

August 3, 2022

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 001
BSE Scrip Code: 956340

Dear Sir(s),

Sub.: Statement of Unaudited Financial Results for the quarter ended June 30, 2022

In terms of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a Statement of Unaudited Financial Results for the quarter ended June 30, 2022 along with the Limited Review Report submitted by the Statutory Auditors of the Company.

The above financial results were approved by the Board of Directors at its meeting held on August 3, 2022. The meeting of the Board of Directors of the Company commenced at 6:00 p.m. and concluded at 9.15 p.m.

Thanking you.

Yours faithfully,
For **Reliance Commercial Finance Limited**



Manisha Pathak
Company Secretary & Compliance Officer

Encl.: As above.



O P BAGLA & CO LLP
CHARTERED ACCOUNTANTS

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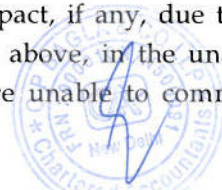
Independent Auditor's review report on the unaudited standalone financial results for the quarter ended June 30, 2022 of Reliance Commercial Finance Limited pursuant to Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of
Reliance Commercial Finance Limited.

1. We have reviewed the accompanying statement of unaudited standalone financial results of Reliance Commercial Finance Limited ("the Company") for the quarter ended 30 June 2022 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. This unaudited standalone financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the Company's management and has been approved by the Board of Directors. This unaudited standalone financial results has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a opinion on the Statement based on our review.
3. We conducted our review of the unaudited standalone financial results in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Basis of Qualification

4. The Company has entered into an Inter Creditors Agreement ("ICA") dated 6 July 2019 under the framework of the circular issued by the Reserve Bank of India on "Prudential Framework for Resolution of Stressed Assets" dated June 7, 2019. In view of ICA agreement, the Company has not recognized any penal interest and additional interest due to default and downgrade of the credit rating. Subject to availability of latest balance confirmation and their reconciliation from banks/lenders other than principal amount, there is material unreconciled balance as per books of the Company and lenders/banks. The impact, if any, due to non-recognition of the penal interest and additional interest as explained above, in the unaudited financial results is not ascertainable at present. Accordingly, we are unable to comment on the completeness and





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accuracy of the bank balances, borrowings and interest expense thereof as at June 30, 2022 and for the period ended on that date respectively.

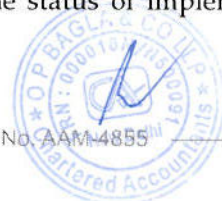
Emphasis of Matter

5. We draw attention to Note No. 5 of the unaudited standalone financial results with regards to the loan sanctioned under the Corporate Loan book with significant deviations to certain bodies corporate including group companies of which outstanding amount as at June 30, 2022 was aggregating to Rs. 4,979.89 crore and are secured by charge on current assets of borrowers and in certain cases it's further secured by corporate guarantee of group companies. As stated in the said note, in certain cases such corporate borrowers have undertaken onward lending transactions to its 100% holding company and some of the group companies of the company and end use of the borrowings from the Company have been utilized to meet their financial obligation by such entities. The Company has fully provided Expected Credit Loss (ECL) on these loans.

In this regard, we further draw attention to Note No. 6 of the unaudited standalone financial results referring to filing of Form ADT-4 under Section 143(12) of the Companies Act, 2013 to Ministry of Corporate Affairs (MCA) by the previous auditor with respect to aforesaid loan transactions. We have continued to rely upon the legal opinions on the basis of which management is of the opinion that there were no matters attracting the said Section. This matter is still pending with the MCA and the outcome of the matter cannot be commented upon.

Nevertheless, We are unable to comment upon consequential impacts on unaudited standalone financial results of the company arising on outcome of the matter related to aforesaid loans in MCA.

