Reliance Commercial Finance Limited

AUTHUM

ANNUAL REPORT
FY 2023-24

RELIANCE COMMERCIAL FINANCE LIMITED

CORPORATE INFORMATION

THE BOARD OF DIRECTORS

Mr. Sanjay Dangi - Non-Executive Director till 04.09.2024
Mr. Amit Dangi - Non-Executive Director
Mr. Rahul Bagaria - Independent Director
Ms. Bhaviika Jain - Independent Director
Mr. Mahavir Hingar- Independent Director- w.e.f. 05.09.2023

KEY MANAGERIAL PERSONNEL
Mr. Rohit Bhanja – Chief Executive Officer
Mr. Amit Kumar Jha – Chief Financial Officer w.e.f. 29.07.2023
Ms. Avni Shah – Company Secretary

REGISTRAR & TRANSFER AGENTS
KFin Technologies Limited
Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serlingampally, Hyderabad 500032 Telangana
Email id: einward.ris@kfintech.com
Website: www.kfintech.com

STATUTORY AUDITOR
M/s. OP Bagla & Co LLP, Chartered Accountants

DEBENTURE TRUSTEES
Vistra ITCL (India) Limited
(Formerly IL & FS Trust Company Limited)
Plot C-22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051
Website: www.vistraitcl.com
Email id: mumbai@vistra.com
Tel.: +91 22 2659 3535
Fax: +91 22 2653 3297

REGISTERED OFFICE
The Ruby, 11th Floor, North-West Wing, Plot No. 29, Senapati Bapat Marg, Dadar (West), Mumbai 400 028
Website: www.reliancemoney.co.in
Email id: RCFL.Secretarial@authum.com
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DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 24th Directors' Report on the business and operations of Reliance Commercial Finance Limited ('the Company' or 'RCFL') and the Audited Financials Statement for the financial year ended March 31, 2024.

SCHEME OF ARRANGEMENT:

We wish to inform that the Hon'ble National Company Law Tribunal, Mumbai bench ("NCLT") vide its order dated May 10, 2024, has approved the scheme of arrangement ("Demerger") between Authum Investment and Infrastructure Limited (Authum) and the Company and their respective shareholders and creditors with effect from the Appointed date i.e. October 01, 2023.

Pursuant to the aforesaid said demerger, the entire lending business of RCFL has been transferred to Authum w.e.f. appointed date i.e. October 01, 2023. Post demerger of lending business, the Company continues to hold commercial real estate properties and is engaged in renting of the said real estate properties.

Further, in order to comply with the No Objection Certificate received from Reserve Bank of India ("RBI") and in accordance with the scheme of demerger, the Company has submitted an application for surrender of Certificate of Registration to RBI on June 28, 2024.

FINANCIAL HIGHLIGHTS (STANDALONE)

(Rs. In crores)

Particulars	Standalone	
	FY 2023-24	FY 2022-23
Revenue from operations	177.10	164.54
Other Income	1.76	0.11
Total Income	178.86	164.65
Total Expenses	(1,028)	406.87
Profit/ (loss) before exceptional items and Tax	1,206.87	(242.22)
Exceptional Items	57.59	4,285.94
Profit/ (loss) before tax	1,264.46	4,043.72
Less: Tax Expenses:		
Current Tax	-	-
Deferred Tax	(58.86)	-
Income Tax for earlier years	-	0.36
Profit/(loss) for the period before share of loss of Associates	1,323.31	4,043.36
Share of Loss of Associates	-	-
Profit/(loss) for the period after share of loss of Associates	1,323.31	4,043.36
Other Comprehensive Income for the year	-	629.48
Total Comprehensive Income for the year	1,323.31	4,672.84
Earnings Per Equity Share Basic	97.69	298.79
Diluted	97.69	60.39

Note: Gullfoss Enterprises Private Limited and Global Wind Power Limited had ceased to be associates of the Company w.e.f. May 29, 2023 and September 25, 2023 respectively. Subsequent to which Consolidated Financial are not applicable to the Company for FY 2023-24.

TRANSFER TO RESERVE FUND

Under section 45-IC (1) of Reserve Bank of India ('RBI') Act, 1934, Non-Banking Financial Companies ('NBFCs') are required to transfer a sum not less than 20% of its net profit every year to reserve fund before declaration of any dividend.

