

May 7, 2021

**BSE Limited**

1<sup>st</sup> Floor, Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001

**BSE Scrip Code: 956340**

Dear Sir / Madam,

**Sub.: Statement of Audited Financial Results for the half year and year ended March 31, 2021**

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 Audited Financial Results for the half year and year ended March 31, 2021 along with Auditor's Report.

The above Audited Financial Results were approved by the Board of Directors at its meeting held on May 7, 2021.

Thanking You.

Yours faithfully,

**For Reliance Commercial Finance Limited**



**Amisha Depda**

**Company Secretary & Compliance Officer**

Encl.: As above.

Independent Auditor's Report on Standalone Financial Results for the half year & year ended March 31, 2021 of Reliance Commercial Finance Limited pursuant to 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')

To the Board of Directors of  
Reliance Commercial Finance Limited.

**Qualified Opinion**

1. We have audited the accompanying standalone financial results of Reliance Commercial Finance Limited ("the Company") for the half year & year ended 31 March 2021 ("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').

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid Statement:

- (i) is presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard; and
- (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India, of net loss and other comprehensive income and other financial information of the Company for the year ended 31 March 2021.

**Basis for Qualified Opinion**

2. We draw attention to Note No. 6 of the standalone financial results with regards to the loan sanctioned under the Corporate Loan book with significant deviations to certain bodies corporate including group companies and outstanding as at March 31, 2021 aggregating to Rs. 4,979.89 crore and secured by charge on current assets of borrowers. As stated in the said note, in certain cases the corporate borrowers of Company's, have undertaken onward lending transactions and end use of the borrowings from the Company included borrowings by or for repayment of financial obligation to some of the group companies. These exposures to borrowers are secured against charge on current assets including in certain cases it's further guaranteed by the Group Companies. Further, the Company has provided Expected credit loss on loan and advance for the year ended March 31, 2021. The recovery against these loans are dependent on the recovery of onward lending of the borrowers which further depends on external factors not wholly within control of the Company. We were

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Shridhar & Associates, 701, 7<sup>th</sup> Floor, Amba Sadan, Plot No.325, Linking Road, Khar (W), Mumbai - 400 052.  
Head Office Tel : + 91 (22) 2604 3028 / 2604 4363 / 6741 1399 Email: [info@shridharandassociates.com](mailto:info@shridharandassociates.com)

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unable to obtain sufficient audit evidence about the recoverability of the aforesaid loans. Accordingly, we were unable to determine the consequential implications arising therefrom and it may have implications of adjustments, disclosures or compliances on certain elements in the accompanying standalone financial results of the Company.

3. 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 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 as at March 31, 2021. The impact, if any, due to non-recognition of the penal interest and additional interest as explained above, in the financial statements 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 March 31, 2021, for the half year and year ended on that date respectively.

**Going Concern**

4. We draw attention to Note No. 5 of the standalone Ind AS financial statements which sets out the fact that, during the half year and the year ended the Company has incurred losses of Rs. 1,417.38 crores and Rs. 2,665.27 crores respectively and it has accumulated losses of Rs. 5,998.19 crore as at 31 March 2021 resulting it has negative Capital to risk weighted assets ratio (CRAR) and negative net owned fund. The Company is engaged with all its lenders to enter into an Inter-Creditor Agreement (ICA) dated July 6, 2019 and subsequent extension of ICA till June 30, 2021 for 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. Resolution under Inter-Creditor Agreement (ICA) frame work for its debt depend on agreement with lenders and other external factors. In view of the steps taken by the Company along with Inter-Creditor Agreement (ICA), accordingly, the standalone Ind AS financial statements of the Company have been prepared on a going concern basis. The Company's ability to meet its obligations is significantly dependent on material uncertain events including restructuring of loans and achievement of debt resolution under Inter-Creditor Agreement (ICA) frame work that may cast significant doubt on the Company's ability to continue as a going concern.
5. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Statement under the provisions of the Act and the Rules thereunder,





and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Emphasis of Matter**

6. We draw attention to Note No. 7 of the 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. Based on the views of the Company and supported by legal opinions there were no matters attracting the said Section. This matter is still pending with the MCA.
7. We draw attention to Note No. 8 to the standalone Ind AS financial statements, in which the extant to which the COVID-19 pandemic will impact the Company's financial performance including the Company's estimates of impairment of total assets which is dependent on future developments, which are uncertain.