6. We draw attention to Note No. 4 of the unaudited standalone financial results which sets out the fact that, during the quarter ended, the Company has incurred losses of Rs 276.62 crores and it has accumulated losses of Rs. 13,368.40 crore as at 30 June 2022 resulting it has negative Capital to risk weighted assets ratio (CRAR) and negative net owned fund. Business activities of the Company are kept in abeyance and recovery process of old loans is underway. The Company is engaged with all its lenders and entered into an Inter-Creditor Agreement (ICA) dated July 6, 2019 and the resolution of its debt in accordance with the circular dated June 7, 2019 issued by the Reserve Bank of India on Prudential Framework for Resolution of Stressed Assets. In the matter, challenging the Order of Hon'ble Bombay High Court, SEBI has filed a Special Leave Petition (SLP) in the Hon'ble Supreme Court of India with respect to voting methodology for debenture holders and the same is still subjudice. Resolution under Inter-Creditor Agreement (ICA) frame-work for its debt depend on agreement with lenders and other external factors. The Company's ability to meet its obligations is significantly dependent on material uncertain events including restructuring of loans and implementation of debt resolution under Inter-Creditor Agreement (ICA) frame-work. These conditions cast significant doubt on the company's ability to continue as a going concern. Nevertheless, in view of the status of implementation of the





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approved resolution plan, these unaudited standalone financial results of the Company for the quarter ended 30 June 2022 have been prepared on a going concern basis.

Other Matter

7. The financial results of the Company for the quarter ended June 30, 2021 included in this standalone financial results, are based on the previously reviewed/audited statutory financial results of the Company, prepared in accordance with the Companies (Accounting Standards) Rules, 2006 and reviewed/audited by the previous auditors, whose review report dated July 31, 2021 for the quarter ended June 30, 2021 expressed an modified opinion on financial result.
8. Based on our review conducted as stated above, with the exception of the matter described in the Basis of Qualification, nothing has come to our attention that causes us to believe that the accompanying unaudited standalone financial results, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For O P BAGLA & CO LLP

Chartered Accountants

Firm's Registration No: 000018N/N500091

Rakesh Kumar

Partner

Membership No : 087537

UDIN : 22087537 AOEY MB4012

Mumbai

Dated : 03.08.2022



RELiance COMMERCIAL FINANCE LIMITED
Statement of Standalone Financial Results for the Quarter Ended June 30, 2022

(Rupees in crore)

Sr. No.	Particulars	Quarter Ended			Year Ended
		30-Jun-22	31-Mar-22	30-Jun-21	31-Mar-22
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Revenue from operations				
	(a) Interest Income	39.63	(83.28)	118.02	174.76
	(b) Fees and Commission Income	0.44	0.42	0.61	2.08
	(c) Net gain on fair value change	1.98	1.74	1.93	7.85
	(d) Rent Income	-	1.50	1.50	6.00
	(e) Other operating income	12.58	1.14	1.28	5.30
I	Total Revenue from operations	54.63	(78.48)	123.34	195.99
II	Other income	0.10	(0.07)	0.10	0.21
III	Total Income (I) + (II)	54.73	(78.55)	123.44	196.20
	Expenses				
	(a) Finance costs	264.42	275.25	279.24	1,124.78
	(b) Fees and commission expense	2.78	3.81	3.86	14.16
	(c) Impairment on financial instruments	43.75	4,023.87	467.29	6,085.51
	(d) Employee benefits expenses	4.56	4.61	4.61	18.50
	(e) Depreciation and amortisation	2.37	2.89	3.12	12.10
	(f) Other expenses	13.33	15.91	8.59	44.34
IV	Total expenses	331.21	4,326.34	766.71	7,299.39
V	Loss before exceptional items and tax (III-IV)	(276.48)	(4,404.89)	(643.27)	(7,103.19)
VI	Exceptional items	-	-	-	-
VII	Loss before tax (V-VI)	(276.48)	(4,404.89)	(643.27)	(7,103.19)
VIII	Tax expense:				
	(1) Current tax	-	-	-	-
	(2) Deferred tax	-	-	-	-
	(3) Income Tax for Earlier Years	0.14	(9.42)	-	(23.89)
IX	Loss for the period (VII-VIII)	(276.62)	(4,395.47)	(643.27)	(7,079.30)
X	Other Comprehensive Income				
	Items that will not be reclassified to profit or loss				
	(i) Remeasurement gain/(loss) on defined benefit plan	0.02	0.32	(0.08)	0.21
	(ii) Income tax relating to above items	-	-	-	-
	Other comprehensive income for the period, net of tax	0.02	0.32	(0.08)	0.21
XI	Total Comprehensive Income for the period (IX+X)	(276.60)	(4,395.15)	(643.35)	(7,079.09)
XII	Earnings per equity share face value of Rs. 10 each fully paid up (not annualised)				
	Basic & Diluted (in Rupees)	(20.44)	(324.81)	(47.53)	(523.13)



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CIN: U66010MH2000PLC128301

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Notes :

