RELIANCE COMMERCIAL FINANCE LIMITED
Balance sheet as at March 31, 2024

(Rs. in crore)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Financial assets			
Cash and cash equivalents	3	3.82	282.16
Bank balance other than cash and cash equivalents above	4	121.71	213.95
Derivative financial Instruments	5	-	-
Receivables			
(I) Trade receivables	6	1.12	0.00
(II) Other receivables		-	-
Loans	7	-	2,161.25
Investments	8	-	169.53
Other financial assets	9	-	93.21
Subtotal of Financial Assets		126.65	2,920.10
Non-financial assets			
Current tax assets (Net)	10	13.82	10.81
Deferred tax assets (Net)	11	-	-
Property, plant and equipment	12	-	130.07
Investment Property	12A	125.33	-
Other intangible assets	13	-	1.94
Other non-financial assets	14	-	35.58
Subtotal of Non-Financial Assets		139.14	178.40
Total assets		**265.79**	**3,098.50**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
(I) Trade payables	15		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	2.47
(II) Other payables	15A		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	1,301.28
Debt securities	16	63.80	1,461.23
Borrowings (Other than debt securities)	17	540.82	2,379.65
Subordinated liabilities	18	-	0.14
Other financial liabilities	19	25.61	926.81
Subtotal of Financial Liabilities		630.23	6,071.58
Non-financial liabilities			
Provisions	20	-	11.51
Deferred tax liabilities (Net)	21	-	211.69
Other non-financial liabilities	22	0.04	52.82
Subtotal of Non-Financial Liabilities		0.04	276.02
EQUITY			
Equity share capital	23	135.47	135.33
Instruments entirely equity in nature	23	400.00	400.00
Other equity	24	(899.95)	(3,784.43)
Total Equity		(364.48)	(3,249.10)
Total liabilities and equity		**265.79**	**3,098.50**

See accompanying notes to the standalone financial statements '1 to 69'

This is the standalone balance sheet -
referred to our report of even date

For O.P. Bagla & Co. LLP
Chartered Accountants
Firm Registration No. : 000018N/N500091

For and on behalf of the Board of Directors

SD/-
Sanjay Dangi
(Director)
DIN - 00012833

SD/-
Amit Dangi
(Director)
DIN - 06527044

Mohit
(Partner)
Membership No.: 558639

Place : Mumbai
Date: 27th May,2024

SD/-
Rohit Bhanja
(Chief Executive Officer)

SD/-
Amit Jha
(Chief Finance Officer)

SD/-
Avni Shah
(Company Secretary & Compliance Officer)

Place : Mumbai
Date: 27th May,2024

RELIANCE COMMERCIAL FINANCE LIMITED
Statement of profit and loss for the year ended March 31, 2024

(Rs. in crore)

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations			
Interest income	25	92.40	97.18
Fees and commission income	26	0.86	1.19
Net fair value gain or loss	27	2.82	13.12
Other operating income	28	78.84	64.18
Rental Income		2.19	-
Total revenue from operations		**177.10**	**175.67**
Other income	29	1.76	0.11
Total income		**178.86**	**175.78**
Expenses			
Finance costs	30	38.06	255.37
Fees and commission Expenses	31	5.43	7.02
Impairment of financial instruments	32	(1,137.13)	(74.76)
Impairment of Goodwill		-	160.14
Employee benefits expenses	33	16.24	13.11
Depreciation, amortisation and impairment	12	6.24	8.28
Others expenses	34	43.15	48.85
Total expenses		**(1,028.00)**	**418.00**
Profit/(loss) before tax & exceptional items		**1,206.87**	**(242.22)**
Exceptional Items		**57.59**	**4,285.94**
Profit Before Tax		**1,264.46**	**4,043.72**
Income tax expense:	**36**		
- Current tax		-	-
- Deferred tax		**(58.86)**	**-**
-Income tax for earlier Years		**-**	**0.36**
Total tax expense		**(58.86)**	**0.36**
Profit for the year		**1,323.31**	**4,043.36**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		-	0.15
- Capital reserves on Business Combination	**68**	-	841.02
- Income tax relating to these items	**21**	-	(211.69)
Other comprehensive income for the year		**-**	**629.48**
Total comprehensive income for the year		**1,323.31**	**4,672.84**
Earnings per equity share	**37**		
- Basic (Rs.)		**97.69**	**298.79**
- Diluted (Rs.)		**97.69**	**60.39**

See accompanying notes to the standalone financial statements '1 to 69'

This is the standalone balance sheet -
referred to our report of even date

For O.P. Bagla & Co. LLP
Chartered Accountants
Firm Registration No. : 000018N/N500091

Mohit
(Partner)
Membership No.: 558639

Place : Mumbai
Date: 27th May,2024

For and on behalf of the Board of Directors

SD/-
Sanjay Dangi
(Director)
DIN - 00012833

SD/-
Amit Dangi
(Director)
DIN - 06527044

SD/-
Rohit Bhanja
(Chief Executive Officer)

SD/-
Amit Jha
(Chief Finance Officer)

SD/-
Avni Shah
(Company Secretary & Compliance Officer)

Place : Mumbai
Date: 27th May,2024

RELIANCE COMMERCIAL FINANCE LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

(Rs. in Crores)

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
(A) Cash flow from operating activities :				
Profit / (Loss) before tax:		**1,264.46**		**4,043.72**
Adjustments :				
Depreciation & amortisation	6.24		8.28	
Impairment on financial instruments	(1,137.13)		85.38	
Net (gain) / loss on financial instruments at FVTPL	1.72		(11.14)	
Net (gain) / loss on Sale of financial instruments	(4.54)		(1.97)	
Net (gain) / loss on disposal of property, plant and equipment	(0.05)		0.50	
Liability no longer payable written back	(57.59)		(4,286.05)	
Finance cost	38.06	**(1,153.28)**	255.37	**(3,949.63)**
Operating profit before working capital changes		**111.18**		**94.09**
Adjustments for (increase)/ decrease in operating assets (including adjustments on account of demerger)(Refer Note 5):				
Trade receivables & other receivables	(1.11)		0.01	
Fixed deposits with banks	74.37		(108.56)	
Loans	1,435.30		361.54	
Other financial assets	15.34		6.11	
Other non- financial assets	(3.53)		10.44	
Adjustments for increase/ (decrease) in operating liabilities (including adjustments on account of demerger)(Refer Note 5)				
Trade payables & other payables	(27.51)		(101.96)	
Borrowings	(1,187.65)			
Other Financial Liabilities	(110.00)			
Other non-financial liabilities	(5.70)	**189.50**	(2.08)	**165.50**
Cash generated from operations		**300.68**		**259.60**
Less : Income taxes paid (net of refunds)	(3.01)	**(3.01)**	(15.53)	**(15.53)**
Net cash (outflow)/ inflow from operating activities (A)		**297.67**		**244.07**
(B) Cash flow from investing activities :				
(Purchase)/Sale of investment (net)	(1,079.46)		28.02	
Sale of investment (net)- Others	543.93		12.05	
Purchase of property, plant and equipments	(0.71)		(0.02)	
Sale of property, plant and equipments	0.06	**(536.18)**	0.01	**40.06**
Net cash inflow / (outflow) from investing activities (B)		**(536.18)**		**40.06**
(C) Cash flow from financing activities :				
Borrowing from Holding company	4.00			
Issue of equity share capital including securities premium	0.14			
Redeemption of preference shares	(0.14)			
Repayment of Debt securities	(4.50)		(39.06)	
Repayment of borrowings from Bank & Financial Institution	-		(640.56)	
Repayment of commercial papers	-	**(4.50)**	(47.53)	**(727.15)**
Net cash outflow from financing activities (C)		**(4.50)**		**(727.15)**
Net (decrease)/increase in cash and bank balances (A + B+ C)		**(243.01)**		**(443.01)**
Add : Cash and Cash Equivalents at beginning of the year		282.16		725.19
Less: Cash Balance Transfer as per Scheme of Arrangement (Refe Note 5)		(35.33)		
Cash and cash equivalents at end of the year		**3.82**		**282.16**

Note 1. Components of cash and cash equivalents **(Rs. in Crores)**

Cash and cash equivalents at the end of the year	**As at March 31, 2024**	**As at March 31, 2023**
Cash on hand	-	0.07
Balances with banks (of the nature of cash and cash equivalents)	3.82	282.09
Total	**3.82**	**282.16**

Note 2. Changes in liabilities arising from financing activities: **(Rs. in Crores)**

Particulars	**As at April 01, 2023**	**Cash Flow**	**equity component of CCD**	**Written back/ Effect of Demerger**	**As at March 31, 2024**
Debt Securities (Refer note no. 17)	**1,461.23**	(4.50)	-	(1,392.93)	**63.80**
Borrowings (Other than Debt Securities) (Refer note no. 18)	**2,379.65**	4.00	-	(1,842.83)	**540.82**
Commercial Paper (Refer note no. 18)	**-**	-	-	-	**-**

(Rs. in Crores)

Particulars	**As at April 01, 2022**	**Cash Flow**	**equity component of**	**Written back**	**As at March 31, 2023**
Debt Securities (Refer note no. 17)	**1,825.88**	(39.06)	-	(325.60)	**1,461.23**
Borrowings (Other than Debt Securities) (Refer note no. 18)	**7,371.55**	(640.56)	(2,457.94)	(1,893.40)	**2,379.65**
Commercial Paper (Refer note no. 18)	**554.15**	(47.53)	-	(506.62)	**-**

This is the standalone statement of cashflows - referred to our report of even date

For O.P. Bagla & Co. LLP
Chartered Accountants
Firm Registration No. : 000018N/N500091

For and on behalf of the Board of Directors

Mohit
(Partner)
Membership No.: 558639

Place : Mumbai
Date: 27th May,2024

SD/-
Sanjay Dangi
(Director)
DIN - 00012833

SD/-
Amit Dangi
(Director)
DIN - 06527044

SD/-
Rohit Bhanja
(Chief Executive Officer)

SD/-
Amit Jha
(Chief Finance Officer)

Avni Shah
(Company Secretary & Compliance Officer)

Place : Mumbai
Date: 27th May,2024

RELIANCE COMMERCIAL FINANCE LIMITED
STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

A) Equity Share Capital

1. Current Reporting Period (Rs. in Crores)

Balance at the beginning of the current reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current reporting period	Balance at the end of the current reporting period
As at April 01, 2023				As at March 31, 2024
135.33	-	135.33	0.14	135.47

2. Previous Reporting Period (Rs. in Crores)

Balance at the beginning of the previous reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous reporting period	Balance at the end of the previous reporting period
As at April 01, 2022				As at March 31, 2023
135.33	-	135.33	-	135.33

B) Instruments entirely equity in nature
(a) 12% Non-cumulative Compulsorily Convertible Preference

1. Current Reporting Period (Rs. in Crores)

Balance at the beginning of the current reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current reporting period	Balance at the end of the current reporting period
As at April 01, 2023				As at March 31, 2024
400.00	-	400.00	-	400.00

2. Previous Reporting Period (Rs. in Crores)

Balance at the beginning of the previous reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous reporting period	Balance at the end of the previous reporting period
As at April 01, 2022				As at March 31, 2023
400.00	-	400.00	-	400.00

C) Other equity

1. Current Reporting Period (Rs. in Crores)

Particulars	Note	Equity component of Compound financial instruments	Reserves and surplus				Other comprehensive income	Total other equity
			Securities premium	Capital reserve	Statutory Reserve Fund	Retained earnings	Re-measurements of post-employment benefit obligation	
Balance at the beginning of the Current Reporting Period (As at April 01, 2023)	26	2,457.94	2,078.11	629.34	100.86	(9,048.42)	(2.23)	(3,784.43)
Changes in Accounting Policy/ prior eriod errors		-	-	-	-	-	-	-
Restated balance at the beginning of the Current Reporting Period		2,457.94	2,078.11	629.34	100.86	(9,048.42)	(2.23)	(3,784.43)
Profit for the year		-	-	-	-	1,323.31	-	1,323.31
Other comprehensive income for the year		-	-	-	-	-	-	-
Created as a result of demerger				-		3,955.48		3,955.48
Interest accrued on CCD				-		58.31		58.31
Addition during the year				5.28	-	-	-	5.28
Total Comprehensive Income for the year		-	-	5.28	-	5,337.11	-	5,342.39
Transferred to/ (from)		(2,457.94)	-	-	-	-	-	(2,457.94)
0% Complusory Convertible Debenturs		-	-	-	-	-	-	-
Balance at the end of the Current Reporting Period (As at March 31, 2024)		-	2,078.11	634.62	100.86	(3,711.31)	(2.23)	(899.95)

2. Previous Reporting Period (Rs. in Crores)

Particulars	Note	Equity component of Compound financial instruments	Reserves and surplus				Other comprehensive income	Total other equity
			Securities premium	Capital reserve	Statutory Reserve Fund	Retained earnings	Re-measurements of post-employment benefit obligation	
Balance at the beginning of the Previous Reporting Period (As at April 01, 2022)	26	-	2,078.11	-	100.86	(13,091.78)	(2.38)	(10,915.19)
Changes in Accounting Policy/ prior eriod errors		-	-	-	-	-	-	-
Restated balance at the beginning of the Previous Reporting Period		-	2,078.11	-	100.86	(13,091.78)	(2.38)	(10,915.19)
Profit for the year		-	-	-	-	4,043.36	-	4,043.36
Other comprehensive income for the year							0.15	0.15
Effects on account of Scheme Demerger (Refer note no 64)		-	-	629.34	-	-	-	629.34
Total Comprehensive Income for the year		-	-	629.34	-	4,043.36	0.15	4,672.84
Transferred to/ (from)								
0% Complusory Convertible Debenturs		2,457.94	-	-	-	-	-	2,457.94
Balance at the end of the Previous Reporting Period (As at March 31, 2023)		2,457.94	2,078.11	629.34	100.86	(9,048.42)	(2.23)	(3,784.43)

See accompanying notes to the standalone financial statements '1 to 69'

This is the standalone statement of changes in equity - referred to our report of even date

For O.P. Bagla & Co. LLP
Chartered Accountants
Firm Registration No. : 000018N/N500091

Mohit
(Partner)
Membership No.: 558639

Place : Mumbai
Date: 27th May,2024

For and on behalf of the Board of Directors

SD/-
Sanjay Dangi
(Director)
DIN - 00012833

SD/-
Amit Dangi
(Director)
DIN - 06527044

SD/-
Rohit Bhanja
(Chief Executive Officer)

SD/-
Amit Jha
(Chief Finance Officer)

SD/-
Avni Shah
(Company Secretary & Compliance Officer)
Place : Mumbai
Date: 27th May,2024

1 Corporate information

Reliance Commercial Finance Limited ("the Company") formerly known as Reliance Gilts Limited, was incorporated on August 17, 2000 with the Registrar of Companies (RoC), Maharashtra, Mumbai. Subsequently, as on May 21, 2009 the Company was registered as a Non-Banking Financial Company without accepting public deposits, as defined under Section 45-IA of the Reserve Bank of India Act, 1934. The Company is principally engaged in lending activities and provides loans to small and medium enterprises for working capital and growth, loans to commercial vehicles and two wheelers, loans against property, personal loans and financing of various micro enterprises. The Comapny has investment property in it's books and post the scheme of demerger the company will be left with rental income as the main source of income.

The registered office of the Company is located at The Ruby, 11th Floor, North-West Wing, Plot no. 29, Senapati Bapat Marg, Dadar West, Mumbai 400 028. The Company is a public limited company and its debt securities are listed on the BSE Limited (BSE).

2 Significant accounting policies and critical accounting estimate and judgments

2.1 Basis of preparation, measurement and significant accounting policies

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

2.1.1 Basis of Preparation of Financial Statements

(i) Compliance with Ind AS

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under Section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by Reserve Bank of India (RBI). The financial statements have been prepared on a going concern basis. The Company uses accrual basis of accounting except in case of significant uncertainties. These financial statements are presented in Indian rupees rounded off to the nearest crore upto two decimal places except otherwise stated.

(ii) Historical cost convention

The financial statements have been prepared under the historical cost convention, as modified by
(i) certain financial assets and financial liabilities at fair value,
(ii) assets held for sale measured at fair value less cost to sell, and
(iii) defined benefit plans – plan assets that are measured at fair value.

(iii) Order of liquidity

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Pursuant to Ind AS 1 - 'Presentation of Financial Statements' and amendment to Division III of Schedule III to the Companies Act, 2013 dated October 11, 2018, the Company presents its balance sheet in the order of liquidity. This is since the Company does not supply goods or services within a clearly identifiable operating cycle, therefore making such presentation more relevant. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note No. 48(i)

(iv) Compliance with RBI Master Direction

The Company complies in all material respects, with the prudential norms relating to income recognition, asset classification and provisioning for bad and doubtful debts and other matters, specified in the master directions issued by the Reserve Bank of India ('RBI') in terms of "Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016" ("RBI Master Direction') vide Reserve Bank of India (RBI) Notification No. RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 updated on timely basis (the "RBI Directions") as applicable to the Company. Indian Accounting Standards and Guidance Notes issued by the Institute of Chartered Accountants of India (referred to in these Directions as "ICAI") shall be followed insofar as they are not inconsistent with any of these Directions.

(v) Use of Estimates

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

2.1.2 Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised when (or as) the Company satisfies a performance obligation by transferring a promised 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 service rendered (excluding estimates of variable consideration) that is allocated to that performance obligation.

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

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

(i) Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:
a)Purchased or originated credit impaired (POCI) financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.
b) Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate their amortised 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 amortised cost before any impairment allowance) or to the amortised 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. For POCI financial assets – assets that are credit-impaired at initial recognition – the Company calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.
Interest income on fixed deposits is recognised as it accrues on a time proportion basis taking into account the amount outstanding.

(ii) Loan processing fees and other operating income

Fees and commission incomes and expenses that are integral to the effective interest rate on a financial asset or liability are included in the effective interest rate. Fees and commission that are not integral to the effective interest rate are recognised on accrual basis over the life of the loan.Other operating income i.e. Foreclosure & Bounce Charges, Loan Re-schedulement Charges are accounted on cash basis.

2 Significant accounting policies and critical accounting estimate and judgments (Contd….)

(iii) Income from direct assignment

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

Servicing fees received is accounted for based on the underlying deal structure of the transaction as per the agreement and excess interest spread (EIS) on the deal is accounted for upfront as and when it becomes due.

(**iv) Income from securitisation**

In case of securitization of loans, (a) Securtisation transactions prior to March 31, 2017 the assets are derecognized when all the rights, title, future receivables and interest thereof along with all the risks and rewards of ownership are transferred to the purchasers of securtised loans. The profit if any, as reduced by the estimated provision for loss/expenses and incidental expenses related to the transaction, is recognised as gain or loss arising on securitization on a monthly basis, (b) Securtisation transactions after March 31, 2017 the assets are not derocognised and continued in the books as loans. Servicing fees received is accounted for based on the underlying deal structure of the transaction as per the agreement.

(v) Income from investments

Profit / (Loss) earned from sale of investments is recognised on trade date basis net off expenses incurred on sale. The cost of investment is computed based on weighted average basis.

(vi) Dividend income

Dividend income is recognised 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.

(**vii) Rental income**

Lease income from operating leases where the Comapany is a lessor is recognised in income on a straightline basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(viii) Brokerage Income

Brokerage income is recognized when there is no significant uncertainty as to determination and realization and as per agreement.

(ix) Income from trading in derivatives

Derivatives are initially recognised 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 recognised in the statement of profit and loss immediately.Brokerage and other payments made in connection with the acquisition of derivatives are added to the cost of acquisition. The amount shown under sale of currency derivatives is net of brokerage.

2.1.3 Foreign currency translation

(i) Functional and presentation currency

Items included in financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The financial statements are presented in Indian rupee (INR), which is Reliance Commercial Finance Limited’s functional and presentation currency.