During the year ended March 31, 2024, the Company has profit amounting to Rs. 1,323.31 crore. In view of the aforesaid demerger order and subsequent application made for surrender of certificate of registration, the Company has not transferred any amount to Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934

Pursuant to provisions of Companies Act, 2013 (the 'Act') read with relevant rules thereunder, as the Company continues to hold a NBFC license during the year under review, is exempt from creating debenture redemption reserve in respect of privately placed debentures.

CAPITAL ADEQUACY RATIO

Your Company's Capital to Risk Asset Ratio (CRAR) calculated in line with RBI Directions stood at negative 288.24 per cent against the regulatory minimum of 15 per cent as on March 31, 2024.

Further since the Company has discontinued the NBFC business and has initiated steps for surrender of certificate of registration the requirement of maintenance of CRAR shall not be applicable to the Company.

SHARE CAPITAL

(a) Equity Share Capital

During the year under review, the Board at its Meeting held on July 14, 2023 has issued 1,40,000 equity shares on right basis to existing shareholder at face value of Rs. 10/- each aggregating to Rs. 14,00,000/-, the same were allotted on July 25, 2023. Subsequently, the paid-up equity share capital of the Company as on March 31, 2024 stands at Rs. 1,35,46,57,000/- consisting of 13,54,65,700 equity shares of face value of Rs. 10/- each as on date.

(b) Preference Share Capital

The Board at its Meeting held on July 14, 2023 had noted redemption of the 13,80,851 10% Non-Convertible Non-Cumulative Redeemable Preference Shares of Rs. 1/- each at par amounting to Rs. 13,80,851 /-.

As on March 31, 2024, the paid-up preference share capital consists of 40,00,00,000 12% Non-Cumulative Compulsorily Convertible Redeemable Preference Shares of Rs. 10/- each amounting to Rs. 4,00,00,00,000/-

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

1. **Scheme of Arrangement between Authum Investment & Infrastructure Limited and the Company:**

   The Hon'ble National Company Law Tribunal, Mumbai bench ("NCLT") vide its order dated May 10, 2024, has approved the scheme of arrangement ("Demerger") between Authum Investment & Infrastructure Limited (Authum) and the Company and their respective shareholders and creditors with effect from the Appointed date i.e. October 01, 2023.

   Pursuant to the aforesaid said demerger, the entire lending business of RCFL has been transferred to Authum w.e.f. appointed date i.e. October 01, 2023. Post demerger of lending business, the Company continues to hold commercial real estate properties and is engaged in renting of the said real estate properties.

Following were the material events occurred during the financial year 2023-24:

1. **Divestment of stake in Gullfoss Enterprises Private Limited:**

   An agreement was entered into by the Company divesting its entire stake in Gullfoss Enterprises Private Limited, an associate of the company to Fair Deal Equiresearch and Realtors LLP & Shradha Tradelinks Private Limited at face value of Rs. 10/- each. Consequent to the said divestment, Gullfoss Enterprises Private Limited ceased to be an associate of the Company with effect from May 29, 2023.

2. **Divestment of stake in Global Wind Power Limited:**

   An agreement was entered into by the Company divesting 5% stake in Global Wind Power Limited, an associate of the company to Shradha Tradelinks Private Limited at face value of Rs. 10/- each. Consequent to the said divestment, Global Wind Power Limited ceased to be an associate of the Company with effect from September 25, 2023.

3. **Discharge of guarantee of Reliance Infrastructure Limited & Reliance Power Limited**

   Company had subscribed 4,43,41,194 equity shares of Reliance Infrastructure Limited at a price of Rs. 201/- per share and 7,59,77,000 equity shares of Reliance Power Limited at a price of Rs. 20/- per share, on preferential issue basis consequent upon conversion/appropriation of the outstanding dues of the Company, subject to all permissions, sanctions and approvals as may be necessary

DIVIDEND

During the year under review, the Board of Directors has not recommended dividend on the equity shares of the Company.

DEPOSITS FROM PUBLIC

The Company has neither accepted nor renewed any fixed deposits during the year. There are no unclaimed deposits, unclaimed / unpaid interest, refunds due to the deposit holders or to be deposited to the Investor Education and Protection Fund as on March 31, 2024.

CHANGE IN SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

During the year under review, there were no companies which have become a Subsidiary / Associate or Joint Venture of the Company. Further, Gullfoss Enterprises Private Limited and Global Wind Power Limited ceased to be associates of the Company w.e.f. May 29, 2023 and September 25, 2023 respectively. The Company does not have any subsidiary and joint venture during the year under review.