- 1 Reliance Commercial Finance Limited ("the Company") has prepared its Statement of Standalone financial results for the quarter ended June 30, 2022 in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.
- 2 The Standalone financial results of the Company for the quarter ended June 30, 2022 were reviewed by the Audit Committee and approved by Board of Directors at its meeting held on August 03, 2022 and subjected to limited reviewed by the statutory auditors of the Company.
- 3 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 "Operating Segments", in terms of Companies (Accounts) Rules, 2014.
- 4 During the quarter ended June 30, 2022, the Company has incurred losses amounting to Rs.276.62 crore (Previous year Rs.7,079.30 crore) and it has accumulated losses of Rs.13,368.40 crore as on June 30, 2022 (Previous year Rs.13,091.78 crore). The Company is engaged with its lenders for arriving at the debt resolution plan. In this regard, certain lenders of the Company have entered into an Inter-Creditor Agreement (ICA) in accordance with the circular dated June 7, 2019 issued by the Reserve Bank of India (RBI) on Prudential Framework for Resolution of Stressed Assets. Majority of our lenders have already executed the ICA dated July 6, 2019 with Bank of Baroda acting as the Lead Lender. The Lead Bank and the lenders forming part of ICA have appointed resolution advisors, cashflow monitoring agency, forensic auditor, valuers and legal counsel. Bank of Baroda as the Lead Lender and on behalf of the ICA lenders has as part of the debt resolution process has invited Expression of Interest (EoI) and bids from interested bidders vide newspaper advertisement dated July 28, 2020 and through the Lead Bank's website. Eighteen investors' initially, had expressed interest through submission of EoI's. The ICA lenders have evaluated, voted upon and selected Authum Investment & Infrastructure Limited as the final bidder on July 15, 2021 and the same has been intimated to the Stock Exchange by the Company through the media release dated July 19, 2021. Authum resolution plan has been shared with the Debenture Trustees to call for the Debenture Holder's meeting and seek approval on the resolution plan. Debenture holders meeting was held on 8th Dec 2021 for voting on the approval of ICA lenders approved Resolution plan. The voting was concluded on 8th Dec 2021, however the results are yet not declared by Debenture trustees. During voting, SEBI has filed an IA in the Hon'ble Bombay High court wrt voting methodology for Debenture holders. The Appeal was disposed of on 21st March 2022 by the Hon'ble Court rejecting SEBI's appeal and passing the order for announcing the voting results. Contesting the Order of Hon'ble Bombay High Court, SEBI on 28th Mar 2022 filed a Special Leave Petition in the Hon'ble Supreme Court of India. The same is admitted by Hon'ble Supreme Court of India for further hearing. The same is allowed by Hon'ble supreme court of India and the appeal is being presently heard by a Division Bench of the Supreme Court of India. The matter was posted for hearing on the 2nd of August, 2022 and the same was adjourned. The date for next hearing is awaited. The results of the voting have been submitted before the Supreme Court in a sealed cover by the Debenture Trustee - Vistra. In view of the resolution process being in the final stages, the accounts of the Company have been prepared on "Going Concern" Basis.
- 5 The Company had given General Purpose Corporate Loan/Working Capital Term Loan to certain bodies corporate in the ordinary course of business, the terms of which are at arms' length basis. None of these loans constitute as transactions with related parties. However, in few cases, the Company's borrowers had undertaken onward lending transactions to companies which are identified as Group Companies by Reliance Capital Limited (holding company) in terms of the Core Investment Companies (Reserve Bank) Directions, 2016. These loans are secured and in few cases its further guaranteed by the Group Companies. Nevertheless, considering various aspects of such loans full provision towards impairment has been made during the year.
- 6 The Company was informed by its then 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.
- 7 The Company recognises interest income by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets classified as 'Stage 3', the Company has recognised interest income on the amortised cost net of impairment loss of the financial asset at EIR till the period ended 31st December 2021. The Company is not recognising any interest income on credit-impaired financial assets classified as 'Stage 3'. Further, Interest receivable (net of impairment loss) on aforesaid credit impaired assets has been fully provided for.