(ii) Translation and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on nonmonetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

2.1.4 Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised 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. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

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 recognised 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 amortised over the life of the instrument, deferred until the instrument’s fair value can be determined using market observable inputs, or realised 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 recognised in profit or loss.

2.1.5 Financial assets

(i) Classification and subsequent measurement

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

i) Fair value through profit or loss (FVPL);
ii) Fair value through other comprehensive income (FVOCI); or
iii) Amortised cost.

2 Significant accounting policies and critical accounting estimate and judgments (Contd….)

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 amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in Note No. 49 (B) (a). Interest income from these financial assets is recognised 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 amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised 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 amortised 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 recognised 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 Comapny of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVPL.

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

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

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

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. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Changes in the fair value of financial assets at fair value through profit or loss are recognised 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

ECL are recognised for financial assets held under amortised cost, debt instruments measured at FVOCI, and certain loan commitments

Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' and for which a 12 month ECL is recognised. Financial assets that are considered to have significant increase in credit risk are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Lifetime ECL is recognised for stage 2 and stage 3 financial assets.

At initial recognition, allowance (or provision in the case of loan commitments) is required for ECL towards default events that are possible in the next 12 months, or less, where the remaining life is less than 12 months.

In the event of a significant increase in credit risk, allowance (or provision) is required for ECL towards all possible default events over the expected life of the financial instrument ('lifetime ECL').

Financial assets (and the related impairment loss allowances) are written off in full, when there is no realistic prospect of recovery.

Treatment of the different stages of financial assets and the methodology of determination of ECL

(a) Credit impaired (stage 3)

The Company recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- Contractual payments of either principal or interest are past due for more than 90 days;
- The loan is otherwise considered to be in default.

Restructured loans, where repayment terms are renegotiated as compared to the original contracted terms due to significant credit distress of the borrower, are classified as credit impaired. Such loans continue to be in stage 3 until they exhibit regular payment of renegotiated principal and interest over a minimum observation period, typically 12 months– post renegotiation, and there are no other indicators of impairment. Having satisfied the conditions of timely payment over the observation period these loans could be transferred to stage 1 or 2 and a fresh assessment of the risk of default be done for such loans.

Interest income is recognised by applying the EIR to the net amortised cost amount i.e. gross carrying amount less ECL allowance.

2 Significant accounting policies and critical accounting estimate and judgments (Contd….)

(b) Significant increase in credit risk (stage 2)

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default of the loan exposure. However, unless identified at an earlier stage, 30 days past due is considered as an indication of financial assets to have suffered a significant increase in credit risk. Based on other indications such as borrower's frequently delaying payments beyond due dates though not 30 days past due are included in stage 2 for mortgage loans.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenors, underlying collateral, geographies and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioral trends of default across the identified homogenous portfolios. These past trends factor in the past customer behavioral trends, credit transition probabilities and macroeconomic conditions. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.

(c) Without significant increase in credit risk since initial recognition (stage 1)

ECL resulting from default events that are possible in the next 12 months are recognised for financial instruments in stage 1. The Company has ascertained default possibilities on past behavioral trends witnessed for each homogenous portfolio using application/behavioral score cards and other performance indicators, determined statistically.

(d) Measurement of ECL

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro economic factors.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

- Determination of PD is covered above for each stages of ECL.
- EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.
- LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

(iii) Modification of loans

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

i) If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
ii) Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
iii) Significant extension of the loan term when the borrower is not in financial difficulty.
iv) Significant change in the interest rate.
v) Change in the currency the loan is denominated in.
vi) Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

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

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

(iv) Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised 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.

The Company enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Company:

(i) Has no obligation to make payments unless it collects equivalent amounts from the assets;
(ii) Is prohibited from selling or pledging the assets; and
(iii) Has an obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and bonds) furnished by the Company under standard repurchase agreements and securities lending and borrowing transactions are not de-recognised because the Company retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met. This also applies to certain securitisation transactions in which the Company retains a subordinated residual interest.

2.1.6 Financial Liabilities

(i) Classification and subsequent measurement

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

(a) 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;

(b) Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Company recognizes any expense incurred on the financial liability; and

(c) Financial guarantee contracts and loan commitments.

2 Significant accounting policies and critical accounting estimate and judgments (Contd….)

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 recognised in Statement of Profit and Loss

(ii) Derecognition

Financial liabilities are derecognised 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 recognised 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 amortised over the remaining term of the modified liability.

2.1.7 Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

(a) The amount of the loss allowance ; and

(b) The premium received on initial recognition less income recognised in accordance with the principles of Ind AS 115.

Loan commitments provided by the Company are measured as the amount of the loss allowance.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Company cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

2.1.8 Repossessed collateral

Repossessed collateral represents financial and non-financial assets acquired by the Company in settlement of overdue loans. The assets are initially recognised at fair value when acquired and included in premises and equipment, other financial assets, investment properties or inventories within other assets depending on their nature and the Company's intention in respect of recovery of these assets, and are subsequently remeasured and accounted for in accordance with the accounting policies for these categories of assets.

2.1.9 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The power to assess the financial performance and position of the Company and make strategic decisions is vested in the executive director who has been identified as the chief operating decisions maker.

The Company is mainly engaged in the commercial finance business and all other activities revolve around the main business of the Company. Further, all activities are conducted within India and as such there is no separate reportable segment as specified in Ind AS 108 on 'Operating Segment'.

2.1.10 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 Taxes

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

Deferred Taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised 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 Scheme of Demerger 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 realised or the deferred income tax liability is settled.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits. Recognition therefore involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised.

2.1.11 Impairment of Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation 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 recognised 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 Significant accounting policies and critical accounting estimate and judgments (Contd….)

2.1.12 Off-setting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise 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.

2.1.13 Cash and cash equivalents

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. Bank overdrafts are shown within borrowings in liabilities in the balance sheet.

2.1.14 Assets (or disposal groups) held for sale

Assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the asset (or disposal group) is recognised at the date of derecognition.

Assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

2.1.15 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 recognised 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 derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

Depreciation methods, estimated useful lives & residual value

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

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

Asset	Useful Life (Years)
Furniture and fixtures	10 years
Office equipment	5 years
Computers	3 years
Vehicles	8 years
Buildings	60 years
Plant & machinery	8 years

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

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

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 recognised in the statement of profit or loss.

2.1.16 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 capitalised 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 derecognised. Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 60 years. The useful life has been determined based on technical evaluation performed by the experts.

2.1.17 Intangible assets

(i) Goodwill

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

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the Scheme of Demerger in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

(ii) Other intangibles

Intangible assets are recognised where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated 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 amortises intangible assets on a straight-line basis over the useful lives of the assets commencing from the month in which the asset is first put to use. The Company provides pro-rata depreciation from the day the asset is put to use.

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

Asset	Useful Life (Years)
Computer software	5 years

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

2 Significant accounting policies and critical accounting estimate and judgments (Contd….)

2.1.18 Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised 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 capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

2.1.19 Provisions

Provisions for restructuring are recognised by the Company when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the Company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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 recognised as interest expense.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the company.

2.1.20 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are 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;

(b) Superannuation fund; and

(c) Provident fund

Defined benefit plans

Gratuity obligations: The liability or asset recognised 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 estimated future payments which are denominated in a currency other than INR, are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and 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 recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings 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 recognised immediately in profit or loss as past service cost.

Defined contribution plans

Superannuation fund: Contribution to Superannuation Fund, a defined contribution scheme, is made at pre-determined rates to the Superannuation Fund, Life Insurance Corporation and is charged to the Statement of Profit or loss. There are no other obligations other than the contribution payable to the Superannuation Fund.

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

(iii) Other long-term employee benefit obligations

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

2.1.21 Earning Per Shares

a) Basic earnings per share

Basic 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 and excluding treasury shares.

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

2.1.22 Investment in subsidiaries & Associates

Investment in subsidiaries is recognised at cost and are not adjusted to fair value at the end of each reporting period. Cost of investment represents amount paid for acquisition of the said investment. The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

2 Significant accounting policies and critical accounting estimate and judgments (Contd….)

2.1.23 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirements of Schedule III, unless otherwise stated.

2.1.24 Compound Financial Instruments

Compound Financial Instruments are those instruments which have features of both Financial Liability and Equity Instruments.

the initial carrying amount of a compound financial instrument is allocated to its equity and liability components. the equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Fair value of the liability component is the present value of the contractually determined stream of future cash flows discounted at the rate of interest applied at that time by the market to instruments of comparable credit status and providing substantially the same cash flows, on the same terms but without the convertibility option.

Transaction costs related to an issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

2.2 Critical accounting estimates and judgements:

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

2.2.1 Estimation of fair value of unlisted securities

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions.

2.2.2 Effective interest rate method

The Company recognises interest income/expense using the effective interest rate, i.e., a rate that represents the best estimate of a constant rate of return over the expected life of the loans. The effective interest method also accounts for the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

2.2.3 Impairment of financial assets using the expected credit loss method

The measurement of impairment losses on loan assets and commitments, requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the various formulae and the choice of inputs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL model
- It has been the Company's policy to regularly review its model in the context of actual loss experience and adjust when necessary.

2.2.4 Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI test and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement considered by the Company in determining the business model including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

2.2.5 Provisions and contingent liabilities

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligations for which a reliable estimate cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.3 Scheme of Demerger

The Company applies the acquisition method of accounting for Scheme of Demergers where common control does not exist. The consideration transferred by the Company for the acquisition of business comprises of fair value of the assets transferred, liabilities incurred, and the equity interests issued by the Company as at the acquisition date i.e. the date on which it obtains the control of the acquiree. The acquisition related costs are recognised in the statement of profit and loss as incurred, except to the extent related to the issue of debt or equity securities.

Identifiable assets acquired and liabilities assumed in a Scheme of Demerger are measured initially at their fair values on the acquisition date. Intangible assets acquired in a Scheme of Demerger and recognised separately from Goodwill are initially recognised at their fair value at the acquisition date. Subsequent to initial recognition, intangible assets as well as Goodwill acquired in a Scheme of Demerger are reported at cost less accumulated amortisation and accumulated impairment losses, respectively.

Goodwill is initially measured at cost, being the excess of the consideration transferred over the fair value of the net identifiable assets acquired. After initial recognition, Goodwill is tested annually for impairment and any impairment loss for Goodwill is recognised in the statement of profit and loss.

If the consideration transferred is less than the fair value of net identifiable assets acquired, the difference is recognised as capital reserve in other equity If there does not exist clear evidence of the underlying reasons for classifying the Scheme of Demerger as a bargain purchase otherwise the difference is recognised in other comprehensive income on the acquisition date and accumulate the same in equity as capital reserve.

Further details and impact of this merger on financial statements of the Company is disclosed in note 64.

2.4 Recent Accounting Pronouncements

Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from period starting 01 April 2023:

Ind AS 107 - Financial instruments : Disclosures

This amendment adds to the amendments in Ind AS 1 and specifies that material accounting policy information needs to be disclosed. It also specifies that information about the measurement basis (or bases) used for financial instruments is expected to be material information. Prior to the amendment, Ind AS 107 required an entity to disclose significant accounting policies, comprising the measurement basis (or bases) and other accounting policies used that are relevant to an understanding of the financial statements.

Consequential changes have been carried out in Appendix B - Application Guidance. The said amendment does not have any material impact on the Company's financial statements.

2 Significant accounting policies and critical accounting estimate and judgments (Contd….)

2.4 Recent Accounting Pronouncements (Contd…)

Ind AS 1 - Presentation of financial statements

This amendment aims to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant accounting policies' with a requirement to disclose their 'material accounting policy information' and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. Consequential amendments have been made in Ind AS 107. The Company is currently assessing its accounting policy information disclosures to ensure consistency with the amended requirements.

Ind AS 8 - Accounting policies, changes in accounting estimates and errors

This amendment provides a clear definition of accounting estimates and clarifies the distinction between changes in accounting estimates and changes in accounting policies/correction of errors. It also, explains the difference between estimation techniques and valuation techniques by way of examples to provide clarity. The said amendment is not expected to have a material impact on the Company's financial statements.

Ind AS 12 - Income taxes

This amendment narrows the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The Company is currently assessing the impact of the amendments.

Ind AS 34 - Interim financial reporting

This amendment substitutes the words 'significant accounting policies' with the words 'material accounting policy information' consequential to the amendments to Ind AS 1 as stated above. The Company is currently assessing the impact on the financial statements.

3. Cash & Cash equivalents **(Rs. in Crores)**

Particulars	As at March 31, 2024		As at March 31, 2023	
(i) Cash on hand		-		0.07
(ii) Balance with Banks in Current Accounts				
- in Current Accounts	3.82		282.09	
- in deposits with maturity of 3 months or less	-		-	
		3.82		282.09
		3.82		**282.16**

1. Refer note no. 64 on Scheme of Demerger

2. On account of scheme of demerger the same current account is being used for both the demerged as well as the residual entity during the transition period

4. Bank balance other than cash & cash equivalents **(Rs. in Crores)**

Particulars	As at March 31, 2024		As at March 31, 2023	
Balances with banks:				
(i) In earmarked accounts				
- Unclaimed dividend accounts				
(ii) Fixed Deposits with banks				
- Credit enhancement towards securitisation	-		541.29	
Less :- Impairment loss allowance towards pass through certificate book	-		(463.34)	
	-		**77.95**	
- Free Fixed Deposits	**121.71**			
- For others (Refer note no 2)	-		136.00	
		121.71		**213.95**
		121.71		**213.95**

Note:

1. Fixed deposit with banks earn interest at fixed rate.

2. Others includes Fixed deposit amounting to Rs. 114.04 crores set aside against NABARD borrowings, One of the Inter Creditors Agreement (ICA), who has given its conditional "no dues and release letter" to the company for accepting the liquidation value set aside with Bank of Baroda in terms of the Resolution Plan. (Refer note no. 65)

3. Refer note no. 64 on Scheme of Demerger

5. Derivative Financial Instruments **(Rs. in Crores)**

Particulars	As at March 31, 2024		
	Notional amounts	**Fair value Liability**	**Fair value asset**
Net gain on derivative financial Instruments (Market Linked Debentures)	-	-	-
	-	**-**	**-**

(Rs. in Crores)

Particulars	As at March 31, 2023		
	Notional amounts	**Fair value Liability**	**Fair value asset**
Net gain on derivative financial Instruments (Market Linked Debentures)	-	-	-
	-	**-**	**-**

6. Receivables **(Rs. in Crores)**

Particulars	As at March 31, 2024		As at March 31, 2023	
Trade Receivables considered good - Unsecured				
(i) Receivables	1.12		-	
(ii) Receivables - credit impaired	-		33.07	
Less: Impairment loss allowance	-		(33.07)	
		1.12		0.00
Other Receivables - Unsecured		-		0.00
		1.12		**0.00**

RELIANCE COMMERCIAL FINANCE LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

6. Receivables (Contd…)
Trade receivables (Gross) ageing
As at March 31, 2024 **(Rs. in Crores)**

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 6 months	6 months - 1 year	1 - 3 years	More than 3 years	
1) Undisputed Trade receivables – considered good	-	1.12	-	-	-	1.12
2) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
3) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-
4)) Disputed Trade receivables – considered good	-	-	-	-	-	-
5) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
6)Disputed Trade receivables – credit impaired	-	-	-	-	-	-
						-

Trade receivables (Gross) ageing
As at March 31, 2023 **(Rs. in Crores)**

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 6 months	6 months - 1 year	1 - 3 years	More than 3 years	
1) Undisputed Trade receivables – considered good	-	-	-	-	-	-
2) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
3) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-
4) Disputed Trade receivables – considered good	-	-	-	-	-	-
5) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
6) Disputed Trade receivables – credit impaired	-	-	-	14.65	18.42	33.07

Reconciliation of impairment loss allowance on trade receivables: **(Rs. in Crores)**

Particulars	As at March 31, 2024
Impairment allowance as per March 31, 2022	**33.07**
Add: Addition / (Reduction) during the year (net)	-
Impairment allowance as per March 31, 2023	**33.07**
Add: Addition / (Reduction) during the year (net)	(33.07)
Impairment allowance as per March 31, 2024	**-**

Notes:
1. No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.
2. No trade or other receivables are interest bearing. Futher, Rs. 0.00 indicates amount below Rs.50,000.
3. Refer note no. 64 on Scheme of Demerger

7. Loans **(Rs. in Crores)**

Particulars	As at March 31, 2024		As at March 31, 2023	
A. Loans				
(i) Secured, Considered good				
Related Party	-		-	
Others	-		8,420.23	
		-		8,420.23
(ii) Unsecured				
- Considered good				
Related Party	-		0.33	
Others	-		151.78	
		-		152.11
B. Interest accrued on Loans				
(i) Secured		-		946.33
(ii) Unsecured		-		56.60
Total Gross Credit Exposure		**-**		**9,575.26**
Less: Impairment loss allowance (A + B)				
- Contingent provision against standard assets	-		(6.00)	
- Provision for NPA & Doubtful Debts	-		(7,871.36)	
- ECL adjusted for Cash Collateral provided for PTC Deals as an Earmarked FD (Refer note 4(3))	-		463.34	
		-		**(7,414.01)**
Total Net Credit Exposure		**-**		**2,161.25**

The company has entered into Debt Discharge Agreement dated 5th August 2023 with the guarantors of certain general purpose loans to erstwhile group companies having total principal outstanding balance of Rs. 4,979.89 Crore (which subsequently included loans taken over at Nil value under Business Transfer Agreement with Reliance Home Finance Ltd). Pursuant to the Agreement the company has arrived at a settlement amount towards discharge of guarantee and received equity shares of Reliance Infrastructure Ltd of Rs 891.26 crore and Reliance Power Ltd of Rs.151.95 crore and debentures of Reliance Broadcast Business News Holding Private Limited of Rs.129.88 crore. These equity shares have been stated at fair value through Other Comprehensive Income in the financial statements. Remaining principal outstanding loans of Rs. 2,124.23 Crore of the aforesaid borrowers, have been written off in the statement of profit and loss for the year. Further action for the remaining amount of Rs. 2,214.42 Crore shall be continued by the holding company upon demerger.