During the year under review, had acquired 4,18,26,070 equity shares and 2,45,270 Optionally Convertible Debentures of Siddhivinayak Realties Private Limited ("SRPL") at a total consideration of Rs. 3,90,01,15,900. The said acquisition resulted in acquisition of 50% stake in SRPL. However, the said instruments form a part of investments held for sale the same is not considered as associate of the Company.

In view of the above, the summary of the performance and financial position of the subsidiary and associate companies as required to be presented in Form AOC-1 is not applicable to the Company.

STATUTORY AUDITORS AND AUDITORS' REPORT

In accordance with the RBI requirement and pursuant to section 139(2) of the Act, M/s. O P Bagla & Co LLP, Chartered Accountants, (Firm Registration No. 000018N/N500091) holds office as the Statutory Auditors of the Company for a period of three consecutive years to hold office from the conclusion of the 21st Annual General Meeting held in 2021 until the conclusion of the ensuing 24th Annual General Meeting of the Company to be held in year 2024.

The Auditors Report does not contain any qualification, reservation or adverse remark on the financial statements for the year ended March 31, 2024. The notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

Further, there were no fraud reported by the auditors under Section 143(12) of the Act, therefore no comment by the Board thereon is required.

M/s. O P Bagla & Co LLP, present Statutory Auditor, will cease to be the auditor of the Company at the ensuing 24th Annual General Meeting of the Company and shall not be eligible for re-appointment in the same entity for next six years.

In view of the above and pursuant to section 139(2) of the Act and in line with the RBI requirements, the Board of Directors, based on the recommendation of the Audit Committee, at their meeting held on September 25, 2024 and subject to approval of members has approved the appointment of M/s. Sohil Kapasi & Associates Chartered Accountants as the Statutory Auditor of the Company for a period of three consecutive years to hold office from the conclusion of the ensuing 24th Annual General Meeting until the conclusion of the 27th Annual General Meeting of the Company to be held in year 2027.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Act, and the Rules made thereunder, the Company had appointed M/s Mayank Arora and Co, as the Secretarial Auditor of the Company for the financial year 2023-24. The Secretarial Audit Report in form no. MR-3 and in compliance with Regulation 24A of Listing Regulations, is annexed as **Annexure I** and forms an integral part of this Report.

The Management Representation on the qualifications/ observations/ remarks of Secretarial Auditor pertaining to year ended March 31, 2024 are as under:

Auditor Comment	**Management Response**
Pursuant to the provisions of the Companies Act, 2013, the Company shall file Form SH-7 with the Registrar of Companies for the purpose of redemption of preference shares within thirty days from the date of passing of board resolution, however the Company failed to file Form SH-7 for the purpose of redemption of 13,80,851 Non-convertible Redeemable Preference Shares ('NCRPS') during the year under review, as Form PAS-3 was not filed for said allotment of the said NCRPS. Further, pursuant to the FEMA Regulations, the Company was also required to take prior permission of RBI for the said redemption being an NBFC and file Form Foreign Currency- Transfer of Shares (FC-TRS) within the prescribed time.	13,80,851 Non-convertible Redeemable Preference Shares ('NCRPS') of Rs. 1 each were issued by the Company pursuant to the scheme of arrangement between Reliance Mediaworks Limited ('RMWL') and the Company as approved by Hon'ble National Company Law Tribunal, Mumbai bench ('NCLT') on October 18, 2017. The said NCPRS were to be redeemed within 18 months of issuance at face value as per the terms mentioned in the aforesaid scheme. However, the same were not redeemed by the erstwhile management within the said timeline and the new management is not in a position to comment on the same. To do good of the compliances, the new management raised funds by issuance of