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- 8 The COVID -19 pandemic has effect across the world, including India, the pandemic and consequent lockdown imposed by the Central & State Governments considerably impacted the Company's business operations. The pandemic has also resulted in a significantly constrain on recovery of overdues from customers.
As the world is emerging from COVID -19 pandemic, the extent to which any new development on pandemic that would impact the Company's results will depend on future developments on COVID-19, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID -19 pandemic and any action to contain its spread or mitigate its impact.
- 9 In accordance with the Reserve Bank of India (RBI) circular dated April 7, 2021, on "Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package", the Company shall refund / adjust 'interest on interest' to all borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the Company is in the process of suitably implementing the guidelines as prescribed by RBI. While the Company has estimated the said amount and made provision of Rs. 4.57 crore for refund / adjustment.
- 10 RBI vide Circular dated November 12, 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances - Clarifications" has clarified / harmonized certain aspects of extant regulatory guidelines with a view to ensuring uniformity in the implementation of IRACP norms across all lending institutions. The Company is taking necessary steps to comply with the norms / changes for regulatory reporting and as clarified by RBI vide circular dated February 15, 2022. Such clarifications/harmonization has no impact on the financial results for the quarter ended June 30, 2022, as the Company continues to prepare the financial results in accordance with the applicable Ind-AS guidelines and the RBI circular dated March 13, 2020 - "Implementation of Indian Accounting Standards"
- 11 Rated, Listed, Secured, Redeemable, Non-convertible Debentures ("Secured NCDs") amounting to Rs. 1,826.90 crore 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 except those book debts/ receivables charged in favour of NABARD on first charge basis against term loan availed from them. The asset cover has fallen below hundred percent of outstanding secured debentures and steps are being taken by the company in the resolution plan as explained in the note no 4 above.
- 12 Disclosures under Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as certified by the management are given in Annexure A.
- 13 The Figures for the quarter ended March 31, 2022 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2022 and the year to date figures up to quarter and nine months ended December 31, 2021, which were subjected to limited review by the statutory auditors.
- 14 Previous Period / Year figures have been regrouped / rearranged wherever necessary.

Place: Mumbai
Dated: August 03, 2022


Sudeep Ghoshal
(Non-Executive Director)



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Disclosures pursuant to Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended June 30, 2022

Sr. No.	Particulars	Quarter ended June 30, 2022
(a)	Debt-Equity Ratio	(0.92)
(b)	Outstanding Redeemable Preference Shares	
	(I) 12% Non-Cumulative Compulsorily Convertible Redeemable Preference Shares of Rs.10/- each	
	(i) Quantity	400,000,000
	(ii) Value (Rupees in crore)	400.00
	(II) 10% Non-Convertible Non-Cumulative Redeemable Preference Shares of Re. 1 each	
	(i) Quantity	1,379,857
	(ii) Value (Rupees in crore)	0.14
(c)	Capital Redemption Reserve/ Debenture Redemption Reserve	Not Applicable (Refer Note no. 2)
(d)	Net Worth (Rupees in crore)	(10,656.47)
(e)	Net Profit / (Loss) After Tax (Rupees in crore)	(276.62)
(f)	Earnings Per Share (Basic & Diluted) (in Rupees)	(20.44)
(g)	Total Debts To Total Assets	6.25
(h)	Net Profit Margin (%)	-506.36%
(i)	Sector specific ratios, as applicable	
	(i) Gross NPA (stage 3 asset, gross) Ratio	94.20%
	(ii) Net NPA (stage 3 asset, gross) Ratio	0.74%
	(iii) Capital to risk-weighted assets Ratio	-1389.30%
	(iv) Liquidity Coverage Ratio (Refer Annexure B)	0.16%

Note 1: Debt service coverage ratio, Interest service coverage ratio, Current ratio, Long term debt to working capital, Bad debts to Accounts receivable ratio, Current liability ratio, Debtors turnover, Inventory turnover and Operating margin ratio are not applicable to the Company.

Note 2: DRR is required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of Companies (Share Capital and Debenture) Rules, 2014.



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Annexure B

Liquidity Coverage Ratio (LCR)

Particulars		Quarter Ended	
		Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets			
1	Total High Quality Liquid Assets (HQLA)	18.75	18.75
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	10,007.92	11,509.11
7	Other contingent funding obligations	-	-
8	Total Cash Outflows	10,007.92	11,509.11
Cash Inflows			
9	Secured lending	24.50	18.38
10	Inflows from fully performing exposures	-	-
11	Other cash inflows	-	-
12	Total Cash Inflows	24.50	18.38
		Total Adjusted Value	
13	Total HQLA		18.75
14	Total Net Cash Outflows		11,490.74
15	Liquidity Coverage Ratio (%)		0.16%

* HQLA components includes only cash balance and balance with banks in current account.