RELIANCE COMMERCIAL FINANCE LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(Rs. in Crores)

Particulars	As at March 31, 2024		As at March 31, 2023	
B. Breakup of Loan as given above				
Loans - At amortised cost				
Secured by tangible assets		-		9,366.56
Unsecured		-		208.71
Total (B) - Gross		-		**9,575.26**
(Less): Impairment loss allowance		-		7,414.01
Total (B) - Net		-		**2,161.25**
C. Breakup of Loan as given above				
Loans in India				
- Public sector		-		-
- Others		-		9,575.26
Total (C) - Gross		-		**9,575.26**
(Less): Impairment loss allowance		-		7,414.01
Total (C) - Net		-		**2,161.25**

1. There are no loans measured at FVOCI or FVTPL or designated at FVTPL.
2.' Refer note no. 64 on Scheme of Demerger

8. Investments (Rs. in Crores)

Particulars	Face Value / Issue Price	As at March 31, 2024		As at March 31, 2023	
		Quantity	Value	Quantity	Value
(A) At cost					
(a) Investment in associates					
Gulfoss Enterprise Private Limited (@ Rs. 49,990)	10	-	-	4,999	@
Global Wind Power Limited	10	-	-	1,04,61,745	2.18
			-		**2.18**
(b) Less : Impairment loss allowance			-		2.18
Total (A) = (a - b)			-		-
(B) At fair value through other comprehensive income					
(a) Investment in equity shares					
GVR Infra Project Limited	10	-	-	3,19,617	#
Share Microfin Limited	10	-	-	67,526	#
SWAWS Credit Corporation India Private Limited	10	-	-	17,20,668	#
			-		-
(b) Less : Impairment loss allowance			-		-
Total (B) = (a - b)			-		-
(C) At fair value through profit or loss					
(a) In Preference Shares, Unquoted, fully paid-up					
0.001% Optionally Convertible Cumulative Redeemable Preference share of Asmitha Microfin Limited	10	-	-	2,19,00,238	**#**
			-		-
(b) In Debentures & Bonds, Unquoted, fully paid-up					
SWAWS Credit Corporation India Private Limited -OCD-18-March -	100	-	**-**	57,355	**#**
GVR Infra Project Limited 10% OCD	1	-	**-**	6,46,83,384	**#**
			-		-
(c) In Security Receipts, Unquoted, fully paid-up					
Reliance ARC Trust 026 -December 30, 2016		-	-	4,21,554	63.23
Indian Receivable Trust I September 30, 2016		-	-	1.00	0.17
Indian Receivable Trust II March 24, 2017		-	-	150.00	0.29
Indian Receivable Trust II October 31, 2018		-	-	10.00	1.84
Indian Receivable Trust II January 23, 2019		-	-	309.00	0.40
Indian Receivable Trust III February 22, 2019		-	-	94.00	2.36
			-		**68.29**
(d) In Unit of Mutual Fund, Quoted, fully paid-up					
Reliance Credit Risk Fund - Direct Plan - Growth Plan		-	-	**30 30 548**	9.53
Reliance Floating Rate Fund - Direct Plan Growth Plan - Growth		-	-	**27 44 516**	10.85
Kotak Low Duration fund		-	-	**11 807**	3.61
HDFC Banking and PUS Debt Fund		-	-	**24 11 963**	4.83
Nippon India Liquid fund - Direct Plan Growth Plan- Growth		-	-	1,31,496.17	72.41
			-		**101.23**
(e) Less : Impairment loss allowance			-		-
Total (C) = (a + b + c + d - e)			-		**169.53**
Total (A + B + C)			-		**169.53**
Investmenst out side India			-		-
Investments in India			-		171.71
Net Investments (A)			-		**171.71**
Impairment loss allowance (B)			-		**2.18**
Total (A - B)			-		**169.53**

Note :
1. Investment in subsidiaries and associate are measured at cost as per Ind AS 27.
2. # Investments written off.
3. Refer note no. 64 on Scheme of Demerger
4. Reconciliation of impairment loss allowance on Investments measured at cost (Rs. in Crores)

Particulars	As at March 31, 2024
Impairment allowance as per March 31, 2022	**2.18**
Add: Addition / (Reduction) during the year (net)	-
Impairment allowance as per March 31, 2023	**2.18**
Add: Addition / (Reduction) during the year (net)	(2.18)
Impairment allowance as per March 31, 2024	-

9. Other financial assets **(Rs. in Crores)**

Particulars	As at March 31, 2024		As at March 31, 2023	
(i) Security deposits, Unsecured, considered good	-		10.88	
Less : Impairment loss allowance	-	-	(9.38)	1.50
(ii) Excess interest spread receivable		-		19.23
(iii) Receivable against securitisation / assignment (net)	-		139.78	
Less : Impairment loss allowance	-	-	(116.08)	23.70
(iv) Interest accrued on fixed deposits with banks		-		7.78
(v) Sundry receivables/advances - Considered good (Refer Note 1 below)		-		41.01
		-		**93.21**

1. Sundry receivables/advances includes security deposit of Rs. Nil (Previous year Rs. 39.04 cr) with Reliance Securities limited for Margin money.
2. Refer note no. 64 on Scheme of Demerger

Reconciliation of impairment loss allowance on Security Deposit & Receivable against securitisation / assignment:

(Rs. in Crores)

Particulars	As at March 31, 2024
Impairment allowance as per March 31, 2022	**137.83**
Add: Addition / (Reduction) during the year (net)	(12.36)
Impairment allowance as per March 31, 2023	**125.46**
Add: Addition / (Reduction) during the year (net)	(125.46)
Impairment allowance as per March 31, 2024	**-**

10. Current tax assets **(Rs. in Crores)**

Particulars	As at March 31, 2024		As at March 31, 2023	
Taxes paid (TDS & advance Income Tax)		13.82		10.81
		13.82		**10.81**

Refer note no. 64 on Scheme of Demerger

11. Deferred tax assets

	Particulars	As at March 31, 2024		As at March 31, 2023	
	Deferred tax Asset disclosed in the Balance Sheet comprises the following :				
a)	**Deferred Tax Liability**				
	(i) Related to Property, plant and equipment	-	-	-	-
	(ii) Fair Value of Investments				
	(iiI) Fair Value of Investments				
	(iii) Excess Interest Spread Receivable	-	-	-	-
	(iv) Interest on Collateral Deposits				
		-	-	-	-
b)	**Deferred Tax Asset**				
	(i) Disallowance under the Income Tax Act, 1961	-	-	-	-
	(ii) Expected Credit Loss	-	-	-	-
	(iii) Unamortised Processing Fees				
	(iv) Tax Lossess				
		-	-	-	-
	Net Deferred Tax Liabilities/(Asset) (a) - (b)	-	-	-	-

Note :
As a matter of prudence, the Company has decided not to recognise any deferred tax assets (net) in books of accounts. In future, it is recognised only to the extent that it is probable that future profits will be available against which the deductible temporary difference can be utilised.

12. Property, plant and equipment **Rs. In crores**

Particulars	Freehold land	Buildings	Furniture & fixtures	Office Equipments	Computers	Plant & Machinery	Vehichles	Total
Gross block								
As at April 1, 2022	**84.42**	**64.11**	**3.01**	**1.77**	**21.71**	**4.23**	**2.39**	**181.64**
Add : Additions during the year	-	-	0.14	0.06	0.30	-	-	0.50
Less : Deduction during the year	-	-	1.24	0.92	17.71	-	-	19.87
As at March 31, 2023	**84.42**	**64.11**	**1.91**	**0.91**	**4.30**	**4.23**	**2.39**	**162.27**
Add : Additions during the year	-	-	0.13	0.02	0.55	-	0.02	0.71
Less : Deduction during the year	-	-	0.01	0.02	2.02	-	0.01	2.05
Less : On accounts of Scheme of Demerger (Refer note no 64)	-	-	(2.03)	(0.91)	(2.83)	(4.23)	(2.40)	(12.39)
Reclassified as Investment Property *	(84.42)	(64.11)	-	-	-	-	-	(148.53)
As at March 31, 2024	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Accumulated depreciation and Impairment losses								
As at April 1, 2022	**-**	**16.55**	**2.08**	**1.77**	**21.62**	**3.87**	**1.80**	**47.69**
Add : For the year	-	3.33	0.15	0.01	0.06	0.18	0.15	3.86
Less : Deduction during the year	-	-	0.74	0.92	17.69	-	-	19.35
As at March 31, 2023	**-**	**19.88**	**1.48**	**0.86**	**3.99**	**4.05**	**1.95**	**32.20**
Add : For the year	-	1.66	0.07	0.01	0.14	0.04	0.08	2.00
Less : Deduction during the year	-	-	0.01	0.02	2.02	-	-	2.04
Add / (less) : Adjustement	-	-	-	-	-	-	-	-
Less : On accounts of Scheme of Demerger (Refer note no 64)		(21.54)	(1.55)	(0.85)	(2.11)	(4.08)	(2.03)	(32.16)
As at March 31, 2024	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net carrying amount								
As at March 31, 2023	**84.42**	**44.22**	**0.43**	**0.06**	**0.31**	**0.19**	**0.44**	**130.07**
As at March 31, 2024	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

The Company has not revalued any of its property, plant and equipment during the year ended March 31, 2024 and year ended March 31, 2023. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

Rs. 0.00 indicates amount below Rs.50,000.

* The PPE has been reclassifed as Investment Property.

Notes to the financial statement for the period ended March 31, 2024

12A Investment Property

	Own Assets
Particulars	**Buildings**
Year ended March 31, 2023	
Gross carrying amount	
Opening gross carrying amount	-
Reclassified from PPE	148.53
Disposals and transfers	-
Closing gross carrying amount	**148.53**
Accumulated impairment value	
Opening accumulated impairment	
Accumulated impairment	21.54
Impairment during the year	1.66
Disposals and transfers	-
Closing accumulated impairment value	**23.20**
Net carrying amount as at March 31, 2024	**125.33**

1. Refer note no. 64 on Scheme of Demerger

2. The certified true copy of NCLT order was received on 20th May 2024. Prior to the order these assets were forming part of PPE wherein valuation wasn't required.

13 Other Intangible assets **Rs. In crores**

Particulars	**Other Intangible Assets (Computer Software)**	**Total**
Gross block		
As at March 31, 2022	**71.24**	**71.24**
Add : Additions during the year	0	0
Less : Deduction during the year	-	-
Add : On accounts of Scheme of Business Combination (Refer note no 68)	0.44	0.44
Amount as at March 31, 2023	**71.68**	**71.68**
Add : Additions during the year	-	-
Less : Deduction during the year	-	-
Add : Adjustment	-	-
Less : On accounts of Scheme of Demerger (Refer note no 64)	(71.68)	(71.68)
Gross Carrying amount as at March 31, 2024	**-**	**-**
Accumulated depreciation and impairment losses		
As at March 31, 2022	**65.31**	**65.31**
Add : For the year	4.43	4.43
Less : Deduction during the year	-	-
As at March 31, 2023	**69.74**	**69.74**
Add : For the year	1.03	1.03
Less : Deduction during the year	-	-
Less : On accounts of Scheme of Demerger (Refer note no 64)	(70.77)	(70.77)
Accumulated depreciation as at March 31, 2024	**-**	**-**
As at March 31, 2023	**1.94**	**1.94**
As at March 31, 2024	**-**	**-**

Note : Rs. 0.00 indicates amount below Rs.50,000.

14. Other Non- financial assets **(Rs. in Crores)**

Particulars	As at March 31, 2024		As at March 31, 2023	
(i) Sundry receivables/advances, Unsecured, considered good				
- Considered good	-		1.97	
- Considered doubtful	-	-	-	1.97
(ii) Repossessed assets held for sale -Secured	-		7.19	
Less : Impairment loss allowance	-	-	(5.34)	1.85
(iii) Prepaid expenses		-		3.19
(iv) Goods and service tax input credit		-		28.57
(v) Advance - gratuity		-		-
		-		**35.58**

1. Refer note no. 64 on Scheme of Demerger

2. Reconciliation of impairment loss allowance on Repossessed assets held for sale. **(Rs. in Crores)**

Particulars	As at March 31, 2024
Impairment allowance as per March 31, 2022	**3.06**
Add: Addition / (Reduction) during the year (net)	2.28
Impairment allowance as per March 31, 2023	**5.34**
Add: Addition / (Reduction) during the year (net)	**(5.34)**
Impairment allowance as per March 31, 2024	**-**

15. Trade payables **(Rs. in Crores)**

Particulars	As at March 31, 2024		As at March 31, 2023	
Total outstanding dues of :				
- Micro enterprises and small enterprises		-		-
- Creditors other than micro enterprises and small enterprises				
(i) Due to Related Party	-		-	
(ii) Due to Others	-	-	2.47	2.47
		-		**2.47**

1. Refer note no. 64 on Scheme of Demerger

Based on and to the extent of information received by the Company from the suppliers regarding their status under the Micro,Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied

(Rs. in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
1. Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
2. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
3. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
4. The amount of interest due and payable for the year	-	-
5. The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
6. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Trade Payables ageing schedule for March 31, 2024 **(Rs. in Crores)**

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment			Total
			Less than 1 year	1 - 3 Year	3 - 5 Year	
MSME	-	-	-	-	-	**-**
Others	-	-	-	-		**-**
Disputed dues MSME	-	-	-	-	-	**-**
Disputed dues others	-	-	-	-	-	**-**

15. Trade payables (Contd…)

Trade Payables ageing schedule for March 31, 2023 **(Rs. in Crores)**

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment			Total
			Less than 1 year	1 - 3 Year	3 - 5 Year	
MSME	-	-	-	-	-	**-**
Others	-	-	2.47	-	-	**2.47**
Disputed dues MSME	-	-	-	-	-	**-**
Disputed dues others	-	-	-	-	-	**-**

15A. Other payables **(Rs. in Crores)**

Particulars	As at March 31, 2024		As at March 31, 2023	
(i) Collateral deposit from customers		-		20.46
(ii) Interest on Collateral		-		7.71
(iii) Liabilities towards Securitisation transactions		-		1,273.10
		-		**1,301.28**

1. Refer note no. 64 on Scheme of Demerger

Based on and to the extent of information received by the Company from the suppliers regarding their status under the Micro,Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year-end are furnished below:

(Rs. in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
1. Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
2. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
3. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
4. The amount of interest due and payable for the year	-	-
5. The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
6. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

16. Debt Securities **(Rs. in Crores)**

Particulars	As at March 31, 2024		As at March 31, 2023	
(i) Non Convertible Debentures				
(At amortised cost)				
-Secured				
a. Related Party	-		1,392.40	
b. Others	63.80		63.80	
		63.80		1,456.20
(ii) Market Link Debentures				
(At fair value through profit & loss)				
- Secured		-		5.03
Total Debt Securities		**63.80**		**1,461.23**
Debt securities in India		63.80		1,461.23
Debt securities outside India		-		-
Total Debt Securities		**63.80**		**1,461.23**

Details of Non-convertible Debentures **(Rs. in Crores)**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Interest range rate	Amount	Interest range rate	Amount
Overdue	9.10% - 14.00%	30.40	9.10% - 14.00%	423.80
Repayable on maturity				
Maturing within 1 year	9.10% - 12.78%	30.40	9.10% - 12.78%	499.80
Maturing between 1 year to 3 years			8.52% - 13.25%	53.20
Maturing between 3 year to 5 years	8.66% - 12.98%	3.00	8.66% - 12.98%	479.40
Maturing beyond 5 years			-	-
Total		**63.80**		**1,456.20**

Details of Market linked Debentures **(Rs. in Crores)**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Interest range rate	Amount	Interest range rate	Amount
Overdue		-		5.03
Total		**-**		**5.03**

1. Refer note no. 64 on Scheme of Demerger

17. Borrowings (Other than Debt Securities) **(Rs. in Crores)**

Particulars	As at March 31, 2024		As at March 31, 2023	
Borrowings - At amortised cost				
(i) From Banks / Financial Institutions				
- Secured				
(a) Term Loan (Note 2)	114.04		437.79	
(b) Cash Credit facilities	-		227.50	
		114.04		665.28
(ii) From Related Parties				
- Unsecured - Inter corporate deposits	426.78		526.71	
Liability component of compound financial instruments				
- Unsecured - Compulsory Convertible Debentures (Note 1)	-	426.78	1,187.65	1,714.36
(iii) From Others				
- Unsecured				
(a) Commercial Papers	-		-	
(b) Inter corporate deposits	-		-	
		-		-
Total		**540.82**		**2,379.65**
Borrrowings in India		540.82		2,379.65
Borrowings outside India		-		-
Total		**540.82**		**2,379.65**

1. Compulsorily Convertible Debentures (CCDs) issued in terms of Resolution Implementation of the company dated 30th September 2022 has been accounted for as compound financial instruments. Vide resolution of board of directors dated 14th July, 2023 the conversion terms of such CCDs has been determined and according to provisions of IND AS 109 the outstanding amount of CCDs has been shown as "instruments entirely equity in nature" in the financial statements. Gain/loss till date of derecognition of compound financial instruments has been included in the other equity. Nevertheless, the same, being component of lending business of the company has been transferred to the holding company.

2. Refer note no. 65 for NABARD Note

Details of Term Loan **(Rs. in Crores)**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Interest range rate	**Amount**	**Interest range rate**	**Amount**
Overdue	8.75% To 11.95%	114.04	8.75% To 11.95%	437.79
Repayable on maturity				
Maturing within 1 year	-	-	-	-
Maturing between 1 year to 3 years	-	-	-	-
Total		**114.04**		**437.79**

Details of Cash Credit **(Rs. in Crores)**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Interest range rate	**Amount**	**Interest range rate**	**Amount**
Overdue		-	9.25% To 17.00%	227.50
Total		**-**		**227.50**

Details of Intercorporate deposit **(Rs. in Crores)**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Interest range rate	**Amount**	**Interest range rate**	**Amount**
Overdue	11.50% To 15.10%	426.78	11.50% To 15.10%	526.71
Repayable on maturity				
Maturing within 1 year	-	-		-
Maturing between 1 year to 3 years	-	-	-	-
Total		**426.78**		**526.71**

17. Borrowings (Other than Debt Securities) (Contd…)

Details of Commercial Paper **(Rs. in Crores)**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Interest range rate	**Amount**	**Interest range rate**	**Amount**
Overdue	-	-		-
Total		**-**		**-**

Notes:

a) Security clause in respect to debentures

Rated, Listed, Secured, Redeemable, Non-convertible Debentures ("Secured NCDs") amounting to Rs. Nil (Previous year Rs. 1,392.40 crore) held by Authum Investment and Infrastructure Limited (Authum), are secured by way of a first charge & mortgage over the Company's Gujarat Immovable Property and first pari-passu charge on all present and future book debts, business receivables, current assets, investments and all other assets of the Company.

For other NCD's (Dissenting Debenture holder's) amount has been set aside as per the resolution plan in the form of Fixed Deposit.

b) Security clause of term loans from banks / financial institutions:

i) Out of the Overdue amount of Rs. 437.79 Crores, Rs. 323.75 Crores represents the unsustainable balance debts of lenders which were not converted to Complusory convertible Debentures (CCD) as at March 31, 2023. However, the same has been converted in the 1st quarter of FY 2023-24.

ii. As per the approved Resolution plan, the total entitlement for the Term loan of NABARD stands at Rs. 114.04 Crores. The Company has set aside the same amount in the form of Fixed Deposit.

c) Security clause of cash credit from banks / financial institutions:

The entire amount of Rs 227.50 Crores represents the unsustainable balance debts of lenders which were not converted to Complusory convertible Debentures (CCD's) as at March 31, 2023. However, the same has been converted in the 1st quarter of FY 2023-24.

d) For Maturity pattern of borrowings as on the balance sheet date, refer Note No. 50 & 51.

18. Subordinated liabilities **(Rs. in Crores)**

Particulars	As at March 31, 2024		As at March 31, 2023	
(i) Non-Convertible Tier II Debentures				
- Unsecured		-		-
(ii) Preference Share Capital				
(Previous year 14,00,000 Preference share of Rs. 1 Each)		-		0.14
Total		**-**		**0.14**
In India		-		0.14
Outside India		#		#
Total		**-**		**0.14**

There are no subordinated liabilities measured at FVTPL or designated at FVTPL.

During the Financial Year 2023-24 entire Preference Share Capital has been redeemed and there is an unclaimed amount of Rs.0.03 cr (2,65,700) As at 31st March 2024.