Our opinion is not modified in respect of above matters.

**Board of Directors' Responsibility for the Standalone Financial Results**

8. This Statement has been prepared on the basis of the standalone financial statements. The Company's Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the net loss and other comprehensive income and other financial information of the Company in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and is free from material misstatement, whether due to fraud or error.



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

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

**Auditor's Responsibilities for the Audit of the Standalone Financial Results**

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

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such





disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.


**Other Matter**

13. The Statement includes the results for the half year ended March 31, 2021, being the balancing figure between audited figures in respect of full financial year and the published unaudited year to date figures up to the half year ended September 30, 2020 of the current financial year which were subject to limited review by us, as required under the listing regulations.
14. The standalone financial results dealt with by this report have been prepared for express purpose of filing with stock exchanges on which the Company Debts are listed. These results are based on and should read with audited standalone financial statements of the Company for the year ended 31 March 2021 on which we have issued qualified audit opinion vide our report dated 7 May 2021.

**For Shridhar and Associates**

**Chartered Accountants**

**Firm's Registration No: 134427W.**

  
**Vyapak Shrivastava**

**Partner**

**Membership No : 118871**

**UDIN : 21118871AAAAAA7365**

**Mumbai**

**Dated : May 07, 2021**



**RELIANCE COMMERCIAL FINANCE LIMITED**
**Statement of Standalone Audited Financial Results for the Year Ended March 31, 2021**
**(Rs. in crore)**

Sr. No.	Particulars	Half Year Ended		Year Ended	Year Ended
		31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
		(Unaudited)	(Unaudited)	(Audited)	(Audited)
	<b>Revenue from operations</b>	278.62	303.53	494.41	748.98
	(a) Interest income	1.34	2.34	2.53	7.88
	(b) Fees and Commission income	4.42	17.54	25.71	36.98
	(c) Net gain on fair value change	3.00	3.00	6.00	6.00
	(d) Rent income	5.97	5.66	6.23	64.72
	(e) Other operating income				
<b>I</b>	<b>Total Revenue from operations</b>	<b>293.35</b>	<b>332.07</b>	<b>534.88</b>	<b>864.56</b>
<b>II</b>	<b>Other income</b>	0.14	0.07	0.14	0.07
<b>III</b>	<b>Total Income (I) + (II)</b>	<b>293.49</b>	<b>332.14</b>	<b>535.02</b>	<b>864.63</b>
	<b>Expenses</b>				
	(a) Finance costs	565.57	591.46	1,131.37	1,232.01
	(b) Fees and commission expense	8.79	9.45	15.31	20.28
	(c) Impairment on financial instruments	1,110.15	507.72	1,982.76	882.03
	(d) Employee benefits expenses	8.19	22.51	21.15	61.31
	(e) Depreciation and amortisation	6.57	8.39	13.73	16.76
	(f) Other expenses	22.55	44.61	46.23	93.04
<b>IV</b>	<b>Total expenses</b>	<b>1,721.82</b>	<b>1,184.14</b>	<b>3,210.55</b>	<b>2,305.43</b>
<b>V</b>	<b>Loss before exceptional items and tax (III-IV)</b>	<b>(1,428.33)</b>	<b>(852.00)</b>	<b>(2,675.53)</b>	<b>(1,440.80)</b>
<b>VI</b>	<b>Exceptional items</b>	-	-	-	-
<b>VII</b>	<b>Loss before tax (V-VI)</b>	<b>(1,428.33)</b>	<b>(852.00)</b>	<b>(2,675.53)</b>	<b>(1,440.80)</b>
<b>VIII</b>	<b>Tax expense:</b>				
	(1) Current tax	-	-	-	-
	(2) Deferred tax	-	-	-	-
	(3) Income tax for earlier years	(10.95)	-	(10.26)	-
<b>IX</b>	<b>Loss for the period (VII-VIII)</b>	<b>(1,417.38)</b>	<b>(852.00)</b>	<b>(2,665.27)</b>	<b>(1,440.80)</b>
<b>X</b>	<b>Other Comprehensive Income</b>				
	Items that will not be reclassified to profit or loss				
	(i) Remeasurement gain/(loss) on defined benefit plan	(0.01)	(0.69)	(0.23)	(0.29)
	(ii) Income tax relating to above items	-	-	-	-
	<b>Other Comprehensive Income for the period, net off tax</b>	<b>(0.01)</b>	<b>(0.69)</b>	<b>(0.23)</b>	<b>(0.29)</b>
	<b>Other comprehensive income for the period (A+B)</b>	<b>(0.01)</b>	<b>(0.69)</b>	<b>(0.23)</b>	<b>(0.29)</b>
<b>XI</b>	<b>Total Comprehensive Income for the period (IX+X)</b>	<b>(1,417.39)</b>	<b>(852.69)</b>	<b>(2,665.50)</b>	<b>(1,441.09)</b>
<b>XII</b>	<b>Earnings/(Loss) per equity share face value of Rs. 10 each fully paid up (not annualised)</b>				
	(1) Basic (Rs.)	(104.74)	(62.96)	(196.95)	(106.47)
	(2) Diluted (Rs.)	(98.89)	(59.44)	(185.96)	(100.53)