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Independent Auditor's review report on the unaudited consolidated financial results for the quarter ended June 30, 2022 of Reliance Commercial Finance Limited pursuant to Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of
Reliance Commercial Finance Limited.

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Reliance Commercial Finance Limited (hereinafter referred to as the "Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its associates for the quarter ended 30 June 2022 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations').
2. This unaudited consolidated financial result, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our review.
3. We conducted our review of the unaudited consolidated financial results in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. In our opinion and to the best of our information and according to the explanations given to us, unaudited consolidated financial results includes following entities results:

Subsidiary

- Gullfoss Enterprises Private Limited

Associates

- Global Wind Power Limited
- Reinplast Advance Composites Private Limited





Basis of Qualification

5. The Company has entered into an Inter Creditors Agreement ("ICA") dated 6 July 2019 under the framework of the circular issued by the Reserve Bank of India on "Prudential Framework for Resolution of Stressed Assets" dated June 7, 2019. In view of ICA agreement, the Company has not recognized any penal interest and additional interest due to default and downgrade of the credit rating. Subject to availability of latest balance confirmation and their reconciliation from banks/lenders other than principal amount, there is material unreconciled balance as per books of the Company and lenders/banks. The impact, if any, due to non-recognition of the penal interest and additional interest as explained above, in the unaudited financial results is not ascertainable at present. Accordingly, we are unable to comment on the completeness and accuracy of the bank balances, borrowings and interest expense thereof as at June 30, 2022 and for the period ended on that date respectively.

Emphasis of Matter

6. We draw attention to Note No. 5 of the unaudited consolidated financial results with regards to the loan sanctioned under the Corporate Loan book with significant deviations to certain bodies corporate including group companies of which outstanding amount as at June 30, 2022 was aggregating to Rs. 4,979.89 crore and are secured by charge on current assets of borrowers and in certain cases it's further secured by corporate guarantee of group companies. As stated in the said note, in certain cases such corporate borrowers have undertaken onward lending transactions to its 100% holding company and some of the group companies of the company and end use of the borrowings from the Company have been utilized to meet their financial obligation by such entities. The Company has fully provided Expected Credit Loss (ECL) on these loans.

In this regard, we further draw attention to Note No. 6 of the unaudited consolidated financial results referring to filing of Form ADT-4 under Section 143(12) of the Companies Act, 2013 to Ministry of Corporate Affairs (MCA) by the previous auditor with respect to aforesaid loan transactions. We have continued to rely upon the legal opinions on the basis of which management is of the opinion that there were no matters attracting the said Section. This matter is still pending with the MCA and the outcome of the matter cannot be commented upon.

Nevertheless, We are unable to comment upon consequential impacts on unaudited consolidated financial results of the company arising on outcome of the matter related to aforesaid loans in MCA.

7. We draw attention to Note No. 4 of the unaudited consolidated financial results which sets out the fact that, during the quarter ended, the Company has incurred losses of Rs. 276.63 crores and it has accumulated losses of Rs. 13,368.47 crore as at 30 June 2022 resulting it has negative Capital to risk weighted assets ratio (CRAR) and negative net owned fund. Business activities of the Company are kept in abeyance and recovery process of old loans is underway. The Company is engaged with all its lenders and entered into an Inter-Creditor Agreement (ICA) dated July 6, 2019 and the resolution of its debt in accordance with the circular dated June 7, 2019 issued by



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CHARTERED ACCOUNTANTS

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the Reserve Bank of India on Prudential Framework for Resolution of Stressed Assets. In the matter, challenging the Order of Hon'ble Bombay High Court, SEBI has filed a Special Leave Petition (SLP) in the Hon'ble Supreme Court of India with respect to voting methodology for debenture holders and the same is still subjudice. Resolution under Inter-Creditor Agreement (ICA) frame-work for its debt depend on agreement with lenders and other external factors. The Company's ability to meet its obligations is significantly dependent on material uncertain events including restructuring of loans and implementation of debt resolution under Inter-Creditor Agreement (ICA) frame-work. These conditions cast significant doubt on the company's ability to continue as a going concern. Nevertheless, in view of the status of implementation of the approved resolution plan, these unaudited consolidated financial results of the Company for the quarter ended 30 June 2022 have been prepared on a going concern basis.