Details of Non-convertible Tier II Debentures **(Rs. in Crores)**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Interest range rate	Amount	Interest range rate	Amount
Repayable on maturity				
Maturing between 3 year to 5 years	-	-	-	-
Maturing beyond 5 years	-	-	-	-
Total		**-**		**-**

19. Other Financial liabilities **(Rs. in Crores)**

Particulars	As at March 31, 2024		As at March 31, 2023	
(i) Interest accrued on borrowings				
- Accrued but not due	18.29		926.81	
- Accrued and due	-		-	
		18.29		926.81
(ii) Unpaid Dividend				
(iii) Interest on NCD		2.97		
(iv) Collateral deposit from customers		-		
(v) Other liabilities		-		
(vi) Provisions on Expenses		2.35		
(vii) Stamp Duty Amount Payable to Authum		2.00		
(viii) Securitisation/Assignment payable		-		
Total		**25.61**		**926.81**

20. Provisions **(Rs. in Crores)**

Particulars	As at March 31, 2024		As at March 31, 2023	
(i) Employee benefits				
- Gratuity (Refer Note No. 46)	-		0.09	
		-		0.09
(ii) Provision for expenses		-		11.42
Total		**-**		**11.51**

1. Refer note no. 64 on Scheme of Demerger

21. Deferred tax liabilities (net) **(Rs. in Crores)**

Particulars	As at March 31, 2024		As at March 31, 2023	
Deferred tax liabilities				
(i) on account of Scheme Demerger		-		211.69
Total		**-**		**211.69**

Movement of Deferred tax liabilities

- For the year ended March 31st, 2024 **(Rs. in Crores)**

Particulars	Opening Balance as at April 1st, 2023	Recognised in statement in profit & loss	Recognised in statement in Other Comprehensive Income/ Other Equity	Closing Balance as at March 31, 2024
Deferred tax liabilities in relation to				
on account of Scheme Demerger	211.69	-	(211.69)	-
	211.69	**-**	**(211.69)**	**-**

- For the year ended March 31st, 2023 **(Rs. in Crores)**

Particulars	Opening Balance as at April 1st, 2022	Recognised in statement in profit & loss	Recognised in statement in Other Comprehensive Income / Other Equity	Closing Balance as at March 31, 2023
Deferred tax liabilities in relation to				
on account of Scheme Demerger	-	-	211.69	211.69
	-	**-**	**211.69**	**211.69**

As a matter of prudence, the Company has decided not to recognise any deferred tax assets / (liabilities) in the books of accounts. In future, it is to be recognised only to the extent of the probable future profits available against which the deductible temporary difference can be utilised.

22. Other Non-financial liabilities **(Rs. in Crores)**

Particulars	As at March 31, 2024		As at March 31, 2023	
(i) Excess amount received from borrowers		-		48.64
(ii) Statutory dues payables		0.04		0.87
(iii) Other payables		-		3.30
		0.04		**52.82**

1. Refer note no. 64 on Scheme of Demerger

23. Equity share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	Nos.	Amount (Rs. In Crores)	Nos.	Amount (Rs. In Crores)
(i) Authorised shares				
(a) Equity shares of Rs. 10 each	60,00,00,000	600.00	60,00,00,000	600.00
(b) Preference shares of Rs. 10 each	40,00,00,000	400.00	40,00,00,000	400.00
(c) Preference shares of Re. 1 each	20,00,000	0.20	20,00,000	0.20
		1,000.20		**1,000.20**
(ii) Issued, subscribed & paid-up				
Equity share capital				
- Equity shares of Rs. 10 each	13,54,65,700	135.47	13,53,25,700	135.33
		135.47		**135.33**

Instruments entirely equity in nature - Preference Share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	Nos.	Amount (Rs. In Crores)	Nos.	Amount (Rs. In Crores)
Issued, subscribed & paid-up				
Preference share capital				
Preference shares of Rs. 10 each	40,00,00,000	400.00	40,00,00,000	400.00
		400.00		**400.00**

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	Nos.	Amount (Rs. In Crores)	Nos.	Amount (Rs. In Crores)
Outstanding at the beginning of the year	13,53,25,700	135.47	13,53,25,700	135.33
Shares issued during the year	1,40,000	-	-	-
Shares bought back during the year	-	-	-	-
Outstanding at the end of the year	**13,54,65,700**	**135.47**	**13,53,25,700**	**135.33**

Reconciliation of the number of preference shares outstanding at the beginning and at the end of the year.

Particulars	As at March 31, 2024		As at March 31, 2023	
	Nos.	Amount (Rs. In Crores)	Nos.	Amount (Rs. In Crores)
Outstanding at the beginning of the year	40,00,00,000	400.00	40,00,00,000	400.00
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Outstanding at the end of the year	**40,00,00,000**	**400.00**	**40,00,00,000**	**400.00**

(b) Terms/rights/restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exists currently.

The distribution will be in proportion to the number of equity shares held by the shareholders. The dividend proposed by the Board of Directors is subject to the approval of shareholders at the ensuing Annual General Meeting, except in case of interim dividend.

Terms/rights/restrictions attached to preference shares

In case of12% Non Cumulative Compulsorily Convertible Preference of Rs. 10 each :

40,00,00,000, 0%Non-Cumulative Non-Participative and Non convertible Redeemable Preference Shares of Rs. 10/- each (NPNCRPS) shall be redeemed at any time on or before 5 years from the date of allotment i.e. March 29, 2017. These NPNCRPS shall be redeemed at a premium to an amount calculated to yield a return of 12% per annum with effect from date of allotment up to the date of redemption.

With effect from April 1, 2018 the Company has changed the terms of its NPNCRPS. Pursuant to revised terms :

i) 0% NPNCRPS of Rs. 10 each has been changed to 12% Non Cumulative Compulsorily Convertible Preference (NCCCPS) of Rs. 10 each with an option to the Company and the holder thereof to convert the NCCCPS into fully paid equity shares of the Company.

ii) The Call Option can be exercised at any time on or before 15 years from the date of allotment i.e. March 29, 2017, by giving 30 days prior written notice.

iii) These NCCCPS shall be converted into fully paid equity shares of the Company at the end of its tenure, in the conversion ratio of 50 NCCCPS of face value of Rs. 10 each will be converted into 1 Equity Share of face value of Rs. 10 each at a premium of Rs. 490/- per share. Equity shares arising out of conversion of NCCCPS shall rank pari passu with the then existing equity shares of the Company.

23. Equity share capital (Contd…)

(c) Equity Shares of the Company held by the holding/ultimate holding company

Equity shareholders	As at March 31, 2024		As at March 31, 2023	
	Nos.	% holding	Nos.	% holding
Authum Infrastructure & Investment Limited	13,54,65,694	100.00%	13,53,25,694.00	100.00%
Authum Infrastructure & Investment Limited and its nominees	6	0.00%	6.00	0.00%
Total	**13,54,65,700**	**100%**	**13,53,25,700**	**100%**

Preference Shares of the Company held by the holding/ultimate holding company

Preference shareholders	As at March 31, 2024		As at March 31, 2023	
	Nos.	% holding	Nos.	% holding
Authum Infrastructure & Investment Limited	40,00,00,000	100.00%	40,00,00,000	100.00%
Total	**40,00,00,000**	**100.00%**	**40,00,00,000**	**100.00%**

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

Equity shareholders	As at March 31, 2024		As at March 31, 2023	
	Nos.	% holding	Nos.	% holding
Authum Infrastructure & Investment Limited	13,54,65,694	100.00%	13,53,25,694.00	100.00%
	13,54,65,694	**100.00%**	13,53,25,694	100.00%

Details of preference shareholders holding more than 5% of the shares in the Company

Preference shareholders	As at March 31, 2024		As at March 31, 2023	
	Nos.	% holding	Nos.	% holding
Authum Infrastructure & Investment Limited	40,00,00,000	100.00%	40,00,00,000.00	100.00%
	40,00,00,000	**100.00%**	**40,00,00,000**	**100.00%**

(e) Disclosure of Shareholding of Promoters

- For Equity shares

Promoter name	As at March 31, 2024		As at March 31, 2023		% change during the period
	Nos.	% holding	Nos.	% holding	
Authum Infrastructure & Investment Limited	13,54,65,694	100.00%	13,53,25,694.00	100.00%	100.00%
Authum Infrastructure & Investment Limited and its nominees	6	0.00%	6.00	0.00	0.00%
	13,54,65,700	**100.00%**	**13,53,25,700**	**100.00%**	**100.00%**

- For Preference shares

Promoter name	As at March 31, 2024		As at March 31, 2023		% change during the period
	Nos.	% holding	Nos.	% holding	
Authum Infrastructure & Investment Limited	40,00,00,000	100.00%	40 00 00 000	100.00%	100.00%
	40,00,00,000	**100.00%**	**40,00,00,000**	**100.00%**	**100.00%**

(f) Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has not issued any equity shares for consideration other than cash during the period of five year immediately preceeding the reporting date.

(g) Capital management for the Company's objectives, policies and processes for managing capital (Refer note no . 42)

(h) The Company has not bought back any shares during the period of last 5 financial years.

RELIANCE COMMERCIAL FINANCE LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

24. Other Equity **(Rs. in Crores)**

Particulars	**As at March 31, 2024**		**As at March 31, 2023**	
(i) Securities Premium Account				
As per last balance sheet		2,078.11		2,078.11
(ii) Statutory Reserve Fund				
As per last balance sheet		100.86		100.86
(iii) Retained Earning				
As per last balance sheet	(9,048.42)		(13,091.78)	
Add : Addition during the year	1,323.31		4,043.36	
Add: Created as a result of demerger	3,955.48			(9,048.42)
Add : Interest accrued on CCD	58.31	(3,711.31)		
(iv) Re-measurements of post-employment benefit obligation				
As per last balance sheet	(2.23)		(2.38)	
Add : Addition during the year	-	(2.23)	0.15	(2.23)
(v) Capital Reserve				
As per last balance sheet	629.34		-	
Add : Effect of Scheme of Demerger (Refer Note no 64)	-		629.34	
Add : Interest accrued on CCD	-			
Add : Addition during the year	5.28	634.62	-	629.34
(vi) Equity component of Compound financial instruments				
As per last balance sheet	2,457.94		-	
Add : Addition during the year	-		2,457.94	2,457.94
Add/(Less): Transferred to/ (from)	(2,457.94)	-		
TOTAL		**(899.95)**		**(3,784.43)**

Nature and purpose of other equity

a) Securities premium

The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

b) Statutory reserve fund in terms of section 45-IC (1) of the Reserve Bank of India Act, 1934

Every year the Company transfers a sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934. The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-IC(1) in The Reserve Bank of India Act, 1934:

1. Every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.
2. No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal:
 Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twentyone days by such further period as it thinks fit or condone any delay in making such report.
3. Notwithstanding anything contained in sub-section (1), the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order:
 Provided that no such order shall be made unless the amount in the reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC.
4. Current year profit is mainly on account of exceptional items representing write back off borrowings under Inter Creditor Agreement (ICA) approved Resolution plan. Net Worth of the Company is negative owning to the brought forward losses. Hence the Company has not transferred any amount as Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934.

d) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, general reserve and dividend distributed to shareholders.

e) Other Comprehensive Income - Re-measurements of post-employment benefit obligation

The Company recognises change on account of re-measurement of the net defined benefit liability/(asset) with separate disclosure, which comprises of:

- actuarial gains and losses;
- return on plan assets, excluding amounts included in net interest on the net defined benefit liability/(asset); and
- any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability/ (asset).

f) Capital Reserve

Capital reserve is the excess of net assets taken over cost of consideration paid during Business Transfer Agreement.

g) Equity component of Compound financial instruments

Pursuant to the implementation of the Resolution plan, the Company has issued 0% Complusory Convertible Debenturs (CCD) to various banks during the financial year ended March 31, 2023. Considering the accounting principles to be followed in line with Indian Acoounting Standards, the Company has computed the liability portion of CCD as the present value of the contractual obligations associated with the instrument. The difference between the issue amount of the CCD and the liability so computed has been treated as the 'Equity component of compound financial instruments' and grouped under other equity.

RELIANCE COMMERCIAL FINANCE LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

25. Interest income **(Rs. in Crores)**

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
On financial assets measured at amortised costs:				
Interest Income on :				
- Loans	77.45		67.12	
- Fixed deposits	14.73		28.02	
- Others	0.23		2.04	
		92.40		97.18
Total		**92.40**		**97.18**

Other Includes Interest on income tax refund.

26. Fees & Commission income **(Rs. in Crores)**

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
(i) Brokerage & Commission		-		0.11
(ii) Servicing Fee income		0.86		1.08
		0.86		**1.19**

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to the statement of profit and loss:

(Rs. in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Type of services or service		
Brokerage & Commission	-	0.11
Servicing fees & other charges	0.86	1.08
Total revenue from contract with customers	**0.86**	**1.19**
Geographical markets		
- India	0.86	1.19
- Outside India	-	-
Total revenue from contract with customers	**0.86**	**1.19**
Timing of revenue recognition		
Services transferred at a point in time	0.86	1.19
Services transferred over time	-	-
Total revenue from contracts with customers	**0.86**	**1.19**

Contract balance **(Rs. in Crores)**

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
Trade receivables	-	-	-	-
Contract assets	-	-	-	-

27. Net gain on fair value changes **(Rs. in Crores)**

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
At Fair value through Profit & Loss				
(i) Profit on Sale of Investments (Realised)				
- Current	4.54		1.97	
- Long Term	-	4.54	-	1.97
(ii) Fair value Gain/Loss on Investments (Unrealised)	(5.81)		-	
Security Receipts	0.47		(2.35)	
MLD	3.62	(1.72)	13.49	11.15
Foreclosure & Other Operating Charges				-
Mutual Funds				-
		2.82		**13.12**

28. Other operating income **(Rs. in Crores)**

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
Foreclosure & Other Operating Charges		2.76		4.94
Bad Debts Recovered		11.93		59.25
Recovery of portfolio acquired		34.30		
Profit in Trading Nifty (F&O)		28.12		
Profit/Loss on Intraday		0.42		
Dividend Income from Equity		1.33		
		78.84		**64.18**

RELIANCE COMMERCIAL FINANCE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

29. Other income **(Rs. in Crores)**

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
(i) Miscellaneous Income		1.76		0.11
(ii) Rental Income		-		
		1.76		**0.11**

30. Finance Costs **(Rs. in Crores)**

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
On financial liabilities measured at amortised cost:				
Interest on :				
- Borrowings from Banks & Financial Institutions	-		13.29	
- Debt Securities	5.94		185.52	
- Body Corporates	-		36.11	
- Commercial Papers	-		(0.00)	
- Compulsory Convertible Debentures	37.86		20.46	
- F&O Margin	0.23			
- Borrowings (Secu)	1.03			
Lease Expenses	0.09			
Other Finance Charges	(7.09)	38.06	-	255.37
Amortised :				
- Processing Charges	-	-	-	-
		38.06		**255.37**

31. Fees & Commission expenses **(Rs. in Crores)**

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
(i) Credit Cost		0.05		0.16
(ii) Collection Cost		5.38		6.86
		5.43		**7.02**

32. Impairment on financial instruments **(Rs. in Crores)**

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
Impairment loss on financial instruments measured at amortised cost:				
- Loans				
(i) Bad Debts Written Off	1,923.41		1,050.16	
(ii) Provision/(Reversal) for Expected Credit Loss	(3,291.10)		(1,106.61)	
(iii) Reversal of Contingent provision against standard assets	(2.28)		(22.28)	
(iv) Shortfall in Credit Enhancement on Securitisation	68.40		2.74	
(v) ECL on Investment Control	4.70			
(vi) ECL on Securitisation Receivable	19.18	(1,277.70)	-	(75.97)
- Others				
(i) Provision for Expected Credit Loss	9.65		0.11	
(ii) (Profit)/ Loss on Sale of Repossessed Assets	1.04	10.69	1.09	1.21
At Fair value through Profit & Loss				
(i) Provision for Dimunition In Value of Investments	129.88		-	
(ii) Net (gain) / loss on MLD at fair value through profit or loss	-		-	
(iii) Net (gain) / loss on Investments at fair value through profit or loss	-	129.88	-	-
		(1,137.13)		**(74.76)**

RELIANCE COMMERCIAL FINANCE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

33. Employee benefits expenses

(Rs. in Crores)

Particulars	**Year ended March 31, 2024**	**Year ended March 31, 2023**
(i) Salaries and wages	14.94	11.97
(ii) Contrfbution to Provident fund and other Funds	1.07	0.84
(iii) Staff Welfare & other amenities	0.23	0.30
	16.24	**13.11**

34. Other expenses

(Rs. in Crores)

Particulars	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Auditor's Remuneration	0.18	0.18
Bank Charges	0.26	0.15
Directors' Sitting Fees	0.05	0.21
Document Retrival expense	0.51	-
Loss on sale of fixed assets	-	0.50
Electricity Expenses	0.67	-
Legal & Professional Fees	10.96	19.76
Marketing Expenses	0.05	0.12
Miscellaneous Expenses	0.21	12.01
Postage,Telegram & Telephone	0.28	0.12
Printing and Stationary	0.10	0.44
Rates and Taxes	5.15	0.70
Repairs & Maintenance-Others	10.60	11.07
Security expenses	0.62	-
Sundry balance write off	0.09	-
Travelling & Conveyance	0.43	0.59
Resolution Expenses	11.00	-
Rent	1.87	2.99
Penalties and Late Fees	0.10	-
	43.15	**48.85**

1. Auditor's Remuneration

(Rs. in Crores)

Particulars	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Audit fees	0.17	0.17
Certification Charges	0.01	0.01
Out-of-pocket expenses	-	0.01
Total	**0.18**	**0.18**

35. Corporate Social Responsibility Expenditures (CSR)

During the year 2023-24 and 2022-23, the Company was not required to spend on CSR pursuant to the provisions of Section 135 of the Act.

36 Income tax

a) Component of income tax expenses **(Rs. in Crores)**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Amounts recognised in Profit and Loss		
In respect of the current year income tax	-	-
In respect of the deferred tax	(58.86)	-
In respect of earlier years income tax	-	0.36
Total	**(58.86)**	**0.36**

37 Earning Per share (EPS)

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit for the year attributable to equity holders of Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares;

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Amount used as the numerator for basic EPS profit for the year (Rs. in crores)	**1,323.31**	**4,043.36**
Amount used as the numerator for basic DPS profit for the year (Rs. in crores)	**1,323.31**	**4,063.83**
Weighted average number of equity shares for calculating basic EPS (in nos)	13,54,65,700	13,53,25,700
Weighted average number of equity shares for calculating diluted EPS (in nos)	13,54,65,700	67,29,40,084
Basic earnings per equity share (in Rupees) (face value of Rs. 10/- per share)	97.69	298.79
Diluted earnings per equity share (in Rupees) (face value of Rs. 10/- per share)	97.69	60.39

38 Contingent liabilities **(Rs. in Crores)**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
a. Contingent liabilities		
1. Guarantees to banks and financial institutions	-	0.65
2. Claims against the Company not acknowledges as debt	-	4.02

Future cash outflows in respect of above are determinable only on receipt of judgements /decisions pending with various forums/authorities. It is not practicable for the Company to estimate the timings of the cashflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any claims in respect of the above contingent liabilities. The Company is of the opinion that above demands are not sustainable and expects to succeed in its appeals. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company’s financial position and results of operations.

Refer note no. 64 on Scheme of Demerger

39 Capital commitments

The Company does not have any capital commitments.

40 Segment Information

The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Ind AS 108 dealing with Operating Segment.

41 Transfer of Financial Assets

1) Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Securitisation : **(Rs. in crores)**

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Securitisations		
Carrying amount of transferred assets measured at amortised cost	-	1,253.87
Carrying amount of associated liabilities (other payable - measured at amortised cost)	-	1,273.10
Fair value of assets	-	1,253.87
Fair value of associated liabilities	-	1,273.10

During the year ending March 31, 2023, the Company has taken over all indentified assets & assumed liabilities of Reliance Home Finance Limited via Business Transfere Agreement dated March 29, 2023. The Identified assets includes Pass through certificate (Loan) amounting to Rs. 1,021.12 crores & Pass through certificate(other payable) amounting to Rs. 1,040.35 crores.

2) Assignment Deal:

Demerger

3) Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

42 Capital risk management

The Company actively manages its capital base to cover risks inherent to its business and meet the capital adequacy requirement of RBI. The adequacy of the Company’s capital is monitored using, among other measures, the regulations issued by RBI.

(i) Capital management

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

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

42 Capital risk management (Contd…)

(ii) Regulatory Capital

The Company is subject to the capital adequacy requirements of the Reserve Bank of India (RBI). Under RBI's capital adequacy guidelines, the Company is required to maintain a capital adequacy ratio consisting of Tier I and Tier II Capital. The minimum capital ratio as prescribed by RBI guidelines and applicable to the Company, consisting of Tier I and Tier II capital, shall not be less than 15 percent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet. The Tier I capital, at any point of time, shall not be less than 10%.