Registered Office: 7<sup>th</sup> Floor, B-Wing, Trade World, Kamala Mills Compound, S. B. Marg, Lower Parel, Mumbai 400 013  
 +91 22 6259 2700 / F +91 22 6259 2701 / www.reliancemoney.co.in  
 Service Queries: 022-47415800 / customercare@reliancecommercialfinance.com

CIN: U66010MH2000PLC128301

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**Reliance Commercial Finance Limited**

**RELIANCE COMMERCIAL FINANCE LIMITED**  
Standalone Audited Balance Sheet as at March 31, 2021

		(Rs. in crore)	
Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
		(Audited)	(Audited)
	<b>ASSETS</b>		
1	<b>Financial assets</b>		
	(a) Cash and cash equivalents	69.94	102.17
	(b) Bank balance other than cash and cash equivalents	171.23	40.57
	(c) Derivative financial Instruments	0.49	0.10
	(d) Receivables		
	- Trade receivables	0.18	13.22
	- Other receivables	-	3.71
	(e) Loans	7,093.68	9,173.06
	(f) Investments	380.72	989.32
	(g) Other financial assets	179.93	133.54
	<b>Subtotal of Financial assets</b>	<b>7,896.17</b>	<b>10,455.69</b>
2	<b>Non - financial assets</b>		
	(a) Current tax assets (Net)	3.88	172.24
	(b) Deferred tax assets (Net)	-	-
	(c) Property, plant and equipment	138.78	144.99
	(d) Goodwill	160.14	160.14
	(e) Other Intangible assets	13.26	21.51
	(f) Other Non - financial assets	27.67	34.37
	<b>Subtotal of Non- financial assets</b>	<b>343.73</b>	<b>533.25</b>
	<b>TOTAL ASSETS</b>	<b>8,239.90</b>	<b>10,988.94</b>
	<b>LIABILITIES AND EQUITY</b>		
	<b>LIABILITIES</b>		
1	<b>Financial liabilities</b>		
	(a) Payables		
	- Trade payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	0.06
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	0.35	1.19
	- 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	604.63	735.81
	(b) Debt Securities	1,820.57	1,812.08
	(c) Borrowings (other than debt securities)	7,934.40	8,000.90
	(d) Subordinated liabilities	81.14	81.14
	(e) Other Financial liabilities	1,055.72	896.04
	<b>Subtotal of Financial liabilities</b>	<b>11,496.81</b>	<b>11,527.22</b>
2	<b>Non- financial liabilities</b>		
	(a) Provisions	27.44	34.46
	(b) Other Non-financial liabilities	16.42	62.52
	<b>Subtotal of Non- financial liabilities</b>	<b>43.86</b>	<b>96.98</b>
3	<b>Equity</b>		
	(a) Equity share capital	135.33	135.33
	(b) Preference share capital	400.00	400.00
	(c) Other Equity	(3,836.10)	(1,170.59)
	<b>Subtotal of Equity</b>	<b>(3,300.77)</b>	<b>(635.26)</b>
	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>8,239.90</b>	<b>10,988.94</b>