Other Matter

8. We did not review the interim financial information of subsidiary included in the unaudited consolidated financial results, whose interim financial information reflect total revenue of Nil, total loss after tax of Rs. 0.01 crore for the quarter, total comprehensive income of Rs.(0.01) crore for the quarter ended June 30, 2022 as considered in the unaudited consolidated financial results. The unaudited consolidated financial results also includes the Group's share of loss after tax of Rs. Nil and total comprehensive income of Rs. Nil for the quarter ended June 30, 2022, as considered in the unaudited consolidated financial results, in respect of two associates, whose interim financial information / results have not been reviewed by us.
9. These interim financial information / result of a subsidiary and two associates are certified by the Management and our report on the unaudited consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and associates, is based solely on the management certified financials.
10. Our opinion on the unaudited consolidated financial results is not modified in respect of the above matters.
11. The financial results of the Company for the quarter ended June 30, 2021 included in this consolidated financial results, are based on the previously reviewed/audited statutory financial results of the Company, prepared in accordance with the Companies (Accounting Standards) Rules, 2006 and reviewed/audited by the previous auditors, whose review report dated July 31, 2021 for the quarter ended June 30, 2021 expressed an modified opinion on financial result.
12. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of management certified financial statements of subsidiary and associates, as mentioned above in paragraphs 8 and 9, with the exception of the matter described in the Basis of Qualification, nothing has come to our attention that causes us to believe that the accompanying unaudited consolidated financial results prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard



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and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For O P BAGLA & CO LLP

Chartered Accountants

Firm's Registration No: 000018N/N500091

Rakesh Kumar

Partner

Membership No : 087537

UDIN : 22087537 AOEYN0885

Mumbai

Dated : 03.08.2022.



RELIANCE COMMERCIAL FINANCE LIMITED

Statement of Consolidated Financial Results for the Quarter and Year Ended June 30, 2022

Sr. No.	Particulars	(Rupees in crore)				
		Quarter Ended			Year ended	Year Ended
		30-Jun-22 (Unaudited)	31-Mar-22 (Unaudited)	30-Jun-21 (Unaudited)	31-Mar-22 (Audited)	31-Mar-21 (Audited)
	Revenue from operations					
	(a) Interest Income	39.62	(83.29)	118.01	174.72	494.37
	(b) Fees and Commission Income	0.44	0.42	0.61	2.08	2.53
	(c) Net gain on fair value change	1.98	1.74	1.93	7.85	25.71
	(d) Rent Income	-	1.50	1.50	6.00	6.00
	(e) Other operating income	12.58	1.14	1.28	5.30	6.23
I	Total Revenue from operations	54.62	(78.49)	123.33	195.95	534.84
II	Other income (+ Rs. 9,794 ** Rs. 189)	0.10	(0.07)	0.10	0.21	0.14
III	Total Income (I) + (II)	54.72	(78.56)	123.43	196.16	534.98
	Expenses					
	(a) Finance costs	264.42	275.25	279.24	1,124.78	1,131.33
	(b) Fees and commission expense	2.78	3.81	3.86	14.16	15.31
	(c) Impairment on financial instruments	43.75	4,023.87	467.29	6,085.51	1,982.76
	(d) Employee benefits expenses	4.56	4.61	4.61	18.50	21.15
	(e) Depreciation and amortisation	2.37	2.89	3.12	12.10	13.73
	(f) Other expenses	13.33	15.91	8.59	44.34	46.23
IV	Total expenses	331.21	4,326.34	766.71	7,299.39	3,210.51
V	Loss before exceptional items and tax (III-IV)	(276.49)	(4,404.90)	(643.28)	(7,103.23)	(2,675.54)
VI	Exceptional items	-	-	-	-	-
VII	Loss before tax (V-VI)	(276.49)	(4,404.90)	(643.28)	(7,103.23)	(2,675.54)
VIII	Tax expense:					
	(1) Current tax	-	-	-	-	-
	(2) Deferred tax	-	-	-	-	-
	(3) Income Tax for Earlier Years	0.14	(9.42)	-	(23.89)	(10.26)
IX	Loss for the period before Share of profit of Associates & Non controlling Interest (VII-VIII)	(276.63)	(4,395.48)	(643.27)	(7,079.34)	(2,665.27)
X	Non controlling interest	-	-	-	-	-
XI	Share of Loss of Associates	-	-	-	-	2.18
XII	Loss for the period (IX-X+XI)	(276.63)	(4,395.48)	(643.27)	(7,079.34)	(2,663.09)
XIII	Other Comprehensive Income					
	Items that will not be reclassified to profit or loss					
	(i) Remeasurement gain/(loss) on defined benefit plan	0.02	0.32	(0.08)	0.21	(0.23)
	(ii) Income tax relating to above items	-	-	-	-	-
	Other comprehensive income for the period, net of tax	0.02	0.32	(0.08)	0.21	(0.23)
XIV	Total Comprehensive Income for the period (XII+XIII)	(276.61)	(4,395.16)	(643.35)	(7,079.13)	(2,663.32)
	Loss attributable to:					
	(a) Owners of the parent	(276.63)	(4,395.48)	(643.26)	(7,079.34)	(2,663.09)
	(b) Non controlling interest	-	-	(0.01)	-	-
		(276.63)	(4,395.48)	(643.27)	(7,079.34)	(2,663.09)
	Other Comprehensive Income attributable to:					
	(a) Owners of the parent	0.02	0.32	(0.08)	0.21	(0.23)
	(b) Non controlling interest	-	-	-	-	-
		0.02	0.32	(0.08)	0.21	(0.23)
	Total Comprehensive Income attributable to:					
	(a) Owners of the parent	(276.61)	(4,395.16)	(643.35)	(7,079.13)	(2,663.32)
	(b) Non controlling interest	-	-	(0.01)	-	-
		(276.61)	(4,395.16)	(643.36)	(7,079.13)	(2,663.32)
XV	Earnings per equity share face value of Rs. 10 each fully paid up (not annualised)					
	Basic & Diluted (in Rupees)	(20.44)	(324.81)	(47.53)	(523.13)	(196.95)