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

(Rs. in crores)

Capital to risk assets ratio (CRAR):	**As at March 31, 2024**	**As at March 31, 2023**
Tier I capital	(364.48)	(3,366.76)
Tier II capital	-	-
Total capital /Net Owned Fund	**(364.48)**	**(3,366.76)**
Risk weighted assets		
CRAR (%)	-288.24%	-215.62%
CRAR - Tier I capital (%)	-288.24%	-215.62%
CRAR - Tier II capital (%)	-	-
Amount of subordinated debt considered as Tier II capital (Rs.)	-	-
Amount raised by issue of perpetual debt instruments (Rs.)	-	-

"**Tier I Capital**" means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund.

"**Owned Fund**" means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any

Tier II capital" includes the following -

a. preference shares other than those which are compulsorily convertible into equity;
b. revaluation reserves at discounted rate of fifty five percent;
c. General provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual
d. hybrid debt capital instruments; and
e. subordinated debt;
to the extent the aggregate does not exceed Tier I capital

Aggregate Risk Weighted Assets -

Under RBI Guidelines, degrees of credit risk expressed as percentage weightages have been assigned to each of the on-balance sheet assets and off- balance sheet assets. Hence, the value of each of the on-balance sheet assets and off- balance sheet assets requires to be multiplied by the relevant risk weights to arrive at risk adjusted value of assets. The aggregate shall be taken into account for reckoning the minimum capital ratio.

43 Earnings & Expenditure in Foreign Currency **(Rs. in crores)**

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Earnings in Foreign Currency	-	-
Expenditure in Foreign Currency	-	-

44 Employee benefit plans

a) Defined contribution plans

The Company has recognised the following amounts in the statement of profit and loss towards contribution to defined contribution plans which are included under contribution to provident and other funds:

(Rs. in crores)

Particulars	**2023-24**	**2022-23**
Employer's contribution to provident fund	-	0.72
Employer's contribution to superannuation fund	-	0.01
Employer's contribution to Gratuity Fund	-	-
Total	**-**	**0.73**

Refer note no. 64 on Scheme of Demerger

b) Defined benefit plans

The company has a defined benefit gratuity plan in India (funded). The company's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

i) Balance Sheet **(Rs. in crores)**

Particulars	**Present value of obligation**	**Fair value of plan assets**	**Net amount**
As at April 1, 2022			
Present Value of Benefit Obligation at the beginning of the period	1.52	1.56	**-0.05**
Current service cost	0.19	-	**0.19**
Interest expense/(income)	0.10	0.11	**-0.00**
Liability Transferred In/Acquistions	-	-	**-**
Assets Transferred In/Acquistions	-	-	**-**
Return on plan assets	-	-0.08	0.08
Acturial loss / (gain) arising from change in financial assumptions	(0.05)	-	**(0.05)**
Acturial loss / (gain) arising from change in demographic assumptions		-	-
Acturial loss / (gain) arising on account of experience changes	0.12	-	**0.12**
Employer contributions	-	0.20	**(0.20)**
Benefit payments	(0.61)	(0.61)	**-**
As at March 31, 2023	**1.27**	**1.18**	**0.09**
Current service cost	0.08	-	**0.08**
Interest expense/(income)	0.05	0.04	**0.00**
Liability Transferred In/Acquistions	-	-	**-**
Assets Transferred In/Acquistions	-	-	**-**
Return on plan assets	-	0.02	**-0.02**
Acturial loss / (gain) arising from change in financial assumptions	(0.00)	-	**-0.00**
Acturial loss / (gain) arising from change in demographic assumptions		-	**-**
Acturial loss / (gain) arising on account of experience changes	0.20	-	**0.20**
Employer contributions	-	0.12	**-0.12**
Benefit payments	(0.04)	(0.04)	**-**
Transfer on account of Demerger	(1.55)	(1.32)	**-0.23**
As at March 31, 2024	**-**	**-**	**-**

Refer note no. 64 on Scheme of Demerger

(Rs. in crores)

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Present value of plan liabilities	-	1.27
Fair value of plan assets	-	(1.18)
Plan liability net of plan assets	**-**	**0.09**

44 Employee benefit plans (Contd…)

ii) Statement of Profit and Loss

(Rs. in crores)

Particulars	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
Employee Benefit Expenses:		
Net Interest cost	-	(0.00)
Current service cost	-	0.19
Total	**-**	**0.18**
Finance cost	-	-
Net impact on the profit before tax	**-**	**0.18**
Remeasurement of the net defined benefit liability:		
(i) Return on plan assets excluding amounts included in interest expense/income	-	0.08
(ii) Actuarial gains/(losses) arising from changes in demographic assumptions	-	-
(iii) Actuarial gains/(losses) arising from changes in financial assumptions	-	0.07
(iv) Actuarial gains/(losses) arising from changes in experience	-	-
(v) Actuarial gains/(losses) arising from changes in experience	-	-
Net impact on the other comprehensive income before tax	**-**	**0.15**

iii) Defined benefit plans assets

Category of assets (% allocation)	**As at March 31, 2024**	**As at March 31, 2023**
Insurer managed funds		
- Government securities	-	-
- Deposit and money market securities	-	100.00
- Debentures / bonds	-	-
- Equity shares	-	-
Total	**-**	**100.00**

iv) Actuarial assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Discount rate	0.00%	7.41%
Salary escalation rate*	0.00%	6.00%

* takes into account the inflation, seniority, promotions and other relevant factors

v) Demographic assumptions

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Mortality Rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Attrition Rate	For Service 4 years and below 20.00% p.a. and For Service 5 years and above 5.00% p.a.	For Service 4 years and below 20.00% p.a. and For Service 5 years and above 5.00% p.a.
Retirement Age	58 Years	58 Years
Vesting Period	5 Years	5 Years

44 Employee benefit plans (Contd…)

vi) Sensitivity

As at March 31, 2024	**Change in assumption**	**Impact on defined benefit obligation**	
		Increase	**Decrease**
Discount rate	0.00%	-	-
Salary escalation rate	0.00%	-	-
Employee Turnover rate	0.00%	-	-

As at March 31, 2023	**Change in assumption**	**Impact on defined benefit obligation**	
		Increase (Rs. In crores)	**Decrease ((Rs. In crores)**
Discount rate	1.00%	0.10	0.09
Salary escalation rate	1.00%	0.10	0.09
Employee Turnover rate	1.00%	0.01	0.01

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 benefit obligation calculated with the projected unit credit method at the end of the 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 period.

vii) Maturity

The defined benefit obligations shall mature after year end as follows: **(Rs. in crores)**

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
1st Following Year	-	0.16
2nd Following Year	-	0.07
3rd Following Year	-	0.08
4th Following Year	-	0.07
5th Following Year	-	0.12
Sum of 6 to 10	-	0.53
Sum of Year 11 and above	-	1.40

Refer note no. 64 on Scheme of Demerger

45 Related party transactions

Disclosure of transactions with related parties as required by Ind AS 24

A. List of Related Parties and their relationship:

i) Holding Company

Authum Investment & Infrastructure Limited (Holding Company w.e.f. 14/10/2022)

ii) Associate Company

1 Gullfoss Enterprises Private Limited (till May 29, 2023)
2 Global Wind Power Limited (till September 25, 2023)

iii) Enterprises in which Key Managerial Personnel and their Relative Exercise significant influence

1 Altura Capital Advisors LLP
2 Authum Asset Management Company Private Limited
3 Authum Real Estate Private Limited
4 Authum Realty & Developers LLP
5 Back Page Realty Private Limited
6 Backforth Estate Private Limited
7 Bagaria & Co LLP
8 Berix Bearing Private Limited
9 Better Real Estate Private Limited
10 CLN Properties Private Limited
11 Geetanjali Infosystems Private Limited
12 Sawshy Realty Private Limited
13 United Estates Builders and Developers Private Limited
14 Uniworld Entertainment Private Limited
15 Mentor Capital Ltd.

iv) Key management personnel

1 Mr. Sanjay Dangi - Non-Executive Director (w.e.f. October 14, 2022)
2 Mr. Amit Dangi - Non-Executive Director (w.e.f. October 14, 2022)
3 Mr. Rohit Bhanja - Chief Executive Officer (w.e.f March 17, 2022)
4 Mr. Arpit Malaviya - Chief Financial Officer (Ceased w.e.f July 28, 2023)
5 Mr. Amit Jha - Chief Financial Officer (w.e.f July 29, 2023)
6 Ms. Avni Dharmesh Shah (Company Secretary & Compliance Officer) (w.e.f January 9, 2023)
7 Ms. Bhaviika Jain - Independent Director (w.e.f January 9, 2023)
8 Mr. Mahavir Hingar - Independent Director (w.e.f September 5, 2023)
9 Mr. Rahul Bagaria - Independent Director (w.e.f November 05, 2022)
10 Mr. Sanjiv Swarup - Independent Director (resigned w.e.f September 01, 2024)

45 Related party transactions

B Transactions with related parties during the year

(Rs. In Crores)

Particulars	Holding Company	Subsidiary Company	Associates of the Company	Fellow Subsidiaries	Promoter Company of Holding Company	Key Management Personnel	Director Sitting Fees	Others	Total
1. With Authum Investment & Infrastructure Limited									
(i) Equity Share Capital									
Balance as at March 31, 2024	**135.47**	-	-	-	-	-	-	-	**135.47**
	(135.33)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(135.33)
(ii) Preference Share Capital									
Balance as at March 31, 2024	**400.00**	-	-	-	-	-	-	-	**400.00**
	(400.00)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(400.00)
(iii) Securities Premium Received on Issue of Equity Shares									
Balance as at March 31, 2024	**2,078.11**	-	-	-	-	-	-	-	**2,078.11**
	(2,078.11)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(2,078.11)

(Rs. In Crores)

Particulars	Holding Company	Subsidiary Company	Associates of the Company	Fellow Subsidiaries	Promoter Company of Holding Company	Key Management Personnel	Director Sitting Fees	Others	Total
(iv) Compulsorily Convertibale Debentures	-	-	-	-	-	-	-	-	**0.00**
(a) Balance as at March 31, 2024	**(2,157.47)**	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
(v) Non- Convertibale Debentures	-	-	-	-	-	-	-	-	**0.00**
(a) Balance as at March 31, 2024	**(1,392.40)**	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
(vi) Unsecured, Inter corporate deposits Taken									
(a) Loan Received/Adjusted	**526.71**	-	-	-	-	-	-	-	**526.71**
	(871.18)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(871.18)
(b) Loan Repaid/Adjusted	**103.94**	-	-	-	-	-	-	-	**103.94**
	(344.47)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(344.47)
(c) Balance as at March 31, 2024	**422.77**	-	-	-	-	-	-	-	**422.77**
	(526.71)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	**(526.71)**
(vii) Expenses Payable as at March 31, 2024									
(a) Interest on NCD	**21.26**	-	-	-	-	-	-	-	**21.26**
	(564.85)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
(b) Interest on ICD	**-**	-	-	-	-	-	-	-	**0.00**
	(222.35)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
(viii) Rent Expenses									
(a) Rent paid during the year	**0.81**	-	-	-	-	-	-	-	**0.81**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
2. Mentor Capital Limited									
(a) Security Receipts	**-**	**-**	**-**	**-**	**16.49**	**-**	**-**	**-**	**16.49**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-
Balance as at March 31, 2024	(-)	(-)	(-)	(-)	16.49	(-)	(-)	(-)	**16.49**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-
3. With Gullfoss Enterprises Private Limited									
(i) Investments									
In equity shares as on March 31, 2024 & 2023	-	-	-	-	-	-	-	-	-
'@ ₹ 49,990	(-)	(@)	(-)	(-)	(-)	(-)	(-)	(-)	(@)
(ii) ICD									
(a) Balance as at March 31, 2024	-	-	-	-	-	-	-	-	-
	(-)	(-)	(0.33)	(-)	(-)	(-)	(-)	(-)	(0.33)
(iii) Interest Receivable									
(a) Balance as at March 31, 2024	-	-	**0.00**	-	-	-	-	-	-
	(-)	(-)	**-0.17**	(-)	(-)	(-)	(-)	(-)	(0.17)
(iv) Income									
Interest Received on ICD's	-	-	**0.00**	-	-	-	-	-	-
	(-)	(-)	(0.04)	(-)	(-)	(-)	(-)	(-)	(0.04)

RELIANCE COMMERCIAL FINANCE LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

45 Related party transactions

(Rs. In Crores)

Particulars	Holding Company	Subsidiary Company	Associates of the Company	Fellow Subsidiaries	Promoter Company of Holding Company	Key Management Personnel	Director Sitting Fees	Others	Total
4. Employee Benefit Expenses									
(a) Mr. Rohit Bhanja	-	-	-	-	-	**0.86**	-	-	**0.86**
	(-)	(-)	(-)	(-)	(-)	**(0.99)**	(-)	(-)	(0.99)
(b) Mr. Arpit Malaviya	-	-	-	-	-	**0.33**	-	-	**0.33**
	(-)	(-)	(-)	(-)	(-)	**-1.08**	(-)	(-)	(1.08)
(c) Mr. Amit Jha	-	-	-	-	-	**0.49**	-	-	**0.49**
	(-)	(-)	(-)	(-)	(-)	-	(-)	(-)	-
(d) Ms. Avni Shah	-	-	-	-	-	**0.09**	-	-	**0.09**
	(-)	(-)	(-)	(-)	(-)	(0.02)	(-)	(-)	(0.02)
5. Director Sitting Fees									
a) Mr. Sanjiv Swarup	-	-	-	-	-	0.01	-	-	**0.01**
	(-)	(-)	(-)	(-)	(-)	(0.02)	(-)	(-)	(-)
b) Mr. Mahavir Hingar	-	-	-	-	-	0.01	-	-	**0.01**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
c) Mr. Rahul Bagaria	-	-	-	-	-	**0.02**	-	-	**0.02**
	(-)	(-)	(-)	(-)	(-)	**(0.02)**	(-)	(-)	**(0.02)**
d) Ms. Bhaviika Jain	-	-	-	-	-	**0.02**	-	-	**0.02**
	(-)	(-)	(-)	(-)	(-)	**(0.01)**	(-)	(-)	**(0.01)**
6. Gratuity Contibution									
Reliance Commercial Finance Employees Gratuity Trust	-	-	-	-	-	-	-	-	**-**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.20)	**(0.20)**

Notes :

1. Transaction values are including taxes and duties (after netting off input credit), if any.
2. Amounts in bracket : (-) denote previous years figures i.e. financial year 2022-23.
3. Name of the related parties and nature of their relationships where control exists have been disclosed irrespective of whether or not there have been transactions with the Company. In other cases, disclosures have been made only when there have been transactions with those parties.
4. Related parties as defined under clause 9 of the Ind AS 24 'Related party disclosures' have been identified based on representations made by key managerial personnel and information available with the Company. All above transactions are in the ordinary course of business and on an arms' length basis.
5. Provisions for gratuity, compensated absences and other long term service benefits are made for the Company as a whole and the amounts pertaining to the key managerial personnel are not specifically identified and hence are not included above.
6. Refer note no 64 on Scheme of Demerger

46 Risk management objectives and policies

(i) Risk Management Framework

A summary of the major risks faced by the Company, its measurement monitoring and management are described as under:

Nature of Risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Liquidity and funding risk	Liquidity risk arises from mismatches in the timing of cash flows. Funding risk arises: (i) when long term assets cannot be funded at the expected term resulting in cashflow mismatches; (ii) amidst volatile market conditions impacting sourcing of funds from banks and money markets	Board appointed Asset Liability Committee (ALCO)	Liquidity and funding risk is: (i) measured by identifying gaps in the structural and dynamic liquidity statements. (ii) monitored by – assessment of the gap between visibility of funds and the near term liabilities given current liquidity conditions and evolving regulatory directions for NBFCs. – a constant calibration of sources of funds in line with emerging market conditions in banking and money markets. – periodic reviews by ALCO relating to the liquidity position and stress tests assuming varied 'what if' scenarios and comparing probable gaps with the liquidity buffers maintained by the Company. (iii) managed by the Company's treasury team under the guidance of ALCO.
Interest rate risk	Interest rate risk stems from movements in market factors, such as interest rates, credit spreads which impacts investments, income and the value of portfolios.	Board appointed Asset Liability Committee (ALCO)	Interest rate risk is: (i) monitored by assessment of probable impacts of interest rate sensitivities under simulated stress test scenarios given range of probable interest rate movements on both fixed and floating assets and liabilities. (ii) managed by the Company's treasury team under the guidance of ALCO.
Credit risk	Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations to the Company	Board appointed Risk Management Committee	Credit risk is: (i) measured as the amount at risk due to repayment default of a customer or counterparty to the Company. Various matrics such as EMI default rate, overdue position, collection efficiency, customers non performing loans etc. are used as leading indicators to assess credit risk. (ii) monitored by Risk Management Committee using level of credit exposures, portfolio monitoring, geographic, customer and portfolio concentration risks. (iii) managed by a robust control framework by the risk department which continuously align credit policies and reviews of portfolios and delinquencies by senior and middle Management team comprising of risk, analytics, collection and fraud containment along with business. The same is periodically reviewed by the Board appointed Risk Management Committee

(a) Liquidity and funding risk

The Company has an Asset and Liability Committee (ALCO) which monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet.

The Company continuously monitors liquidity in the market as a part of its ALCO strategy.

46 Risk management objectives and policies (Contd.)

Maturity analysis of assets and liabilities

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

(Rs. in Crores)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
1. Financial assets						
(a) Cash and cash equivalents	3.82	-	3.82	282.16	-	282.16
(b) Bank balance other than cash and cash equivalents above	121.71		121.71	213.95		213.95
(c) Derivative financial instruments			-			-
(d) Receivables						
- Trade receivables	1.12		1.12	0.00		0.00
- other receivables	-		-	0.00		0.00
(e) Loans	-	-	-	96.03	2,065.23	2,161.25
(f) Investments	-	-	-	38.10	131.43	169.53
(g) Other financial assets	-	-	-	73.98	19.23	93.21
2. Non-financial assets						
(b) Current tax assets (Net)		13.82	13.82		10.81	10.81
(c) Deferred tax assets (Net)		-	-		-	-
(d) Property, plant and equipment		-	-		130.07	130.07
(f) Investment Property	-	125.33	125.33	-	-	-
(g) Other intangible assets		-	-		1.94	1.94
(h) Other non-financial assets	-	-	-	3.82	31.76	35.58
Total Assets	**126.65**	**139.14**	**265.79**	**708.04**	**2,390.47**	**3,098.50**

(Rs. in Crores)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
1. Financial liabilities						
(a) Payables						
- Trade payables	-	-	-	2.47	-	2.47
- Other payables	-	-	-	42.83	1,258.45	1,301.28
(b) Debt securities	63.80	-	63.80	928.63	532.60	1,461.23
(c) Borrowings (Other than debt securities)	540.82	-	540.82	1,191.99	1,187.65	2,379.65
(d) Subordinated liabilities	-	-	-	0.14	-	0.14
(e) Other financial liabilities	25.61	-	25.61	926.81	(0.01)	926.81
2. Non-financial Liabilities						
(a) Provisions	-	-	-	11.51	-	11.51
(b) Deferred tax liabilities (net)	-	-	-	-	211.69	211.69
(c) Other non-financial liabilities	0.04	-	0.04	52.82	-	52.82
Total liabilities	**630.27**	**-**	**630.27**	**3,157.21**	**3,190.38**	**6,347.60**

Note

Information on maturity pattern is based on the reasonable assumptions made by the Management.

(b) Market risk

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates and equity prices. The Company do not have any exposure to foreign exchange rate and equity price risk.

(c) Credit risk

Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations to the Company. It has a diversified lending model and focuses on six broad categories viz: (i) consumer/retail lending, (ii) SME lending, (iii) infra lending, (iv) micro financing, and (vi) other commercial lending. The Company assesses the credit quality of all financial instruments that are subject to credit risk. The company has manged the credit risk by diversifying into retail segment in recent years. In SME lending also, focus has been on the products with lower ticket size.

