securities and Exchange Board of India (Listing Obligation And Disclosure Requirements) Regulations, 2015.

Particulars	Outstanding balance	
	For the Year ended March 31, 2021	For the Year ended March 31, 2020
i) Loans and advances in the nature of loans to subsidiaries	-	-
ii) Loans and advances in the nature of loans to associates	-	-
iii) Loans and advances in the nature of loans to firms / companies in which directors are interested	-	-
iv) Investments by loanee in the shares of parent company and subsidiary company when the company has made a loan or advance in the nature of loan.	-	-
* Loans and advances does not include investment in Bonds and debentures		

- 48 As per section 135 of the Companies Act 2013, the company is under obligation to incur ₹ 8 Lakh (previous year ₹ 34 Lakh) and has incurred the same in cash, being 2% of the average net profit during the immediately preceding three financial years, calculated in the manner as stated in the Act towards Corporate Social Responsibility through a non-profit center engaged in the provision of helping blind and handicapped for the purpose other than construction / acquisition of assets.

- 49 Securities received from clients as collateral are held by the Company in its own name in a fiduciary capacity.

- 50 The Company has been unable to obtain Bank Confirmation for the year ended 31-Mar-2021 for certain Fixed Deposit Receipts (FDRs) amounting to Rs. 7.54 crore from a Scheduled Commercial Bank (Bank), which includes "Client Margin" FDRs amounting to Rs. 5.70 Crore.

The Bank has adjusted said FDRs against amounts due and payable by the parent company (Reliance Capital Limited) to the Bank. The Company has obtained legal advise / opinion from a reputed law firm confirming that the action of the Bank to adjust "Client Margin" FDRs can be challenged as being illegal and untenable in law. The regulatory provisions from SEBI also support this position. The Company has initiated necessary actions against the Bank for said adjustments for Client Margin FDRs.

Hence, the Company is confident that the said Client Margin FDRs of Rs. 5.70 crore will be recovered from the Bank over a period of time and no adjustments are required to be made in the carrying value of the FDRs. Balance amount of FDRs of Rs. 1.84 crore have been provided for in the books of account of the Company in F.Y. 2019-20.

51 Leases

a) Accounting Policy

The company's lease asset classes primarily consist of leases for buildings taken on lease for operating its branch offices. The company assesses whether a contract contains a lease, at inception of a contract. At the date of commencement of the lease, the company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

However there is no lease recognised as a low-value lease during the current year.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term.

The lease liability is initially measured at amortized cost at the present value of the future lease payments.

b) Changes in carrying value of right of use assets for the year ended March 2021 :

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Reclassified on account of adoption of Ind AS 116	54	103
Additions	-	-
Deletions	-	-
Depreciation	54	49
Balance as on March 31, 2021	-	54

c) **Interest Expense on lease liability and movement in lease liabilities for the year ended March 2021 :**

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Balance as on April 01, 2020	60	108
Additions	-	-
Interest expense	4	9
Payment of lease liabilities	64	57
Balance as on March 31, 2021	-	60

d) Total Cash outflow on account of lease liabilities for the period ended March 31, 2021 amounts to Rs. 64 lakh (Rs. 57 lacs for March 31, 2020)

e) Expense pertaining to short term leases (i.e having lease period of less than 12 months) :-

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Operating lease payments, which are minimum lease payments, recognised in the Statement of Profit and Loss	1000	1826

f) **Maturity Analysis of Lease Liabilities as on March 31, 2021**

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Not later than one month	-	4
Later than one month and not later than three months	-	9
Later than three months and not later than one year	-	41
Later than one year and not later than five years	-	6

52 Covid-19 outbreak declared as a global pandemic by World Health organisation has continued to spread rapidly leading to extension of nationwide lockdown with minor exemptions and quarantine measures stalling economic activity. Our Company, being classified as an essential services has been in operation consistently with minimal permitted staff. Given the digital business model and considering that the company has not faced any material adversity of its financial position as at March 31, 2021 and considering other relevant facts and circumstances existing as of that date, the Company does not anticipated any material uncertainty which affects its liquidity position and also ability to continue as going concern. However, the impact of the global health pandemic may differ from the estimated as at the date of approval of the results and the company will continue to closely monitor any material changes to the future economic condition.

- 53 The Board of Directors of the Company have given consent at their Meeting held on March 19, 2018, to acquire the business undertaking of the Reliance Commodities Limited pertaining to Commodities broking business including all related assets and properties, employees, investments, contracts, debts and liabilities on slump sales basis. Accordingly, the Company has entered into Business Transfer Agreement dated August 24, 2018 with the Reliance Commodities Limited to acquire Commodities broking business for a consideration of Rs. 253 lakhs .

Accordingly the MCX & NCDEX (" the exchanges") vide their letter dated August 5, 2020 & August 20, 2020 respectively have approved the transaction. The accounting impact of the same has been given in the books of the Company w.e.f September 1, 2020. Assets amounting to Rs. 2,988 lakhs and corresponding liabilities amounting to Rs. 2,743 lakhs has been transferred pertaining to Commodity Business. The company has paid Rs. 253 lakhs as consideration for this transaction. Goodwill of Rs. 8 lakhs has been recognised in Financial Statements.

- 54 Previous period figures have been regrouped/ rearranged wherever necessary.

The accompanying notes (1 to 54) forms an integral part of the financial statements

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

For or on behalf Reliance Securities Limited

Sd/-
Vishal D. Shah
Partner
Membership No.: 119303

Sd/-
Lav Chaturvedi
Executive Director & CEO
Lav Chaturvedi

Sd/-
Aman Gudral
Director
DIN : 08822974

Place : Mumbai
Date: April 30, 2021

Sd/-
Amit Agrawal
Chief Financial Officer

Sd/-
Vrunda Dhanesha
Company Secretary
M. No. A35255