However, the Company did not file the said form with the Reserve Bank of India and the Company explained that the said redemption amount of foreign shareholders are still unclaimed and are not credited to the respective foreign account holder. Further, to this the said redemption is not fully credited into the respective holders account; and therefore, as on March 31, 2024 the Company is having certain unclaimed amount for redemption preference shares.	equity shares amounting to Rs. 14,00,000 from the holding company with a view to utilise the proceeds for redemption of said NCPRS. Further since the form PAS-3 was not filed by the erstwhile management for the allotment of aforesaid NCPRS and the same was not reflected on the MCA portal. Thus, filing form SH-7 on redemption of the said NCPRS would not reflect the correct paid-up capital of the Company. Therefore, the Company could not file the form SH-7. Furthermore, Reserve Bank of India ('RBI') vide letter dated July 10, 2018 had waived the reporting requirement in connection with the issuance of NCPRS issued to non-resident shareholders. Since the timeline for redemption of NCPRS was a part of the terms of issue as approved by NCLT, accordingly the Company was not required to seek prior permission from RBI. Furthermore, since there was no transfer of shares or remittance of amount to NRI outside India the filing of FC-TRS is not applicable to the Company. The amount is unclaimed.
During the year under review, the company has defaulted in payment of interest/repayment of principal amount on term loan from National Bank for Agriculture and Rural Development, the company was unable to service its obligation due on July 31, 2023; however the disclosure of the same has been given to stock exchange as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	The Company had defaulted in the repayments of its dues in 2019 pursuant to which the lenders of the Company had entered into a debt resolution. Resolution plan as proposed by the ICA lenders was further approved by the Hon'ble Supreme court and the Company was directed to implement the same. The Company had made the payments as per the approved resolution plan to the assenting lenders. As per the Supreme Court Order, dissenting creditors had the option to either assent to the plan or take up other legal remedies against the Company. The Company has set aside an amount equivalent to the entitlement as per the approved resolution plan for the dissenting creditors including National Bank for Agriculture and Rural Development ('NABARD'). Moreover, NABARD had given a conditional No Objection Certificate for implementation of the said resolution plan.

The Asset cover has fallen below 100% of outstanding debentures i.e. not in accordance of regulation 54 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 for the quarter ended June 30, 2023.	Majority of the outstanding Non-convertible Debentures (‘NCD’) were held by the Authum Investment & Infrastructure Limited, holding company. The Company was focussed on the implementation of the resolution plan including discussion with the dissenting creditors for accepting the entitlement as per the Resolution plan. The Company ensured and is maintaining 100% asset cover for the outstanding debentures from July 2023 onwards.
Reserve Bank of India Master Direction-Non-Banking Financial Company – Systemically Important Non-deposit taking Company and Deposit taking Company Directions, 2016 pertaining to Minimum net owned funds (NoF) as prescribed under the RBI Directions is not maintained by the Company, the NoF of the Company is negative. a) The Company has net profit of Rs. 1323.31 cr and its accumulated losses of Rs. 3713.53 cr as on March 31, 2024 resulting into negative Capital to Risk Weighted Asset Ratio (CRAR) *b)* The Company is not meeting the Assets/ Income criteria for the year and is in process of surrendering the license in view of demerger activities by virtue of which assets & liabilities of lending business has been transferred to the Holding Company.	Reserve Bank of India (‘RBI’) approved the resolution plan as proposed by the ICA lenders and approved by Hon’ble Supreme Court on August 30, 2022. One of the conditions laid down by RBI was, the surrender of NBFC license held by Reliance Commercial Finance limited (‘RCFL’) within a period of 6 months. As the Company was still implementing the Resolution plan, it had sought for extension of 6 months from RBI for surrender of license. In July 2023, the Board of RCFL and Authum Investment & Infrastructure Limited (‘Authum’) have approved the Scheme of Arrangement for demerger of lending business of RCFL to Authum. Since the Company was destined to surrender the NBFC license and transfer the NBFC business to Authum, the Company could not comply with the mentioned norms as prescribed by RBI.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, the following changes have taken place in the composition of Board of Directors and Key Managerial Personnels (‘KMP’):

A. **Board of Directors**:

- Resignation of Mr. Sanjiv Swarup (DIN: 00132716) as an Independent Director of the Company w.e.f. September 01, 2023; and
- Appointment of Mr. Mahavir Hingar (DIN: 03384356) as an Independent Director of the Company w.e.f. September 05, 2023.

The composition of Board of Directors of the Company as on March 31, 2024 is as follow:

Sr. No.	Name of the Director	DIN	Designation
1	Mr. Sanjay Dangi*	00012833	Non-Executive Director
2	Mr. Amit Dangi	06527044	Non-Executive Director
3	Mr. Rahul Bagaria	06611268	Independent Director
4	Ms. Bhaviika Jain	08738884	Independent Director
5	Mr. Mahavir Hingar	03384356	Independent Director

**Mr. Sanjay Dangi has ceased to be the Non-Executive Director of the Company w.e.f. close of business hours of September 03, 2024.*

Pursuant to Section 152 of the Act read with the Articles of Association of the Company, the Board of Directors on the recommendation of the Nomination & Remuneration Committee recommend to the Members re-appointment of the Non-Executive Director retiring from the Board by rotation. A detailed profile of the said Director seeking re-appointment will be provided in the Notice of the 24th Annual General Meeting of the Company.