Classification of financial assets under various stages

The Company classifies its financial assets in three stages having the following characteristics:

- Stage 1: unimpaired and without significant increase in credit risk since initial recognition on which a 12 months allowance for ECL is recognised;
- Stage 2: a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised;
- Stage 3: objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

Unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when they are 30 days past due (DPD) and are accordingly transferred from stage 1 to stage 2. For stage 1 an ECL allowance is calculated based on a 12 months Point in Time (PIT) probability weighted probability of default (PD). For stage 2 and 3 assets a life time ECL is calculated based on a lifetime PD.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD).

46 Risk management objectives and policies (Contd.)

(ii) Collateral Valuation

The nature of products across these broad categories are either unsecured or secured by collateral. Although collateral is an important risk mitigant of credit risk, the Company's practice is to lend on the basis of assessment of the customer's ability to repay rather than placing primary reliance on collateral. Based on the nature of product and the Company's assessment of the customer's credit risk, a loan may be offered with suitable collateral. Depending on its form, collateral can have a significant financial effect in mitigating the Company's credit risk.

(iii) Analysis of Concentration Risk

A The table below summarises the approach adopted by the Company for various components of ECL viz. PD, EAD and LGD across product lines using emperical data where relevant:

<table>
<tr><th rowspan="2">Lending verticals</th><th rowspan="2">Nature of businesses</th><th colspan="3">PD</th><th rowspan="2">EAD</th><th rowspan="2">LGD</th></tr>
<tr><th>Stage 1</th><th>Stage 2</th><th>Stage 3</th></tr>
<tr><td>Consumer/retail lending</td><td>Products being offered are two wheelers, Used Cars and Unsecured loans under this category</td><td rowspan="5">The actual behaviour of the portfolio, taking the average of the last 5 years of the products having the similar characteristics</td><td rowspan="5">The actual behaviour is simulated for the balance tenor of the each individual loan</td><td rowspan="5">100%</td><td rowspan="5">For Stage 3, Exposure at default and for the Stages 1 & 2 it's the principal outstanding and Interest Overdue as on the reporting date. Cash Collateral, if any, is deducted from the exposure in both the scenarios.</td><td rowspan="5">Past trends of recoveries for each set of portfolios are discounted at a reasonable approximation of the original effective rates of interest. The recoveries considered are also within the reasonable time frame.</td></tr>
<tr><td>SME lending</td><td>A wide range of products like Equipment funding, SME Loans against property for meeting the working capital or the capital requirement of SMEs</td></tr>
<tr><td>Infra lending</td><td>Under this category fund the projets under the renewable space. Facilities are extended till the principle banker does the final funding to the IPPs or EPC companies</td></tr>
<tr><td>Micro financing</td><td>Term loans to the NBFC-MFIs, Sec 8 companies etc for onward lending and also direct lending through partners</td></tr>
<tr><td>Other commercial lending</td><td>Comercial Vehicles, Construction Equipments, LAP, CF etc, these products are the ones which have been dicontinued</td></tr>
</table>

Refer note 64 on Scheme of Demerger

46 Risk management objectives and policies (Contd.)

B The table below summarises the gross carrying values and the associated allowances for expected credit loss (ECL) stage wise for loan portfolio:

(i) Secured lending (Rs. in crores)

Particulars	As at March 31, 2024			Total	As at March 31, 2023			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Gross Carrying Value	-	-	-	-	1,969.05	50.50	7,347.01	**9,366.56**
Allowance for ECL	-	-	-	-	1.31	4.67	7,201.14	**7,207.12**
ECL Coverage ratio	-	-	-	-	0.07%	9.25%	98.01%	
Net Carrrying Value	-	-	-	-	**1,967.74**	**45.83**	**145.88**	**2,159.44**

(ii) Unsecured lending (Rs. in crores)

Particulars	As at March 31, 2024			Total	As at March 31, 2023			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Gross Carrying Value	-	-	-	-	1.66	0.17	206.88	**208.71**
Allowance for ECL	-	-	-	-	0.00	0.01	206.88	**206.90**
ECL Coverage ratio	-	-	-	-	0.27%	8.34%	100.00%	
Net Carrrying Value	-	-	-	-	**1.66**	**0.15**	-	**1.81**

(iii) Total lending (Rs. in crores)

Particulars	As at March 31, 2024			Total	As at March 31, 2023			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Gross Carrying Value	-	-	-	-	1,970.71	50.67	7,553.89	**9,575.27**
Allowance for ECL	-	-	-	-	1.31	4.69	7,408.02	**7,414.02**
ECL Coverage ratio	-	-	-		0.07%	9.25%	98.07%	
Net Carrrying Value	-	-	-	-	**1,969.39**	**45.98**	**145.88**	**2,161.25**

C Analysis of changes in the gross carrying amount of term loans (Rs. in crores)

Particulars	As at March 31, 2024			Total	As at March 31, 2023			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Opening balance	1,656.89	73.72	7,844.65	9,575.26	560.91	79.32	8,662.06	9,302.29
Portfolio additions on account of Business Combination	-	-	-	-	1,339.02	23.79	290.76	1,653.58
Assets derecognised or repaid	(360.51)	56.32	(1,378.83)	(1,683.02)	(206.72)	(17.92)	(105.80)	(330.44)
Transfers to Stage 1	(8.11)	4.95	3.15	-	(23.71)	11.04	12.67	-
Transfers to Stage 2	5.65	(7.19)	1.54	-	12.84	(32.41)	19.57	-
Transfers to Stage 3	1.65	0.11	(1.76)	-	26.31	9.90	(36.21)	-
Amounts written off during the year	-	-	(1,923.41)	(1,923.41)	(51.77)	-	(998.39)	(1,050.16)
Loan transferred to Authum as part of Demerger Scheme	(1,295.57)	(127.91)	(4,545.35)	(5,968.83)	-	-	-	-
Closing balance	-	-	-	-	**1,656.89**	**73.72**	**7,844.65**	**9,575.26**

D Reconciliation of ECL balance (Rs. in crores)

Particulars	As at March 31, 2024			Total	As at March 31, 2023			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Opening balance	1.32	4.68	7,408.01	7,414.01	8.38	7.53	8,658.07	8,673.98
Assets derecognised or repaid	(78.13)	4.42	(3,095.64)	(3,169.35)	(34.00)	(10.00)	(1,215.96)	(1,259.97)
Transfers to Stage 1	70.66	(7.32)	(63.34)	-	(0.45)	0.22	0.23	-
Transfers to Stage 2	1.91	6.44	(8.35)	-	1.08	(2.88)	1.80	-
Transfers to Stage 3	6.78	0.39	(7.17)	-	26.31	9.82	(36.12)	-
ECL transferred to Authum as part of Demerger Scheme	(2.54)	(8.61)	(4,233.52)	(4,244.67)	-	-	-	-
Closing balance	-	-	-	-	**1.32**	**4.68**	**7,408.01**	**7,414.01**

E On account of Scheme of Demerger the Entire NBFC Business of RCFL (Including Loan Book) has been transferred to Authum Investment and Infrastructure Limited effective 1st October 2023

F During the year the company has made provision on loans and advances in accordance with Expected Credit Loss model as adopted in the previous years.

47 A. Fair value Measurment

a) Financial instruments - fair value and risk management

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

Valuation methodologies adopted

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

(i) Fair values of investments held for trading under FVTPL have been determined under level 1 using quoted market prices of the underlying instruments;

(ii) Fair values of strategic investments in equity instruments designated under FVOCI have been measured under level 3 at fair value based on a discounted cash flow model.

(iii) Fair values of other investments under FVOCI have been determined under level 1 using quoted market prices of the underlying instruments;

(iv) Fair value of loans held under a business model that is achieved by both collecting contractual cash flows and partially selling the loans through partial assignment to willing buyers and which contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are measured at FVOCI. The fair value of these loans have been determined under level 3.

The Company has determined that the carrying values of cash and cash equivalents, bank balances, trade receivables, short term loans, floating rate loans, investments in equity instruments designated at FVOCI, trade payables, short term debts, borrowings, bank overdrafts and other current liabilities are a reasonable approximation of their fair value and hence their carrying value are deemed to be fair value.

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

The Company determines fair values of its financial instruments according to the following hierarchy:

Level 1: valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.

Level 2: valuation based on using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3: valuation technique with significant unobservable inputs: – financial instruments valued using valuation techniques where one or more significant inputs are unobservable. Equity investments designated under FVOCI has been valued using discounted cash flow method.

Disclosures of Assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2024

As at March 31, 2024 **(Rs. in crores)**

Assets and liabilities measured at fair value - recurring fair value measurements	Carring Value	Level 1	Level 2	Level 3	Total
Financial assets					
Investment	-	-	-	-	-
Total financial assets	**-**	**-**	**-**	**-**	**-**
Financial liabilities					
Debentures	63.80	63.80	-	-	63.80
Total financial liabilities	**63.80**	**63.80**	**-**	**-**	**63.80**

As at March 31, 2024 **(Rs. in crores)**

Assets and liabilities measured at amortised cost for which fair values are disclosed	Carring Value	Level 1	Level 2	Level 3	Total
Financial assets					
Cash & cash equivlants	3.82	-	-	3.82	3.82
Bank balance other than cash & cash equivlants	121.71	-	-	121.71	121.71
Receivables	-			-	-
- Trade receivables	1.12	-	-	1.12	1.12
- Other receivables	-	-	-	-	-
Loans	-	-	-	-	-
Other financial assets	-	-	-	-	-
Total financial assets	**126.65**	**-**	**-**	**126.65**	**126.65**
Financial liabilities					
Payables					
- Trade payable	-	-	-	-	-
- Other payable	-	-	-	-	-
Debt securities	63.80	-	-	63.80	63.80
Borrowings	540.82	-	-	540.82	540.82
Subordinated liabilities	-	-	-	-	-
Other financial liabilities	25.61	-	-	25.61	25.61
Total financial liabilities	**630.23**	**-**	**-**	**630.23**	**630.23**

RELIANCE COMMERCIAL FINANCE LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

47 A. Fair value Measurment

As at March 31, 2023 **(Rs. in crores)**

Assets and liabilities measured at fair value - recurring fair value measurements	Carring Value	Level 1	Level 2	Level 3	Total
Financial assets					
Derivative financial instruments	-	-	-		-
Investment	169.53	101.23	68.29	-	169.53
Total financial assets	**169.53**	**101.23**	**68.29**	**-**	**169.53**
Financial liabilities					
Debentures	5.03	5.03	-	-	5.03
Total financial liabilities	**5.03**	**5.03**	**-**	**-**	**5.03**

As at March 31, 2023 **(Rs. in crores)**

Assets and liabilities measured at amortised cost for which fair values are disclosed	Carring Value	Level 1	Level 2	Level 3	Total
Financial assets					
Cash & cash equivlants	282.16	-	-	282.16	282.16
Bank balance other than cash & cash equivlants	213.95	-	-	213.95	213.95
Receivables	-			-	-
- Trade receivables	0.00	-	-	0.00	0.00
- Other receivables	0.00	-	-	0.00	0.00
Loans	2,161.25	-	-	2,161.25	2,161.25
Other financial assets	93.21	-	-	93.21	93.21
Total financial assets	**2,750.58**	**-**	**-**	**2,750.58**	**2,750.58**
Financial liabilities					
Payables					-
- Trade payable	2.47	-	-	2.47	2.47
- Other payable	1,301.28	-	-	1,301.28	1,301.28
Debt securities	1,456.20	-	-	1,456.20	1,456.20
Borrowings	2,379.65	-	-	2,379.65	2,379.65
Subordinated liabilities	0.14	-	-	0.14	0.14
Other financial liabilities	926.81	-	-	926.81	926.81
Total financial liabilities	**6,066.54**	**-**	**-**	**6,066.54**	**6,066.54**

Valuation technique 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.
- Private equity investment fund - price to book value method and
- Other financial instruments – discounted cash flow analysis.

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

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

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

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

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

RELIANCE COMMERCIAL FINANCE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

47 B. Financial instruments - fair value and risk management

a) Financial instruments by category

The following table shows the carrying amounts of financial assets and financial liabilities **(Rs. in crores)**

Particulars	As at March 31, 2024			As at March 31, 2023		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
(a) Cash and cash equivalents	-	-	3.82	-	-	282.16
(b) Bank balance other than cash and cash equivalents above	-	-	121.71	-	-	213.95
(c) Derivative financial instruments	-	-	-	-	-	-
(d) Receivables						
- Trade receivables	-	-	1.12	-	-	0.00
- Other receivables	-	-	-	-	-	0.00
(e) Loans	-	-	-	-	-	2,161.25
(f) Investments	-	-	-	169.53	-	-
(g) Other financial assets	-	-	-	-	-	93.21
Total financial assets	**-**	**-**	**126.65**	**169.53**	**-**	**2,750.58**
Financial liabilities						
(a) Payables						
- Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	2.47
- 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	-	-	-	-	-	1,301.28
(b) Debt securities	-		63.80	5.03	-	1,456.20
(c) Borrowings (Other than debt securities)			540.82	-	-	2,379.65
(d) Subordinated liabilities			-	-	-	0.14
(e) Other financial liabilities			25.61	-	-	926.81
Total financial liabilities	**-**	**-**	**630.23**	**5.03**	**-**	**6,066.54**

47 B. Financial instruments - fair value and risk management (Contd.)

b) Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities as at March 31. 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, 2024 **(Rs. in crores)**

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						
(a) Cash and cash equivalents	3.82	-	-	-	-	**3.82**
(b) Bank balance other than cash and cash equivalents above	121.71	-	-	-	-	**121.71**
(c) Derivative financial instruments	-	-	-	-	-	**-**
(d) Receivables						**-**
(i) Trade receivables	1.12	-	-	-	-	**1.12**
(ii) Other receivables	-					**-**
(e) Loans	-	-	-	-	-	**-**
(f) Investments	-	-	-	-	-	**-**
(g) Other financial assets	-	-	-	-	-	**-**
Total financial assets	**126.65**	**-**	**-**	**-**	**-**	**126.65**
Financial liabilities						
(a) 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	-	-	-	-	-	**-**
(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	-	-	-	-	-	**-**
(b) Debt securities	63.80	-	-	-	-	**63.80**
(c) Borrowings (Other than debt securities)	114.04	-	-	426.78	-	**540.82**
(d) Subordinated liabilities	-					**-**
(e) Other financial liabilities	21.26	2.35	-	2.00	-	**25.61**
Total financial liabilities	**199.10**	**2.35**	**-**	**428.78**	**-**	**630.23**

As at March 31, 2023 **(Rs. in crores)**

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						
(a) Cash and cash equivalents	282.16	-	-	-	-	**282.16**
(b) Bank balance other than cash and cash equivalents above		205.79	8.15			**213.95**
(c) Derivative financial instruments	-	-	-	-	-	**-**
(d) Receivables						
(i) Trade receivables	0.00	-	-	-	-	**0.00**
(ii) Other receivables	0.00					**0.00**
(e) Loans	13.72	22.59	59.71	320.00	1,745.22	**2,161.25**
(f) Investments	-	-	38.10	-	131.43	**169.53**
(g) Other financial assets	64.71	7.78	1.50	19.23	-	**93.21**
Total financial assets	**360.59**	**236.16**	**107.46**	**339.23**	**1,876.65**	**2,920.10**
Financial liabilities						
(a) 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	-	2.47	-	-	-	**2.47**
(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	0.26	0.99	41.58	100.75	1,157.70	**1,301.28**
(b) Debt securities	428.83	484.60	15.20	53.20	479.40	**1,461.23**
(c) Borrowings (Other than debt securities)	1,191.99	-	-	-	1,187.65	**2,379.65**
(d) Subordinated liabilities	0.14	-	-	-	-	**0.14**
(e) Other financial liabilities	926.81	-	-	-	-	**926.81**
Total financial liabilities	**2,548.04**	**488.06**	**56.78**	**153.95**	**2,824.75**	**6,071.58**

48 Maturity profile and Rate of interest of Non Convertible Debentures are as set out below:

As on March 31, 2024 **(Rs. in crores)**

Rate of Interest	Overdue	2023-24	2024-25	2025-26	2026-27	2027-28	Total
NCD							-
9.10%	60.80	-	-	-	-	-	60.80
12.98%	3.00	-	-	-	-	-	3.00
Total	**63.80**	**-**	**-**	**-**	**-**	**-**	**63.80**

Out of the above, dissenting NCD principal value stands at Rs 63.80 Crores .Dissenting NCD's have been considered in the overdue column.

As on March 31, 2023 **(Rs. in crores)**

Rate of Interest	Overdue	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	Total
MLD	5.03							5.03
NCD								-
8.52%	-	-	-	38.00	-	-	-	38.00
9.10%	60.80	-	-	-	-	-	-	60.80
9.40%	-	-	-	-	-	-	-	-
12.78%	393.40	-	-	-	-	-	-	393.40
12.98%	3.00	-	-	-	-	-	476.40	479.40
13.25%	-	484.60	-	-	-	-	-	484.60
14.00%	-	-	-	-	-	-	-	-
Total	**462.23**	**484.60**	**-**	**38.00**	**-**	**-**	**476.40**	**1,461.23**

Debt securities **(Rs. in crores)**

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Secured / unsecured		
(i) Debentures and bonds - Secured		
Market Linked Debenture (MLD)	-	5.03
8.52% Debenture	-	38.00
9.10% Debenture	60.80	60.80
12.78% Debenture	-	393.40
12.98% Debenture	3.00	479.40
13.25% Debenture	-	484.60
Total Debentures and bonds - Secured	**63.80**	**1,461.23**
(ii) Debentures and bonds - Unsecured		
8.69% Debenture	-	-
8.70% Debenture	-	-
9.07% Debenture	-	-
9.40% Debenture	-	-
Total Debentures and bonds - Unsecured	**-**	**-**
Total (A)	**63.80**	**1,461.23**
Debt securities in India	63.80	1,461.23
Debt securities outside India	-	-
Total (B)	**63.80**	**1,461.23**

49 Maturity profile of term loans from banks & FIs are as set out below:

(Rs. in crores)

	Overdue	2023-24	2024-25	Total
Term loan from banks / financial institutions				
As at March 31, 2024	114.04	-	-	**114.04**
As at March 31, 2023	437.79	-	-	**437.79**

As per the approved Resolution plan, the total entitlement for the Term loan of NABARD stands at Rs. 114.04 Crores. The Company has set aside the same amount in the form of Fixed Deposit.

RELIANCE COMMERCIAL FINANCE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

50 Public Disclosure on Liquidity Risk for the year ended March 31, 2024 and March 31, 2023 pursuant to Appendix VI-A Master Direction - RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 on Disclosure requirements under Scale Based Regulation for NBFCs dated October 19, 2023 as amended.

(1) Public disclosure on liquidity risk

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr. No.	Number of Significant Counterparties	Amount (Rs. crores)	% of Total Borrowings	% of Total Liabilities
1	4	604.62	100.00%	227.48%

(ii) Top 20 large deposits

Sr. No.	Number of Significant Counterparties	Amount (Rs. crores)	% of Total deposits
	Not Applicable	-	-

(iii) Top 10 borrowings

Sr. No.	Name of Borrowing	Sources of Borrowings	Amount (Rs. crores)	% of Total borrowings
1	Authum Investment & Infrastructure Limited	ICD	426.78	70.59%
2	National Bank for Agriculture and Rural Development	TL/ CC	114.04	18.86%
3	Kerala Financial Corporation	NCD	60.80	10.06%
4	THDC	NCD	3.00	0.50%
			604.62	**100.00%**

(iv) Funding Concentration based on significant instrument/product

Sr. No.	Name of the instrument/product	Amount (Rs. crores)	% of Total borrowings
1	Inter corporate deposits	426.78	70.59%
2	Term Loans	114.04	18.86%
3	Non -Convertible Debentures	63.80	10.55%
		604.62	**100%**

(v) Stock Ratios:

Sr. No.	Particulars	Amount (Rs. crores)	% of Total borrowings	% of Total liabilities	% of Total assets
1	Commercial Papers	-	-	-	-
2	Non-convertible debentures (original maturity of less than one year)	**63.80**	**10.55%**	**24.00%**	**24.00%**
3	Other short-term liabilities - Cash Credit	-	0.00%	0.00%	0.00%

(vi) Institutional set-up for liquidity risk management

The Company’s risk management function is carried out by the Risk Management Committee. The Risk Management Committee evaluates financial risks and the appropriate governance framework for the Company. The Risk Management Committee provides assurance to the Board that the Company’s financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company’s policies and risk objectives.