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**RELIANCE COMMERCIAL FINANCE LIMITED**  
**STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021**

(Rupees in crore)

Particulars	2020-21		2019-20	
<b>(a) Cash flow from operating activities :</b>				
Loss before tax:		(2,675.53)		(1,440.80)
Adjustments :				
Depreciation & amortisation	13.73		16.76	
Impairment on financial instruments	1,980.07		881.15	
Net gain on financial instruments at FVTPL	0.51		0.89	
Net (gain) / loss on Sale of financial instruments	19.61		(7.94)	
Net (gain) / loss on disposal of property, plant and equipment	(0.11)		1.86	
Dividend Income	(0.02)		-	
Provision for Diminution In Value of Investments	2.18		-	
Finance cost	1,131.37		1,232.01	
Interest on investments	-		(1.13)	
		3,147.34		2,123.60
<b>Operating profit before working capital changes</b>		471.81		682.80
<b>Adjustments for (increase)/ decrease in operating assets:</b>				
Trade receivables & other receivables	(35.42)		(8.39)	
Fixed deposits with banks	(130.66)		355.76	
Loans	202.28		1,144.15	
Other financial assets	(50.99)		48.03	
Other Non - financial assets	3.66		(3.85)	
<b>Adjustments for increase/ (decrease) in operating liabilities</b>				
Trade payables & other payables	(132.07)		(47.95)	
Other financial liabilities	-		(182.99)	
Other non-financial liabilities	(53.21)		31.42	
		(196.41)		1,336.18
<b>Cash generated from operations</b>		275.40		2,018.98
Less : Interest paid	(971.59)		(322.76)	
Less : Income taxes paid (net of refunds)	178.62		(35.80)	
		(792.97)		(358.56)
<b>Net cash (outflow)/ inflow from operating activities (a)</b>		(517.58)		1,660.42
<b>(b) Cash flow from investing activities :</b>				
Purchase of investment	-		(895.90)	
Sale of investment (Net)	559.93		62.05	
Purchase of property, plant and equipments	-		(0.38)	
Sale of property, plant and equipments	0.85		2.43	
Purchase of intangible assets	-		(13.91)	
Dividend Income	0.02		-	
Interest on investments	-		4.58	
Investments in subsidiary	-		0.01	
		560.80		(841.12)
<b>Net cash inflow / (outflow) from investing activities (b)</b>		560.80		(841.12)
<b>(c) Cash flow from financing activities :</b>				
(Repayment)/Issue of debt securities (Net)	-		(354.00)	
(Repayment)/Borrowings from banks & financial institutions (Net)	-		(732.40)	
Repayment of commercial papers	(75.45)		(10.40)	
ICD taken (Net)	-		345.39	
		(75.45)		(751.41)
<b>Net cash outflow from financing activities (c)</b>		(75.45)		(751.41)
<b>Net (decrease)/increase in cash and bank balances (a + b + c)</b>		(32.23)		67.89
<b>Add : cash and cash equivalents at beginning of the period</b>		102.17		34.28
<b>Cash and cash equivalents at end of the period</b>		69.94		102.17