All the Directors meet the requirements of fit and proper criteria stipulated under the Master Direction – Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions, 2023, as amended.

B. KMPs:

- Resignation of Mr. Arpit Malaviya as the Chief Financial Officer of the Company w.e.f. close of business hours on July 28, 2023; and
- Appointment of Mr. Amit Kumar Jha as the Chief Financial Officer of the Company w.e.f. July 29, 2023.

The present composition of KMPs of the Company is as follow:

Sr. No.	Name of the Director	Designation
1	Mr. Rohit Bhanja	Chief Executive Officer
2	Mr. Amit Kumar Jha	Chief Financial Officer
3	Ms. Avni Shah	Company Secretary

DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors have submitted a declaration of independence, stating that they meet the criteria of independence provided under section 149(6) of the Act read with regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (‘SEBI Listing Regulations’), as amended. They also confirmed compliance with the provisions of rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their name in the databank of independent directors.

In the opinion of the Board, the Independent Directors are persons with integrity and possess requisite experience, expertise and proficiency required under the applicable laws.

BOARD EVALUATION

Evaluation of performance of all individual Directors is undertaken annually. The Company has implemented a system of evaluating performance of the Board and of its Committees and the Non-Executive Directors on the basis of a structured questionnaire which comprises evaluation criteria taking into consideration various performance related aspects.

The Board of Directors have expressed their satisfaction with the evaluation process.

NUMBER OF MEETINGS OF THE BOARD

Seven (7) meetings of the Board were held during the year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING / OUTGO

Since the Company was engaged in financial services activities, its operations are not energy intensive nor does it require adoption of specific technology as on March 31, 2024, the information in terms of section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 is not provided in this Board's Report.
During the financial year ended on March 31, 2024, the Company did not have any foreign exchange earnings and the foreign exchange outgo in terms of actual outflow.

ANNUAL RETURN

A copy of the Annual Return as provided under section 92(3) of the Act, in the prescribed form, which will be filed with the Registrar of Companies/MCA, is hosted on the Company's website and can be accessed at https://www.reliancemoney.co.in/investors1.

COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried by the Company.

VIGIL MECHANISM / WHISTLE BLOWER POLICY FOR DIRECTORS AND EMPLOYEES

The Company has established a Vigil Mechanism, which includes a Whistle-Blower Policy, for its directors, employees, customers and general public to provide a framework to facilitate responsible and secure reporting of concerns of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics. The details of establishment of Vigil

Mechanism/Whistle-Blower Policy are posted on the website of the Company and can be accessed at https://www.reliancemoney.co.in/investors1. No director/employee has been denied access to the Audit Committee.

CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted Corporate Social Responsibility ('CSR') Committee in compliance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Committee has formulated a Corporate Social Responsibility Policy ('CSR Policy') indicating the activities to be undertaken by the Company. The CSR policy may be accessed on the Company's website at the link https://www.reliancemoney.co.in/investors1.

Further since the Company has suffered losses during the two out the three immediately preceding financial years, the CSR expenditure is not applicable as per the provisions of section 135 of the Act during the year under review.

The CSR Committee comprises of the following members as on March 31, 2024:

Sr. No.	**Name of Director**	**Designation / Nature of Directorship**	**Number of meetings of CSR Committee held during the year**	**Number of meetings of CSR Committee attended during the year**
1.	Mr. Rahul Bagaria	Independent Director-Chairman	-	-
2.	Mr. Sanjay Dangi*	Non-Executive Director- Member	-	-
3.	Mr. Amit Dangi	Non-Executive Director- Member	-	-

** Mr. Sanjay Dangi has ceased to be the Non-Executive Director of the Company w.e.f. close of business hours of September 03, 2024.*

AUDIT COMMITTEE

Subsequent to the resignation of Mr. Sanjiv Swarup from the Board of the Company, Mr. Mahavir Hingar was appointed as the chairman of the Audit Committee w.e.f. September 7, 2023.

The Audit Committee comprises of the following members as on March 31, 2024:

Sr. No.	**Name of the Members**	**Designation**	**Position in the Committee**
1.	Mr. Mahavir Hingar	Independent Director	Chairman
2.	Mr. Rahul Bagaria	Independent Director	Member
3.	Mr. Amit Dangi	Non-Executive Director	Member

During the year under review, the Audit Committee had Six (6) Meetings.