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CIN: U66010MH2000PLC128301

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A RELIANCE CAPITAL COMPANY

Notes :

- 1 Reliance Commercial Finance Limited ("the Company") has prepared its Statement of Consolidated financial results for the quarter ended June 30, 2022 in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. These financial information together with the comparative reporting period have been prepared in accordance with the recognition and measurement principles as laid down in Ind AS 34 - "Interim Financial Reporting"
- 2 The Consolidated financial results of the Reliance Commercial Finance Limited ("the Parent Company" or "the Company"), its subsidiary i.e. Gullfoss Enterprises Private Limited (together referred to as the "Group") for quarter ended on June 30, 2022 have been approved by the Board of Directors of the Parent Company at its meeting held on August 03, 2022. The Company also has associates i.e., Global Wind Power Limited and Reinplast Advanced Composites Private Limited.
- 3 The Group 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 "Operating Segments", in terms of Companies (Accounts) Rules, 2014.
- 4 During the quarter ended June 30, 2022 the Group has incurred losses of Rs. 276.63 crore (Previous year Rs. 7079.35 crore) and it has accumulated losses of Rs. 13,368.47 crore as on June 30, 2022 (Previous year Rs. 13,091.84 crore).
The Company is engaged with its lenders for arriving at the debt resolution plan. In this regard, certain lenders of the Company have entered into an Inter-Creditor Agreement (ICA) in accordance with the circular dated June 7, 2019 issued by the Reserve Bank of India (RBI) on Prudential Framework for Resolution of Stressed Assets. Majority of our lenders have already executed the ICA dated July 6, 2019 with Bank of Baroda acting as the Lead Lender. The Lead Bank and the lenders forming part of ICA have appointed resolution advisors, cashflow monitoring agency, forensic auditor, valuers and legal counsel. Bank of Baroda as the Lead Lender and on behalf of the ICA lenders has as part of the debt resolution process has invited Expression of Interest (EoI) and bids from interested bidders vide newspaper advertisement dated July 28, 2020 and through the Lead Bank's website. Eighteen investors' initially, had expressed interest through submission of EoI's. The Lead Bank and the lenders forming part of ICA have appointed resolution advisors, cashflow monitoring agency, forensic auditor, valuers and legal counsel. Bank of Baroda as the Lead Lender and on behalf of the ICA lenders has as part of the debt resolution process has invited Expression of Interest (EoI) and bids from interested bidders vide newspaper advertisement dated July 28, 2020 and through the Lead Bank's website. Eighteen investors' initially, had expressed interest through submission of EoI's.
The ICA lenders have evaluated, voted upon and selected Authum Investment & Infrastructure Limited as the final bidder on July 15, 2021 and the same has been intimated to the Stock Exchange by the Company through the media release dated July 19, 2021.
Authum resolution plan has been shared with the Debenture Trustees to call for the Debenture Holder's meeting and seek approval on the resolution plan. Debenture holders meeting was held on 8th Dec 2021 for voting on the approval of ICA lenders approved Resolution plan. The voting was concluded on 8th Dec 2021, however the results are yet not declared by Debenture trustees.
During voting, SEBI has filed an IA in the Hon'ble Bombay High court wrt voting methodology for Debenture holders. The Appeal was disposed of on 21st March 2022 by the Hon'ble Court rejecting SEBI's appeal and passing the order for announcing the voting results.
Contesting the Order of Hon'ble Bombay High Court, SEBI on 28th Mar 2022 filed a Special Leave Petition in the Hon'ble Supreme Court of India. The same is admitted by Hon'ble Supreme Court of India for further hearing. The same is allowed by Hon'ble supreme court of India and the appeal is being presently heard by a Division Bench of the Supreme Court of India. The matter was posted for hearing on the 2nd of August, 2022 and the same was adjourned. The date for next hearing is awaited. The results of the voting have been submitted before the Supreme Court in a sealed cover by the Debenture Trustee - Vistra.
In view of the resolution process being in the final stages, the accounts of the Company have been prepared on "Going Concern" Basis.
- 5 The Company had given General Purpose Corporate Loan/Working Capital Term Loan to certain bodies corporate in the ordinary course of business, the terms of which are at arms' length basis. None of these loans constitute as transactions with related parties. However, in few cases, the Company's borrowers had undertaken onward lending transactions to companies which are identified as Group Companies by Reliance Capital Limited (holding company) in terms of the Core Investment Companies (Reserve Bank) Directions, 2016. These loans are secured and in few cases its further guaranteed by the Group Companies. Nevertheless, considering various aspects of such loans full provision towards impairment has been made during the year.
- 6 The Company was informed by its then 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.