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**Notes :**

- 1 Reliance Commercial Finance Limited ("the Company") has prepared its Statement of Standalone audited financial results for the half year/year ended March 31, 2021 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 figures of the half year ended March 31, 2021 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to half year of the current financial year. The previous financial year/period figures have been regrouped wherever necessary to confirm to current half year and year ended presentation.
- 3 The Standalone financial results of the Company for the half year/year ended March 31, 2021 have been approved by the Board of Directors at its meeting held on May 7, 2021 and subjected to an audit by the Statutory Auditor of the Company.
- 4 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.
- 5 During the year, the Company has incurred losses amounting to Rs.2,665.27 crore (Previous year Rs.1,440.80 crore) and it has accumulated losses of Rs.5,998.19 crore as on March 31, 2021 (Previous year Rs.3,332.92 crore). Pursuant to Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019 vide RBI circular dated June 7, 2019, the Company has entered into a Inter-Creditor Agreement (ICA) on July 6, 2019 for the resolution of its debt. The timeline of 180 days given in the Circular was expired on January 3, 2020. In the Lender's meeting, all lenders had agreed to further extend the ICA period till June 30, 2021. The Company is confident of implementing its Resolution Plan within the said extended period. In view of the steps taken by the Company as mentioned above, the accounts of the Company have been prepared on "Going Concern" basis.
- 6 In the earlier years, 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.
- 7 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.
- 8 The COVID -19 pandemic has effect across the world, including India. During the year ended March 31, 2021, 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. The Company's Expected Credit Loss (ECL) provisions as on March 31, 2021 against the potential impact of COVID -19 based on the information available at this point in time. The ECL provisions held by the Company are in excess of the prescribed norms by RBI.
- 9 In accordance with the Reserve Bank of India guidelines relating to 'COVID-19 Regulatory Package' dated March 27, 2020, April 17, 2020 and May 23, 2020 ('RBI Guidelines'), the Company had offered moratorium to its customers between March 1, 2020 and August 31, 2020. For all such accounts where the moratorium is granted, the assets classification shall remain stand still during the moratorium period (i.e. the number of days past due shall excludes the moratorium period for the purposes of assets classification under the Income Recognition, Assets Classification and Provisioning norms).



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CIN: U66010MH2000PLC128301

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A RELIANCE CAPITAL COMPANY



**Reliance Commercial Finance Limited**

The quantitative disclosure as required by RBI Circular dated April 17, 2020 for the half year ended March 31, 2021 are given below :

Particulars	(Rs. in crore)
Amtout in SMA/Overdue categories as of February 29, 2020	6,586.30
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the Circular; as of February 29, 2020	695.51
Respective amount where asset classification benefits is extended	Nil**
Provisions made during the period in terms of paragraph 5 of the Circular #	-
Provisions adjusted against slippages in terms of paragraph 6 of the Circular	-
Residual provisions as on March 31, 2021 in terms of paragraph 6 of the Circular	Nil**

# The Company has made adequate provision for impairment loss allowance (as per ECL model) for the year ended March 31, 2021

\* Outstanding as on 31 March 2021 and 31 March 2020 respectively on account of all cases in SMA/ overdue categories where moratorium benefit was extended by the Company up to 31 August 2020

\*\* There are NIL accounts where asset classification benefit is extended till 31 March 2021. Post the moratorium period, the movement of aging has been at actuals.