The duties and responsibilities of the Audit Committee are as defined under provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

NOMINATION AND REMUNERATION POLICIES

The Board has approved a Policy which lays down a framework for selection and appointment of Directors and Senior Management and for determining qualifications, positive attributes and independence of Directors.

The Board has also approved a Policy relating to appointment and remuneration of Directors, Key Managerial Personnel and other Employee.

The Policy on appointment and remuneration for Directors, Key Managerial Personnel and Senior Management Employees ("Compensation Policy") is available on the website of the Company at https://www.reliancemoney.co.in/investors1.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

As the Company is holding the certificate of registration as a Non-Banking Finance Company, the disclosure regarding particulars of loans made, guarantees given and securities provided in the ordinary course of its business is exempted as per the provisions of Section 186(11) of the Companies Act, 2013.

Further pursuant to aforesaid demerger order the loans and investments of the Company have transferred to Authum. Accordingly, there were no loans and investments in the Company as on March 31, 2024. Further the Company has filed an application for surrender of certificate of registration with RBI.

RELATED PARTY TRANSACTIONS

During the year under review, all contracts/arrangements/transactions entered into by the Company during the financial year with related parties were in ordinary course of business and on arm's length basis, the details of which are included in the notes forming part of the financial statements. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act, in Form AOC-2 is not applicable.

Systems are in place for obtaining prior omnibus approval of the Audit Committee on an annual basis for transactions with related parties which are of a foreseeable and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted and a statement giving details of all transactions with related parties are placed before the Audit Committee for their review on a periodic basis.

The Policy on Related Party Transactions is available on the website of the Company at https://www.reliancemoney.co.in/investors1.

CHANGE IN THE NATURE OF BUSINESS

During the year under review, there was change in the nature business of the Company.

Pursuant to Scheme of Arrangement approved by NCLT vide its order dated May 10, 2024, the entire lending business of the Company has been demerged with Authum Investment & Infrastructure Limited, Holding Company.

Post demerger of lending business, the Company continues to hold commercial real estate properties and is engaged in renting of the said real estate properties.

Further, in order to comply with the NOC received from RBI and in accordance with the demerger scheme, the Company has submitted an application for surrender of Certificate of Registration to RBI on June 28, 2024.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Company has in place adequate internal financial control systems across the organization. The same is subject to review periodically by the internal audit cell for its effectiveness. The Company is taking constant steps to extend the scope of Internal Auditors to commensurate with the size and nature of Company's business and operations.

CORPORATE GOVERNANCE REPORT

The Corporate Governance Report for the financial year 2023-24 as stipulated in the Section II – Corporate Governance of Master Direction- Reserve Bank of India (Non- Banking Financial Company- Scale Based Regulation) Directions 2023 dated October 19, 2023 last updated on March 21, 2024 vide Master Direction No. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24, forms part of the Annual Report as **Annexure II**.

EMPLOYEES

In accordance with the demerger order, all the employees of the Company have been transferred to Authum with effect from the Appointed date i.e. October 01, 2023, accordingly, the total number of employees in your Company stood at 6 as on March 31, 2024 as compared to 125 employees as on March 31, 2023.

The Board places on record it's appreciation for all the employees of the Company for their sustained efforts, dedication and hard work during the year.

PARTICULARS OF REMUNERATION

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule, 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, is enclosed as **Annexure III** to the Directors' Report.

RISK MANAGEMENT FRAMEWORK

The Company has laid down a Risk Management Policy. The said policy acts as an enabler of growth for the Company by helping its business to identify the inherent risks, assess, evaluate and monitor these risks continuously and undertake effective steps to manage these risks. A Risk Management Committee periodically reviews the robustness of Risk Management Policy.

Further information on the risk management process of the Company is contained in the Management Discussion & Analysis Report which forms part of the Annual Report.