RELIANCE COMMERCIAL FINANCE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

51 Disclosure as per the Master Direction RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 on Disclosure requirements under Scale Based Regulation for NBFCs dated October 19, 2023 as amended

Liquidity Coverage Ratio (LCR) **(Rs. in crores)**

	Particulars	Quarter Ended June 30, 2023		Quarter Ended September 30, 2023		Quarter Ended December 31, 2023		Quarter Ended March 31, 2024	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)	**67.64**	**67.64**	**35.33**	**35.33**	**49.89**	**49.89**	**3.82**	**3.82**
Cash Outflows									
2	Deposits								
3	Unsecured wholesale funding	-	-	-	-	-	-	-	-
4	Secured wholesale funding	-	-	-	-	-	-	-	-
5	Additional requirements, of which	-	-	-	-	-	-	-	-
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	2,962.15	3,406.47	194.24	223.37	220.98	254.13	199.40	229.31
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	Total Cash Outflows	**2,962.15**	**3,406.47**	**194.24**	**223.37**	**220.98**	**254.13**	**199.40**	**229.31**
Cash Inflows									
9	Secured lending	26.69	20.02	44.24	33.18	37.40	28.05	0.30	0.23
10	Inflows from fully performing exposures	-	-	-	-	-	-	-	-
11	Other cash inflows	-	-	-	-	-	-		
12	Total Cash Inflows	**26.69**	**20.02**	**44.24**	**33.18**	**37.40**	**28.05**	**0.30**	**0.23**
								Total Adjusted Value	
13	**Total HQLA**	-	67.64	-	35.33	-	49.89		3.82
14	**Total Net Cash Outflows**	-	3,386.46	-	190.18	-	226.08		229.09
15	**Liquidity Coverage Ratio (%)**	-	2.00%	-	18.58%	-	22.07%		1.67%

52 Additional Disclosures as per Annex XXII of the Master Direction - RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 on Disclosure requirements under Scale Based Regulation for NBFCs dated October 19, 2023 as amended

1 Summary of Significant Accounting Policies

The summary of Significant Accounting Policies is disclosed in Note No.1 to the Financial Statements.

2 Capital to Risk Assets Ratio (CRAR)

Sr. No.	Ratio	As at March 31, 2024	As at March 31, 2023
i)	CRAR (%)	-288.24%	-215.62%
ii)	CRAR - Tier I capital (%)	-288.24%	-215.62%
iii)	CRAR - Tier II capital (%)	0.00%	0.00%
iv)	Amount of Subordinated Debt raised as Tier II Capital (Rupees in crore)	-	-
v)	Amount raised by issue of Perpetual Debts Instruments (Rupees in crore)	-	-

3 Investments

(Rs. in crores)

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
1)	**Value of Investments**		
i)	Gross Value of Investments		
	a) In India	-	171.71
	b) Outside India	-	-
ii)	Provisions for Depreciation		
	a) In India	-	2.18
	b) Outside India	-	-
iii)	Net Value of Investments		
	a) In India	-	169.53
	b) Outside India	-	-
2)	**Movement of provisions held towards depreciation of investments**		
i)	Opening Balance	2.18	2.18
ii)	Add: Provisions made during the year	-	-
iii)	Less: Write-off / write-back of excess provisions during the year	-	-
iv)	Less: Transfer on account of demerger	2.18	
v)	Closing balance	-	2.18

4 Derivatives

Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

The Company has not entered into any Forward Rate Agreement/Interest Rate Swap transactions during the current financial year and in the previous financial year. Hence disclosures relating to Forward Rate Agreement/Interest Rate Swap are not applicable.

Exchange Traded Interest Rate (IR) Derivative

The Company has not entered into any Exchange Traded Interest Rate (IR) Derivatives transactions during the current financial year and in the previous financial year. Hence disclosures relating to Exchange Traded Interest Rate (IR) Derivatives are not applicable.

Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

The Company has Board approved risk management policy for capital market exposure including derivatives contract trading. Trading in derivates were primarily for the Market Linked Debentures (MLD) portfolio. Risk Management Team independently calculates sensitivities and revalues portfolio on daily basis and ensures that risk limits are adhered on daily basis. Market risk limits have been established at portfolio level.

The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards there are no foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts (Refer "Significant Accounting Policy" point 1).

B. Quantitative Disclosure

(Rs. in crores)

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
	Derivative financial Instruments	-	-

RELIANCE COMMERCIAL FINANCE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

5 Maturity pattern of certain items of Assets and Liabilities

- For 2023-24 **(Rs. in crores)**

Particulars	Assets			Liabilities		
	Advances/ Loans	Investments	Foreign Currency assets	Market borrwings	Borrowing from Bank	Foreign Currency Liabilities
1 to 7 days	-	-	-	63.80	114.04	-
8 to 14 days	-	-	-	-	-	-
15 to 30/31 days	-	-	-	-	-	-
Over 1 month upto 2 months	-	-	-	-	-	-
Over 2 months upto 3 months	-	-	-	-	-	-
Over 3 months upto 6 months	-	-	-	-	-	-
Over 6 months upto 1 year	-	-	-	-	-	-
Over 1 year upto 3 years	-	-	-	426.78	-	-
Over 3 years upto 5 years	-	-	-	-	-	-
Over 5 years	-	-	-	-	-	-
Total	**-**	**-**	**-**	**490.58**	**114.04**	**-**

- For 2022-23 **(Rs. in crores)**

Particulars	Assets			Liabilities		
	Advances/ Loans	Investments	Foreign Currency assets	Market borrwings	Borrowing from Bank	Foreign Currency Liabilities
1 to 7 days	13.72	-	-	526.71	665.28	-
8 to 14 days	3.88	-	-	912.90	-	-
15 to 30/31 days	2.13	-	-	-	-	-
Over 1 month upto 2 months	10.70	-	-	-	-	-
Over 2 months upto 3 months	5.88	-	-	-	-	-
Over 3 months upto 6 months	13.69	-	-	-	-	-
Over 6 months upto 1 year	46.03	38.10	-	15.73	-	-
Over 1 year upto 3 years	127.10	-	-	53.20	-	-
Over 3 years upto 5 years	192.90	-	-	479.40	-	-
Over 5 years	1,745.22	131.43	-	1,187.65	-	-
Total	**2,161.25**	**169.53**	**-**	**3,175.59**	**665.28**	**-**

6 Exposures

(a) Exposure to Real Estate **(Rs. in crores)**

Sr. No.	Category	As at March 31, 2024	As at March 31, 2023
a)	**Direct Exposure**		
	(i) Residential Mortgage		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented*	-	1,645.10
	(ii) Commercial Real Estate*	-	140.03
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits		
	(iii) Investments in Mortgage Backed Securities (MBS) and other Securitised exposures		
	(a) Residential	-	-
	(b) Commercial Real Estate	-	-
	Total Exposure to Real Estate Sector	**-**	**1,785.13**

Refer note no. 66 on Business Combimation

Notes :

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

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

(b) Exposure to Capital Market **(Rs. in crores)**

Sr. No.	Category	As at March 31, 2024	As at March 31, 2023
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt; (Net of Provision) (@ Rs. 49,990)	-	@
ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equityoriented mutual funds;	-	-
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii)	Bridge loans to companies against expected equity flows / issues;	-	-
viii)	All exposures to Venture Capital Funds (both registered and unregistered)		
	Total Exposure to Capital Market (@ Rs. 49,990)	-	@

7 Details of Financing of the Parent Company Product

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

8 Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the Company **(Rs. in crores)**

Sr. No.	Particulars	As at March 31, 2024			As at March 31, 2023		
		Exposure	Limit	Excess	Exposure	Limit	Excess
(i)	Refer Note 2 below	-	-	-	-	-	-
		-	-	-	-	-	-

9 Unsecured Advances

The Company has not financed any unsecured advances against intangible securities such as rights, licenses, authority etc as collateral security.

10 Exposure to group companies engaged in real estate business

The Company has no exposure to group companies engaged in real estate business in current and previous year.

11 Miscellaneous

a. Registration obtained from other financial sector regulators

Particulars	Type	Registration
Reserve Bank of India	NBFC Regsitration No.	N-13.01933
Insurance Regulatory and Development Authority	Corporate Agent	CA0577

b. Disclosure of Penalties imposed by RBI and other regulators

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

c. Related Party Transactions

Details of all material transactions with related parties has been given in Notes No 47 of the standalone financial statements.

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

Rating agency	Borrowings type	Rating	Dated
Credit Analysis & Research Limited (CARE)	Long Tem Debt of Rs. 600 crore	CARE D	12 March 2021
Credit Analysis & Research Limited (CARE)	Long Term NCDs of Rs. 1000 crore	CARE D	12 March 2021

Note : The above ratings are based on the Credit Ratings obtained from Credit Rating Agencies upto January 29, 2024.

e. Remuneration of Directors **(Rs. in crores)**

Particulars	2023-24	2022-23
Transactions with the Directors		
Director Sitting Fees	0.05	0.21
	0.05	**0.21**

f. Management

Refer to the management Discussion and Analysis report for the relevant disclosures.

g. Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no prior period items. Accordingly there is no impact on profit / loss of the Company.

h. Revenue Recognition

The company has not postponed recognition of revenue on account of any pending resolution of significant uncertainties.

i. Indian Accounting Standard 110 -Consolidated Financial Statements (CFS)

The Company has presented the Consolidated Financial Statement as per the Indian Accounting Standard & guidelines & clarification provided by ICAI.

RELIANCE COMMERCIAL FINANCE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

12 Additional Disclosures

1. Provisions and Contingencies **(Rs. in crores)**

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
(a)	Provision for depreciation on Investments	-	-
(b)	Provision for NPA & Doubtful Debts	-	(1,272.33)
(c)	Provision for Income tax	-	0.36
(d)	Provision for Expected Credit Loss		
	(i) Receivables	-	-
	(ii) Security Deposits	-	-
	(iii) Receivable against Securitisation / Assignment	-	(12.36)
	(iv) Repossessed Assets held for sale	-	8.40
	(iv) Fixed deposit	-	143.45
	(v) Goodwill	-	160.14
(e)	Contingent provision against standard assets	-	(9.91)
		-	**(982.25)**

2. Concentration of Advances **(Rs. in crores)**

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
(i)	Total Advances to twenty largest borrowers	-	4,522.62
(ii)	Percentage of Advances to twenty largest borrowers to Total Advances of the Company	-	47.23%

3. Concentration of Exposures **(Rs. in crores)**

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
(i)	Total Exposure to twenty largest borrowers	-	4,522.62
(ii)	Percentage of Exposures to twenty largest borrowers to Total Exposure of the Company	-	47.23%

4. Concentration of NPAs **(Rs. in crores)**

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
(i)	Total Exposure to top four NPA accounts	-	1,282.88

5. Sector-wise NPAs

Sr. No.	Particulars	Percentage of NPAs to total advances in that sector	
		2023-24	**2022-23**
(i)	Agriculture & allied activities	0.00%	77.38%
(ii)	MSME	0.00%	98.01%
(iii)	Corporate borrowers	0.00%	87.13%
(iv)	Services	0.00%	54.51%
(v)	Auto loans	0.00%	44.08%
(vi)	Other personal loans	0.00%	26.38%

6. Movement of NPAs **(Rs. in crores)**

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
(i)	Net NPAs to Net Advances (%)	**0.00%**	**0.11%**
(ii)	Movement of NPAs (Gross)		
	(a) Opening Balance	7,553.89	8,662.05
	(b) Additions during the year	379.35	43.55
	(c) Reductions during the year	(3,387.90)	(1,151.71)
	(d) Transfer to Authum on account of demerger	(4,545.35)	
	(e) Closing balance	**-**	**7,553.89**
(iii)	Movement of Net NPAs		
	(a) Opening Balance	2.43	3.98
	(b) Additions during the year	379.35	0.21
	(c) Reductions during the year	(69.95)	(1.76)
	(d) Transfer to Authum on account of demerger	(311.83)	
	(e) Closing balance	**-**	**2.43**
(iv)	Movement of provisions for NPAs		
	(a) Opening Balance	7,408.01	8,658.07
	(b) Additions during the year	75.15	43.55
	(c) Reversal during the year	(3,249.65)	(243.45)
	(d) Write-off	-	(1,050.16)
	(e) Transfer to Authum on account of demerger	(4,233.52)	
	(f) Closing balance	**-**	**7,408.01**

Refer note no. 64 on Scheme of Demerger

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

There are no Overseas Assets.

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

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

9. Customer Complaints (as certfied by the management)

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
(a)	No. of complaints pending at the beginning of the year	-	-
(b)	No. of complaints received during the year	26	52
(c)	No. of complaints redressed during the year	26	52
(d)	No. of complaints pending at the end of the year	-	-

10. Other information

Sr. No.	Items	As at March 31, 2024	As at March 31, 2023
(i)	Area, country of operation	India	India
(ii)	Joint venture partners with regard to Joint ventures and Overseas subsidiaries	None	None

53 Exposure

A Section I

1 Exposure

a. Exposure to real estate sector - Refer note 55 (6a)

b. Exposure to capital market - Refer note 55 (6b)

c. Sectoral exposure

Sectors	As at March 31, 2024			As at March 31, 2023		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (Rs. crores)	Gross NPAs (Rs. in crores)	Percentage of Gross NPAs to total exposure in that Sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (Rs. crores)	Gross NPAs (Rs. in crores	Percentage of Gross NPAs to total exposure in that Sector
1. Agriculture and Allied	-	-	-	291.70	227.83	78.10%
2. Industry	-	-	-	7,174.47	6,948.51	96.85%
3. Services						
(i) Commercial real	-	-	-	24.32	14.93	61.40%
(ii) Others	-	-	-	28.25	26.15	92.57%
4. Personal Loan						
(i) Housing	-	-	-	1,104.81	-	0.00%
(iii) Loan against property	-	-	-	539.65	18.46	3.42%
(iii) Vehicle/auto	-	-	-	7.12	-	0.00%
(iv) Others	-	-	-	3.87	3.77	97.62%
5. Other						
(i) Corporate	-	-	-	401.08	314.23	78.35%

d. Intra-group exposures

The Company does not have any intra-group exposure for current year as well as previous year.

e. Unhedged foreign currency

The Company’s exposure of unhedged foreign currency risk at the end of the reporting period is Rs. Nil (Previous year Rs. Nil)

2 Disclosure of complaints

1. Summary information on complaints received by the NBFCs from

Particulars	As at March 31, 2024	As at March 31, 2023
Complaints received by the NBFC from its		
1. Number of complaints pending at beginning of the year	-	-
2. Number of complaints received during the year	26	52
3. Number of complaints disposed during the year	26	52
3.1 Of which, number of complaints rejected by the NBFC	-	-
4. Number of complaints pending at the end of the year	-	-
Maintainable complaints received by the		
5. Number of maintainable complaints received by the NBFC from Office of	NA	NA
5.1 Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	NA	NA
5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	NA	NA
6. Number of Awards unimplemented within the stipulated time (other than those appealed)	NA	NA

54 Disclosure as per the notification no. RBI/2022-23/26DOR.ACC.REC.No.20/21.04.018/2022-23 on requirements under Scale Based Regulation for NBFCs dated April 19, 2022

2. Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
As at March 31, 2024					
Collection Related	-	5	66.67%	-	-
Feedback On Service Related	-	17	-57.50%	-	-
Login Related	-	4	-55.56%	-	-
As at March 31, 2023					
Collection	-	3	-62.50%	-	-
Feedback On Service	-	40	-32.20%	-	-
Login Related	-	9	800.00%	-	-

Section II

1 Breach of covenant

Refer Note no. 67 - Implementation of Resolution.

2 Divergence in Asset Classification and

The RBI has neither assessed any additional provisioning requirements in excess of 5 percent of the reported profits before tax and impairment loss on financial instruments for the financial year ended March 31, 2022, nor identified any additional Gross NPAs in excess of 5% of the reported Gross NPAs for the said period.

55 Loans to Directors, Senior Officers and relatives of Directors

Disclosure pursuant to Master Direction - RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 on Disclosure requirements under Scale Based Regulation for NBFCs dated October 19, 2023 as amended.

(Rs. in crores)

Particulars	Aggregate amount of such sanctioned loans and advances	
	As at March 31, 2024	As at March 31, 2023
1. Directors and their relatives	-	-
2. Entities associated with directors and their relatives	-	-
3. Senior Officers and their relatives	-	-

56 Disclosure as per RBI Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021

The information on securitisation of the Company as an originator is given below:

(Rs. in crores)

Sr. No.	Particulars	Securitisation		Assignment	
		2023-24	2022-23	2023-24	2022-23
1	No. of SPVs sponsored by the Company for Securitisation/ Assignement Transactions (Nos.)	-	16	-	115
2	Total amount of securitised assets as per books of the SPVs sponsored by the Company (Gross)	-	1,253.87	-	447.79
3	Total amount of exposures retained by the Company to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet				
	a) Off-balance sheet exposures				
	• First loss	-	-	-	-
	• Others	-	-	-	-
	b) On-balance sheet exposures				
	• First loss	-	-	-	-
	• Others	-	-	-	-
4	Amount of exposures to securitisation/assignement transactions other than Minimum Retention Requirement (MRR)				
	a) Off-balance sheet exposures				
	i) Exposure to own securitizations				
	• First loss	-	-	-	-
	• Others	-	-	-	-
	ii) Exposure to third party securitizations/assignement				
	• First loss	-	-	-	-
	• Others	-	0.65	-	-
	b) On-balance sheet exposures				
	i) Exposure to own securitizations				
	• First loss	-	77.95	-	-
	• Others	-	-	-	-
	ii) Exposure to third party securitizations				
	• First loss	-	-	-	-
	• Others	-	-	-	-

RELIANCE COMMERCIAL FINANCE LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

57. Disclosure on Related Party Transactions as per the RBI notification no.RBI/2022-23/26DOR.ACC.REC.No.20/21.04.018/2022-23 on Disclosure requirements under Scale Based Regulation for NBFCs dated April 19, 2022

(Rs. in crores)

Particulars	Parent (as per Ownership or Control)		Subsidiary		Associtēs		Directors		Key Management Personnel		Others	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Maximum outstanding during the year												
Borrowings	0	4863.79	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Balance outstanding at the year end												
Borrowings	0	4863.79	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	0	0	0.33	-	-	-	-	-	-
Investments	-	-	-	-	-	0.00	-	-	-	-	-	-
Transaction during the year												
Director Sitting fees	-	-	-	-	-	-	0.06	0.21	-	-	-	-
Employee benefit expenses	-	-	-	-	-	-	-	-	1.77	2.12	-	-
Gratuity contribution	-	-	-	-	-	-	-	-	-	-	-	0.20
Management Fees	0.00	(8.18)*	-	-	-	-	-	-	-	-	-	-
Interest expenses on ICD's	0.00	36.11*	-	-	-	-	-	-	-	-	-	-
Others	0.00	0.16*	-	-	-	-	-	-	-	-	-	-
Interest Received on ICD's	-	-	-	-	-	0.04	-	-	-	-	-	-
Interest expenses on NCD's	21.26	-	-	-	-	-	-	-	-	-	-	
Sale of property, plant and	-	-	-	-	-	-	-	-	-	-	-	0.17

Refer note no. 64 on Scheme of Demerger

Note

Details of all material transactions with related parties are disclosed in Note no. 45

58 A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 as required by RBI Circulare dated March 13, 2020 vide RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20.