- 10 Disclosures pursuant to RBI Circular -RBI 2020-21/16 DOR No. BP.BC/3/21.04.048/2020-21 dated August 6, 2020 :

(Rs. in crore)					
Type of Borrower	Number of accounts where resolution plan has been implemented under this window	Exposure to accounts mentioned at (A) before implementation of the plan	Of (B) aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any including between invocation of the plan and implementation	Increase in provisions on account of the implementation of the resolution plan
Personal loans	6	7.20	-	-	0.78
Corporate persons	-	-	-	-	-
Of which MSMEs	1	1.93	-	-	0.23
Others	-	-	-	-	-
Total	7	9.13	-	-	1.01

- 11 Hon'ble Supreme Court, in a public interest litigation (Gajendra Sharma Vs. Union of India & Anr) vide an interim order dated September 3, 2020 (interim order), has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. Basis the said interim order, the Company has not classified any account as NPA, as per RBI norms, after August 31, 2020 which was not NPA as of August 31, 2020. Further, in light of the interim order, even accounts that would have otherwise been classified as NPA post August 31, 2020 have not been and will not be, classified as NPA till such time the Hon'ble Supreme Court rules finally on the matter. The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021 vide the judgement of the Hon'ble SC in the matter of Small Scale Industrial Manufacturers Association vs. UOI & Ors. and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular dated April 7, 2021 issued in this connection, the Company has continued with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms.
- In accordance with the instructions in the aforesaid circular dated April 7, 2021, 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.
- 12 Rated, Listed, Secured, Redeemable, Non-convertible Debentures ("Secured NCDs") amounting to Rs. 1,820.57 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.
- 13 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.
- 14 Previous Period / Year figures have been regrouped / rearranged wherever necessary.

Place: Mumbai

Dated: May 7, 2021



**Dhananjay Tiwari**  
(Executive Director)



Registered Office: 7<sup>th</sup> Floor, B-Wing, Trade World, Kamala Mills Compound, S. B. Marg, Lower Parel, Mumbai 400 013

T +91 22 6259 2700 / F +91 22 6259 2701 / [www.reliancemoney.co.in](http://www.reliancemoney.co.in)

Service Queries: 022-47415800 / [customercare@reliancecommercialfinance.com](mailto:customercare@reliancecommercialfinance.com)

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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 six months ended March 31, 2021

**1. Credit Rating**

Particulars	Rating Agency	Rating
Secured NCDs	Brickwork Ratings India Private Limited	BWR D Issuer not cooperating Reaffirmed
Principal Protected Market Linked Debentures		BWR PP - MLD D Issuer not cooperating Reaffirmed
Subordinated Tier II NCDs		BWR D Issuer not cooperating Reaffirmed
Long Term Debt Programme	CARE Ratings Limited	CARE D (Single D); Issuer not cooperating
Principal Protected Market Linked Debentures		CARE PP-MLD D (PP-MLD Single D); Issuer not cooperating
Subordinated Debt		CARE D (Single D); Issuer not cooperating

**2. Debt Equity Ratio**

Debt Equity Ratio of the Company as on March 31, 2021 is (2.98) as per Audited Standalone Financial Results of the Company.

**3. Previous due date for the payment of Interest / Principal:**

Sr. No.	ISIN	Scrip Code	From (1-10-2020 to 31-03-2021)	
			Interest	Principal
1.	INE126D08022	957059	6-Oct-20	-
2.	INE126D07065	957089	13-Oct-20	-
3.	INE126D07073	957090	13-Oct-20	-
4.	INE126D07149	958117	23-Oct-20	23-Oct-20
5.	INE126D08030	957151	9-Nov-20	-
6.	INE126D08048	957152	9-Nov-20	-
7.	INE126D07016	956340	15-Nov-20	-
8.	INE126D07024	956344	16-Nov-20	-
9.	INE126D07032	956374	18-Nov-20	-
10.	INE126D07040	956371	23-Nov-20	-
11.	INE126D08055	957405	19-Jan-21	-
12.	INE126D08063	957456	2-Feb-21	-
13.	INE126D07057	956820	21-Feb-21	-
14.	INE126D08014	956926	20-Mar-21	-
15.	INE126D07131	957907	28-Mar-21	-



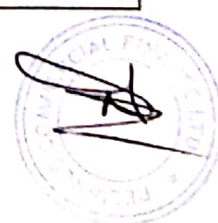
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4. Next due date for the payment of Interest / Principal along with amount of Interest:

Sr. No.	ISIN	Scrip Code	From (1-04-2021 to 30-09-2021)	
			Interest	Principal
1.	INE126D07123	957826	5-Apr-21	-
2.	INE126D08022	957059	6-Apr-21	-
3.	INE126D08030	957151	9-May-21	-
4.	INE126D08048	957152	9-May-21	-
5.	INE126D07016	956340	15-May-21	-
6.	INE126D07024	956344	16-May-21	-
7.	INE126D07032	956374	18-May-21	-
8.	INE126D07040	956371	23-May-21	-
9.	INE126D07057	956820	21-Aug-21	-
10.	INE126D08014	956926	20-Sept-21	-

5. Outstanding preference shares:

- 40,00,00,000, 12% Non-Cumulative Compulsorily Convertible Redeemable Preference Shares of Rs.10/- each ('CCRPS') of Rs. 400 crore
- 13,79,857, 10% Non-Convertible Non-Cumulative Redeemable Preference Shares of Re. 1 each of Rs. 0.14 crore

6. Debenture Redemption Reserve (DRR)

No 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.

7. Net Worth: Net worth of the Company as on March 31, 2021 is Rs. (3,300.77) crore

8. Net Loss After Tax: Rs. 2,665.27 crore

-Total Comprehensive Income for the Year: Rs. (2,665.50) crore

9. Earnings / (Loss) Per Share:

- Basic - Rs. (196.95)
- Diluted - Rs. (185.96)



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**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Standalone Annual Audited Financial Results**

<b>Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021</b> <b>[See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]</b>				
i.	Sl. No.	Particulars	Audited Figures (Rs. in crore) (as reported before adjusting for qualifications)	Adjusted Figures (Rs. in crore) (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	535.02	535.02
	2.	Total Expenditure	3,210.55	3,210.55
	3.	Net Profit/(Loss)	(2,665.27)	(2,665.27)
	4.	Earnings Per Share	(196.95)	(196.95)
	5.	Total Assets	8,239.90	8,239.90
	6.	Total Liabilities	11,540.67	11,540.67
	7.	Net Worth	(3,300.77)	(3,300.77)
	8.	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil

ii.	<b><u>Audit Qualification (each audit qualification separately):</u></b>	
	a.	<b>Details of Audit Qualification:</b> 1. We draw attention to Note No. 6 of the standalone financial results with regards to the loan sanctioned under the Corporate Loan book with significant deviations to certain bodies corporate including group companies and outstanding as at March 31, 2021 aggregating to Rs. 4,979.89 crore and secured by charge on current assets of borrowers. As stated in the said note, in certain cases the corporate borrowers of Company's, have undertaken onward lending transactions and end use of the borrowings from the Company included borrowings by or for repayment of financial obligation to some of the group companies. These exposures to borrowers are secured against charge on current assets including in certain cases it's further guaranteed by the Group Companies. Further, the Company has provided Expected credit loss on loan and advance for the year ended March 31, 2021. The recovery against these loans are dependent on the recovery of onward lending of the borrowers which further depends on external factors not wholly within control of the Company. We were unable to obtain sufficient audit evidence about the recoverability of the aforesaid loans. Accordingly, we were unable to determine the consequential implications arising therefrom and it may have implications of adjustments, disclosures or compliances on certain elements in the accompanying standalone financial results of the Company.