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- 7 The Company recognises interest income by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets classified as 'Stage 3', the Company has recognised interest income on the amortised cost net of impairment loss of the financial asset at EIR till the period ended 31st December 2021. The Company is not recognising any interest income on credit-impaired financial assets classified as 'Stage 3'. Further, Interest receivable (net of impairment loss) on aforesaid credit impaired assets has been fully provided for.
- 8 The COVID -19 pandemic has effect across the world, including India, the pandemic and consequent lockdown imposed by the Central & State Governments considerably impacted the Company's business operations. The pandemic has also resulted in a significantly constrain on recovery of overdues from customers.
The extent to which the COVID -19 pandemic will continue to impact the Company's results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID -19 pandemic and any action to contain its spread or mitigate its impact.
- 9 In accordance with the Reserve Bank of India (RBI) circular dated April 7, 2021, on "Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package", the Company shall refund / adjust 'interest on interest' to all borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the Company is in the process of suitably implementing the guidelines as prescribed by RBI. While the Company has estimated the said amount and made provision of Rs. 4.57 crore for refund / adjustment.
- 10 RBI vide Circular dated November 12, 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances - Clarifications" has clarified / harmonized certain aspects of extant regulatory guidelines with a view to ensuring uniformity in the implementation of IRACP norms across all lending institutions. The Group is taking necessary steps to comply with the norms / changes for regulatory reporting and as clarified by RBI vide circular dated February 15, 2022. Such clarifications/harmonization has no impact on the financial results for the quarter ended June 30, 2022, as the Group continues to prepare the financial results in accordance with the applicable Ind-AS guidelines and the RBI circular dated March 13, 2020 - "Implementation of Indian Accounting Standards"
- 11 Rated, Listed, Secured, Redeemable, Non-convertible Debentures ("Secured NCDs") amounting to Rs.1,826.90 crore are secured by way of a first
- 12 Disclosures under Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as certified by the management are given in Annexure A.
- 13 The Figures for the quarter ended March 31,2022 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2022 and the year to date figures up to quarter and nine months ended December 31, 2021, which were subjected to limited review by the statutory auditors.
- 14 Previous Period / Year figures have been regrouped / rearranged wherever necessary.

Place: Mumbai
Dated: August 03, 2022


Suddeep Ghoshal
(Non-Executive Director)