As on March 31, 2024: **(Rs. in crores)**

Asset Classification as per RBI Norms as on March 31, 2022	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4) - (6)
Performing Assets						
Standard	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
Subtotal		**-**	**-**	**-**	**-**	**-**
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**-**	**-**	**-**	**-**	**-**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**-**	**-**	**-**	**-**	**-**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Total	**-**	**-**	**-**	**-**	**-**

Refer note no. 64 on Scheme of Demerger

58 A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 as required by RBI Circulare dated March 13, 2020 vide RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20.

As on March 31, 2023 **(Rs. in crores)**

Asset Classification as per RBI Norms as on March 31, 2023	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4) - (6)
Performing Assets						
Standard	Stage 1	1,664.44	9.61	1,654.84	6.64	2.97
	Stage 2	74.46	4.69	69.77	0.20	4.48
Subtotal		**1,738.90**	**14.29**	**1,724.61**	**6.84**	**7.45**
Non-Performing Assets (NPA)						
Substandard	Stage 3	179.35	75.03	104.32	9.09	65.94
Doubtful - up to 1 year	Stage 3	348.62	234.78	113.84	53.47	181.31
1 to 3 years	Stage 3	7,178.90	6,962.45	216.45	2,117.64	4,844.82
More than 3 years	Stage 3	129.50	127.46	2.04	64.28	63.18
Subtotal for doubtful		**7,836.37**	**7,399.72**	**436.65**	**2,244.48**	**5,155.24**
Loss	Stage 3	0.00	0.00	0.00	0.00	-
Subtotal for NPA		**7,836.37**	**7,399.72**	**436.65**	**2,244.48**	**5,155.24**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	1,664.44	9.61	1,654.84	6.64	2.97
	Stage 2	74.46	4.69	69.77	0.20	4.48
	Stage 3	7,836.37	7,399.72	436.65	2,244.48	5,155.24
	Total	**9,575.26**	**7,414.01**	**2,161.26**	**2,251.32**	**5,162.70**

59 The disclosures as required by the Master Direction -Monitoring of frauds in NBFCs issued by RBI dated 29 September 2016

(Rs. in crores)

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	No. of Cases	Amount	No. of Cases	Amount
Amount involved is greater than or equal to 1 lakh	-	-	2.00	6.19
Amount involved is less than 1 lakh	-	-	-	-

60 Disclosure pursuant to Schedule V of Clause A.2 of Regulation 34 (3) and Regulation 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(Rs. in crores)

Loans and Advances in the nature of Loans	Amount outstanding as at March 31, 2024	Maximum amount outstanding during the year March 2024	Amount outstanding as at March 31, 2023	Maximum amount outstanding during the year March 2023
To Subsidiary				
Gullfoss Enterprises Private Limited (ceased w.e.f January 2023)	-	-	-	-
To Associate				
Gullfoss Enterprises Private Limited (till May 29, 2023)	-	-	0.33	0.50
Global Wind Power Limited (till September 25, 2023)	-	-	-	-

61 Additional Regulatory Information As Per Division iii Schedule iii Of Companies Act, 2013

1 Title deeds of Immovable Properties

Title deeds of all the immovable properties are in the name of the Company and in case immovable properties transferred under Scheme of Amalgamation of Demerger, title deeds are in the name of erstwhile Company. Details of Land and Building acquired under the scheme of Scheme of Arrangement between Company and Reliance MediaWorks Limited (RMW) sanctioned by the National Company Law Tribunal ('NCLT') vide Order dated October 10, 2017.

(1) On Perpetual Lease: Land of Imax Adlabs, Anik Wadala link road, Bhakti Park, Wadala, Mumbai, Gross carrying value of Rs. 84.42 crore as on March 31, 2024.

(2) On Perpetual Lease: Building situated at Imax Adlabs, Anik Wadala link road, Bhakti Park, Wadala, Mumbai, Gross carrying value of Rs. 13.91 crore as on March 31, 2024.

(3) Building situated at third floor, R Mall, LBS Marg, Mulund, Mumbai, Gross carrying value of Rs. 50.07 crore as on March 31, 2024.

2 Valuation of property, plant and equipment

The Company has not revalued its property, plant and equipment during the current or previous year

3 Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties

The Company has not granted any loans to promoters, directors, KMP & other related parties during year. Further the details of outstanding loan to related party as at March 31 is given below

Type of Borrower	Amount of loan or advance in the nature of Loan outstanding		Percentage to the total loans and Advances in the nature of loans	
	March 31, 2024 (Rs. In Crores)	March 31, 2023 (Rs. In Crores)	March 31, 2024	March 31, 2023
Related Party	0.00	0.33	-	0.00%

4 Details of Benami Property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

5 Borrowings from banks or financial institutions on the basis of security of current asset

During the year, the Company has not borrowed any funds from banks or financial institutions.

6 Wilful Defaulter

During the previous year, few of the banks had classified the Company as Wilful defaulter. Post successful implementation of the debt resolution plan, the lenders had signed the lenders implementation memorandum which had specific clause for removal of wilful defaulter classification.

7 Relationship with Struck off

The Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 during the year ended March 31, 2024 and March 31, 2023. Such disclosure has been given on the basis of relevant information compiled by the Company on best effort basis.

8 Registration of charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

9 Compliance with number of layers of companies

The Company does not have any subsidiary as at March 31, 2024

10 Ratios

Ratio	Numerator	Denominator	Current Period (%)	Previous Period (%)	% Variance
Capital to risk-weighted assets ratio (CRAR)	Adjusted Capital	Risk-weighted assets	-288.24%	-215.62%	-33.68%
Tier I CRAR	Net owned fund	Risk-weighted assets	-288.24%	-215.62%	-33.68%
Tier II CRAR	Adjusted Net owned fund	Risk-weighted assets	-	-	-

11 Compliance with approved Scheme(s) of Arrangements

The Company has entered into scheme of arrangement (Demerger) which has an accounting impact on current financial year.

12 Utilisation of Borrowed funds and share premium

A. During the year, the Company has not advanced or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

B. During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

13 Undisclosed income

There is no transaction surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of accounts

14 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

62 Events after reporting date

There have been no events after the reporting date.

63 Implementation of Resolution Plan

NABARD being one of the participating creditor in Inter Creditors Agreement (ICA) has given its conditional "no dues and release letter" to the company for accepting the liquidation value amount set aside with the lead banker of Rs.114.04 crores in terms of the Resolution Plan. Considering the above Rs. 1,172.41 crores, being liability (i.e Principal plus Accured Interest Less Amount Distributed/set aside) over and above the liquidation value, has been written back and shown as exceptional item in previous financial year's statement of profit and loss. The liquidation value, kep aside with Lead ICA banker, is continued to be shown as liability. This is part of written back amount as mentioned above through statement of Profit and loss as an exceptional item.

Also, during the previous financial year one of the bank has adjusted the liability of the company to NIL, which has been confirmed in their bank statement. This is considered unpayable by the ICA lenders as the liability is not confirmed by such lender. Accordingly, the new management has decided to write back the entire exposure of Rs.318.76 crore, in the previous year's books of accounts of the company and shown as exceptional item.

Inter corporate deposits (ICD) of Rs. 363.19 crore for which Holding Company has approached to the lending companies about the implementation of the resolution plan and communicating about non admissibility of their claims for which the acceptance has been given by the lending company. Accordingly a sum of Rs. 527.60 crore for such deposits along with interest thereon has been written back and shown in the exceptional item in the previous financial year.

During the year ended March 31, 2024, the Company has profit amounting to Rs.1,323.21 crore (Previous year profit Rs.4,043.36 crore) and it has accumulated losses of Rs.3713.53 crore as on March 31, 2024 (Previous year Rs.9,048.42 crore). The Company is wholly owned subsidiary of Authum Investment and Infrastructure Limited with negative networth. Authum, being a solvent company, whenever the funds will be required by the company, the holding company will deploy / provide funds to meet all future obligations of the company hence, the accounts of the Company have been prepared on "Going Concern" Basis.

64 Scheme of Demerger

Scheme of arrangement between Authum Investment and Infrastructure Limited, (the Holding Company/ Resulting Company) and the Company and their respective shareholders and creditors has been allowed by Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench vide Order dated 10th May 2024. The certified copy of the said Order was filed with Registrar of Companies and the effective date of the Scheme of arrangement is 21st May 2024 and the Appointed Date of the Scheme of arrangement is 1st October 2023. Pursuant to Scheme the entire Lending Business (Demerged Undertaking) of the Company (comprising all assets, liabilities, licences, rights, employees etc.) shall transfer to the Holding Company with effect from the Appointed Date as going concern in the manner and terms and conditions as contemplated in the Scheme. Accordingly, the carrying amount of assets and liabilities pertaining to the Demerged Undertaking have been derecognised by the company as the same are transferred to and vested in the Holding Company. The excess of carrying amount of assets transferred over the carrying amount of liabilities has been adjusted against the retained earnings. Above adjustments resulted in negative income/expenses for the quarter ended 31st March, 2024 to the extent related to the demerged entity.

Reserve Bank of India vide letter dated 1st October 2022 has provided No Objection Certificate for transfer of control through change of shareholding and management of Company and acquisition of 100% equity stake of Company by Holding Company. RBI had provided few conditions which include surrender of Certificate of Registration as NBFC of the company. Pending necessary formalities, the Certificate of Registration is yet to be surrendered thus the financial statements for the year have been prepared on status quo basis of the Company. Necessary disclosures as NBFC have been done for transactions till Appointed Date.

(Rs. In Crores)

Particulars		Amounts
Assets		
(a) Cash & cash equivalents		35.33
(b) Bank balance other than cash & cash equivalents		141.70
(c) Trade Receivables		
(d) Loans	1724.16	
Less: Liabilities towards Securitisation transactions	-960.73	763.43
(e) Investments		1717.53
(f) Other financial assets		58.70
(g) Other intangible assets		0.91
(h) Other non - financial assets		39.11
Total Assets		**2,756.70**
Liabilities		
(a) Payables		3.14
(b) Debt securities		5639.29
(c) Borrowings (other than debt securities)		103.93
(d) Other financial liabilities		806.96
(e) Provisions		0.23
(f) Other non-financial liabilities		45.10
Total Liabilities		**6598.65**
Net identifiable assets acquired		**-3841.96**

RELIANCE COMMERCIAL FINANCE LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

65 The Company was informed by its previous auditors that a report under Section 143(12) of the Companies Act, 2013 in Form ADT-4 has been filed with the Ministry of Corporate Affairs (MCA) in June 2019. The Company has examined the matter and has concluded that the issues raised by the previous auditors, do not merit reporting under the said Section. The Company also appointed legal experts, who independently carried out an in-depth examination of the matter and the issues raised by the previous auditor. The legal experts have concluded and confirmed that there was no matter attracting Section 143(12) of the Companies Act, 2013. This matter is still pending with the MCA. It is noticed that the end use of the above-mentioned borrowings from the Company are repayment of borrowings or repayment of financial obligations by the Company's borrowers.

66.1 The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

66.2 Rs. 0.00 in Standalone Financial Statement indicates amount below Rs.50,000.

67 **Audit Trail**

The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the provision to Rule 3(1) of the Companies (Accounts) Rules 2014, inserted by the Companies (Accounts) Amendement Rules 2021 requiring companies, which uses accounting software for maintainig it's books of accounts, shall only use such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The new requirement is applicable with effect from the financial year beginning on 1st April,2023.

The Comapny has been using SAP software for accounting during the Financial Year 23-24. The Demerger scheme got approved on May 10, 2024 by Hon'ble NCLT and the Certified True Copy of the order was received by the Company on May 15, 2024 and was filed with ROC on May 21, 2024. The Accounting software of the Company was changed from SAP software to Sun Infor from 16th May 2024.

68 **Business Combination**

Pursuant to the implementation of approved Resolution Plan in terms of Reserve Bank of India framework for resolution of stressed assets namely "RBI (Prudential Framework for Resolution of Stressed Assets) Directions 2019", in respect of Reliance Home Finance Ltd (RHFL), RHFL entered in to the agreement to sale its business through Business transfer Agreement (BTA) dated March 29, 2023 by way of slump sale, to Authum Investment and Infrastructure Limited (Authum) through Authum's wholly owned subsidiary company i.e. Reliance Commercial Finance Ltd. Accordingly, identified assets and liabilities of RHFL has been acquired by the Company. The BTA was implemented on March 31, 2023 which is also closing date of transfer of business. Assets and liabilities are recorded at fair value based on independent valuation report from BDO India.
The assets acquired has not resulted in any revenue or profit for the year. Gain on acquisition of the business of Rs. 629.34 Crore has been recognised as Capital Reserve (Net of tax effect thereon) in other equity through Other Comprehensive Income.
Nevertheless, in respect of transfer of business certain formalities were underway as at closing date e.g. transfer of investment to the company, satisfaction of charge of lenders/debenture holders, transfer of bank balances/deposits etc. Accordingly, transferred assets such as Investments, loan book, bank balances are yet to be transferred in the name of RCFL as on closing date i.e. March 31, 2023.

1. The fair value of assets and liabilities recognised as a result of the acquisition are as follows:

(Rs. in crores)

Particulars	Amounts
Assets	
(a) Cash & cash equivalents	208.02
(b) Bank balance other than cash & cash	68.96
(c) Loans	1653.58
(d) Investments	106.29
(e) Other financial assets	59.77
(f) Property, plant and equipment	0.48
(g) Other intangible assets	0.44
(h) Other non - financial assets	13.42
Total Assets	**2,110.95**
Liabilities	
(a) Payables	3.16
(b) Borrowings (other than debt securities)	1040.35
(c) Other financial liabilities	7.73
(d) Other non-financial liabilities	38.69
Total Liabilities	**1089.93**
Net identifiable assets acquired	**1021.02**

2. Calculation of Capital Reserve / Bargain Purchase Gain

The difference between the consideration and amount attributable to identified intangible assets /assets and

(Rs. in crores)

Particulars	Amounts
Net identifiable assets acquired	1021.02
Less: Deferred tax liability on net identifiable assets acquired	(211.69)
Net identifiable assets acquired (after Deferred tax liability)	**809.34**
Less: Consideration	(180.00)
Capital Reserve	**629.34**

69 Previous year figures have been regrouped / rearranged wherever necessary.

This is the standalone notes to account referred to our - report of even date

For O.P. Bagla & Co. LLP
Chartered Accountants
Firm Registration No. : 000018N/N500091

For and on behalf of the Board of Directors

Mohit
(Partner)
Membership No.: 558639

Place : Mumbai
Date: 27th May,2024

SD/-
Sanjay Dangi
(Director)
DIN - 00012833

SD/-
Amit Dangi
(Director)
DIN - 06527044

SD/-
Rohit Bhanja
(Chief Executive Officer)

SD/-
Amit Jha
(Chief Finance Officer)

SD/-
Avni Shah
(Company Secretary & Compliance Officer)

Place : Mumbai
Date: 27th May,2024

RELIANCE COMMERCIAL FINANCE LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Annex III (FORMING PART OF THE ACCOUNTS
{As required in Annex. VIII of Master Direction - RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 on Disclosure requirements under Scale Based Regulation for NBFCs dated October 19, 2023 as amended}

(Rs. in crores)

Sr. No.	Particulars	Amount Outstanding		Amount Overdue	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
(1)	**Loans and advances availed by the non banking financials company inclusive of interest accrued thereon but not paid :**				
a)	Debentures				
	i) Secured	63.80	649.00	63.80	428.83
	ii) Unsecured	-	1,187.65	-	-
	(Other than falling within the meaning of public deposits)				
b)	Deferred Credits			-	-
c)	Term Loans	114.04	534.57	114.04	437.79
d)	Inter-corporate Loans and Borrowing	426.78	749.06	-	526.71
e)	Commercial Paper	-	-	-	-
f)	Other Loans -				
	- Cash Credit	-	255.00	-	227.50
	- Preference Share	-	0.14	-	-
	Total Borrowings	**604.62**	**3,375.42**	**177.84**	**1,620.82**

Assets Side : **(Rs. in crores)**

Sr. No.	Particulars	Amount Outstanding	
		As at March 31, 2024	As at March 31, 2023
(2)	**Break up of loans and advances including bills receivable other than those included in (3) below (Gross**		
a)	Secured	-	9,366.56
b)	Unsecured	-	208.71
		-	**9,575.26**

(Rs. in crores)

Sr. No.	Particulars	Amount Outstanding	
		As at March 31, 2024	As at March 31, 2023
(3)	**Break up of leased assets and stock on hire and other assets counting towards AFC activities:**		
(i)	Lease assets including lease rentals under sundry debtors:		
	a) Financial lease	-	-
	b) Operating lease	-	-
(ii)	Stock on hire including higher charges under sundry debtors		
	a) Assets on Hire	-	-
	b) Repossessed Assets	-	-
(iii)	Other loans counting towards AFC activities		
	a) Loans where assets have been repossessed	-	-
	b) Loans other than (a) above	-	-

(Rs. in crores)

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
(4)	**Break up of investments :**		
a)	Current investments		
	1) Quoted		
	i) Shares		
	a) Equity (stock-in trade)	-	-
	b) Preference	-	-
	ii) Debentures and bonds	-	-
	iii) Units of Mutual fund	-	-
	iii) Government securities	-	-
	v) Others	-	-
	2) Unquoted		
	i) Shares	-	-
	a) Equity	-	-
	b) Preference	-	-
	ii) Debentures and bonds	-	-
	iii) Units of Mutual fund	-	-
	iv) GOI securities	-	-
	v) Others	-	-
b)	Long term investments		
	1) Quoted		
	i) Shares		
	a) Equity	-	-
	b) Preference	-	-
	ii) Debentures and bonds	-	-
	iii) Units of Mutual fund	-	-
	iv) GOI securities	-	-
	v) Others	-	-
	Unit of AIF	-	-
	2) Unquoted		
	i) Shares		
	a) Equity @ Face Value of Rs. 10 each	-	2.18
	b) Preference	-	-
	ii) Debentures and bonds	-	
	iii) Units of Mutual fund	-	101.23
	iv) GOI securities	-	-
	v) Others		
	Security Receipts	-	68.29
	(Less): Impairment loss allowance	-	(2.18)
		-	**169.53**

5) Borrower group-wise classification of assets financed as in (2) and (3) above (Gross amount): **(Rs. in crores)**

Sr. No.	Particulars	Secured		Unsecured		Total	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	a) Related parties						
	(i) Subsidiaries	-	-	-	-	-	-
	(iI) Associates			-	0.33	-	**0.33**
	(iiI) Companies in the same group	-	-	-	-	-	-
	b) Other than related parties	-	9,366.56	-	208.38	-	**9,574.93**
	Total	**-**	**9,366.56**	**-**	**208.71**	**-**	**9,575.26**

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

(Rs. in crores)

Sr. No.	Particulars	Market value / Fair Value or NAV		Book Value (Net of provisions)	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
a)	**Related parties**				
1)	Subsidiaries	-	-	-	-
2)	Associates(@ Rs. 49,990)	-	@	-	@
3)	Companies in the same group	-	-	-	-
4)	Other related parties	-	-	-	-
b)	**Other than related parties**	-	169.53	-	169.53
	Total	**-**	**169.53**	**-**	**169.53**

7) Other information **(Rs. in crores)**

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
a)	Gross Non Performing Assets		
	1) Related Parties	-	-
	2) Other than Related Parties	-	8,662.05
b)	Net Non Performing Assets		
	1) Related Parties	-	-
	2) Other than Related Parties (net of provision)	-	2.43