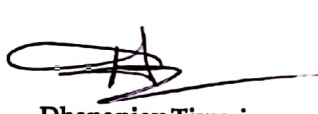
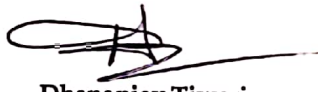
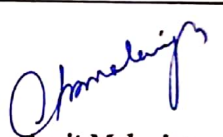

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2. The Company has entered into an Inter Creditors Agreement ("ICA") dated 6 July 2019 under the framework of the circular issued by the Reserve Bank of India on "Prudential Framework for Resolution of Stressed Assets" dated June 7, 2019. In view of ICA agreement, the Company has not recognized any penal interest and additional interest due to default and downgrade of the credit rating. Subject to 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 as at March 31, 2021. The impact, if any, due to non-recognition of the penal interest and additional interest as explained above, in the financial statements 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 March 31, 2021, for the half year and year ended on that date respectively.
3. We draw attention to Note No. 5 of the standalone Ind AS financial statements which sets out the fact that, during the half year and the year ended the Company has incurred losses of Rs.1,417.38 crores and Rs. 2,665.27 crores respectively and it has accumulated losses of Rs. 5,998.19 crore as at 31 March 2021 resulting it has negative Capital to risk weighted assets ratio (CRAR) and negative net owned fund. The Company is engaged with all its lenders to enter into an Inter-Creditor Agreement (ICA) dated July 6, 2019 and subsequent extension of ICA till June 30, 2021 for 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. Resolution under Inter-Creditor Agreement (ICA) frame work for its debt depend on agreement with lenders and other external factors. In view of the steps taken by the Company along with Inter-Creditor Agreement (ICA), accordingly, the standalone Ind AS financial statements of the Company have been prepared on a going concern basis. The Company's ability to meet its obligations is significantly dependent on material uncertain events including restructuring of loans and achievement of debt resolution under Inter-Creditor Agreement (ICA) frame work that may cast significant doubt on the Company's ability to continue as a going concern.

b.	Type of Audit Qualification	Qualified Opinion
c.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	1. Repetitive since March 31, 2020 2. First time 3. First time
d.	Audit Qualification(s) where the impact is quantified by the auditor, Management's Views Not quantified hence not applicable	

✓

	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <table border="1"> <tr> <td data-bbox="319 280 925 369">(i) Management's estimation on the impact of audit qualification:</td><td data-bbox="925 280 1356 369">Not estimated</td></tr> <tr> <td colspan="2" data-bbox="319 369 1356 851">(ii) If management is unable to estimate the impact, reasons for the same The Company's exposure to the borrowers are secured against charge on current assets and is dependent on the recovery of onward lending of the borrowers which depends on external factors not wholly within control of the Company/borrower. The Company's ability to meet its obligation is dependent on material uncertain events including restructuring of loan portfolio, implementation of Resolution Plan as per the Inter-Creditor Agreement (ICA) dated July 6, 2019 executed by the lenders 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.</td></tr> </table>	(i) Management's estimation on the impact of audit qualification:	Not estimated	(ii) If management is unable to estimate the impact, reasons for the same The Company's exposure to the borrowers are secured against charge on current assets and is dependent on the recovery of onward lending of the borrowers which depends on external factors not wholly within control of the Company/borrower. The Company's ability to meet its obligation is dependent on material uncertain events including restructuring of loan portfolio, implementation of Resolution Plan as per the Inter-Creditor Agreement (ICA) dated July 6, 2019 executed by the lenders 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.	
(i) Management's estimation on the impact of audit qualification:	Not estimated				
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iii	<p>Signatories:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;">   Sd*  <b>Sushilkumar Agrawal</b>  Audit Committee Chairman </div> <div style="text-align: center;">   <b>Dhananjay Tiwari</b>  Executive Director </div> <div style="text-align: center;">   <b>Arpit Malaviya</b>  Chief Financial Officer </div> </div> <p>*The Audit Committee Chairman, Mr. Sushilkumar Agrawal's signature is reflected as 'Sd' on the letter as he attended the meeting through Video-conferencing mode.</p> <p><b>Statutory Auditor</b>  <b>For Shridhar and Associates</b>  Chartered Accountants  Firm's Registration No: 134427W</p> <div style="text-align: center;">   <b>Vyapak Shrivastava</b>  Partner  Membership No : 118871  Place: Mumbai  Date: May 7, 2021 </div>				