The Company also has a Risk Management Committee comprises of the following members:

Sr. No.	Name of the Members	Designation	Position in the Committee
1.	Mr. Rahul Bagaria	Independent Director	Chairman
2.	Mr. Sanjay Dangi*	Independent Director	Member
3.	Mr. Amit Dangi	Non-Executive Director	Member
4.	Mr. Rohit Bhanja	Chief Executive Officer	Member

**Mr. Sanjay Dangi has ceased to be the Non-Executive Director of the Company w.e.f. close of business hours of September 03, 2024.*

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion and Analysis Report as mandated by the RBI Master Direction-Reserve Bank of India (Non- Banking Financial Company- Scale Based Regulation) Directions 2023 dated October 19, 2023 last updated on March 21, 2024 vide Master Direction No. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 and pursuant to the Listing Regulations is annexed as **Annexure IV**.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year under review, no significant and material orders were passed by the regulators or courts.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

RBI COMPLIANCES

The Company has strived to comply with all the applicable regulations, guidelines, etc. prescribed by the RBI, from time to time during the year under review. Further in accordance with the aforesaid demerger order and in order to comply with the No Objection Certificate received from RBI, the Company has submitted an application for surrender of Certificate of Registration to RBI on June 28, 2024.

COMPLIANCE WITH CHAPTER IV OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENT) REGULATIONS, 2015

Pursuant to aforesaid demerger order, all Non-Convertible Debentures held by Authum have been cancelled on account of cross holding. The Company ceases to be a high value debt listed entity as on March 31,2024, however, as per the provisions of SEBI (Listing Obligations & Disclosure Requirements), the Company shall continue to comply with regulations 16 to 27 on a 'comply or explain' basis until March 31, 2025 and on a mandatory basis thereafter even if they fall below the threshold limits for identifying the entity as high value debt listed entities. While the Company is striving to comply with all the applicable provisions of the aforesaid regulations, there are certain regulations that the Company has not been able to comply with on account of the focus being on implementation of the scheme of demerger and shortage of manpower. The Company shall ensure compliance with all the provisions before March 31, 2025.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and systems of compliance which are established and maintained by the Company, audits conducted by the Internal, Statutory and Secretarial Auditors including audit of internal financial controls over financial reporting by the Statutory Auditors and reviews by the Management and the relevant Board Committees, including the Audit Committee and Risk Management Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2023-24.

The Directors confirm to the best of their knowledge and ability, that:

a. in the preparation of the annual financial statements for the year ended March 31, 2024, the applicable accounting standards have been followed with no material departures;

b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profits/(losses) of the Company for the year ended on that date;

c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the Directors have prepared the annual financial statements on a going concern basis;

e. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed to uphold and maintain the dignity of women employees and it has in place a policy which provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints. Further pursuant to the transfer of employees in accordance with the demerger order, Constitution of the Internal Complaints Committee is not applicable to the Company. The employees of the Company are covered under the policy on prevention of sexual harassment of the Holding Company.

During the year under review, no complaints were received by the Company.

CREDIT RATING

There has been no change in the credit rating assigned for debt instruments of the Company since March 07, 2022.

The credit ratings assigned by the Credit Rating Agencies viz. Care Edge Ratings, Brickwork Ratings and ICRA continues to remain under D, Issuer not cooperating category.

ACKNOWLEDGEMENT

We take this opportunity to thank the employees for their dedicated service and contribution to the Company. We also thank our banks, business associates, members and other stakeholders for their continued support to the Company.

For and on behalf of the Board of Directors

Sd/-	Sd/-
Amit Dangi **Director** **DIN: 06527044**	**Rahul Bagaria** **Director** **DIN: 06611268**

Place: Mumbai
Date: September 25, 2024

SECRETARIAL AUDIT REPORT
FORM NO. MR-3
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Reliance Commercial Finance Limited
The Ruby, 11th Floor, North-West Wing,
Plot No. 29, Senapati Bapat Marg, Dadar (West),
Mumba, Shivaji Park (Mumbai), Mumbai, Mumbai – 400028.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by **Reliance Commercial Finance Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in our opinion, the Company has, during the financial year ended 31st March, 2024, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Reliance Commercial Finance Limited** ("the Company") for the financial year ended on 31st March, 2024, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;

v. Reserve Bank of India Act, 1934;

vi. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

    a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (not applicable to the Company during the Audit period);
e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021 (not applicable to the Company during the Audit period);
f. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and erstwhile the SEBI (Issue and Listing of Debt Securities) Regulations 2008 (not applicable to the company during the Audit period);
g. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993; (not applicable to the Company during the Audit period)
h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the Company during the Audit period);
i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable to the Company during the Audit period);

vii. Other Laws applicable to the Company as per the representations made by the Company are listed in **Annexure I** and forms an integral part of this report.

In case of Direct and Indirect Tax Laws like Income Tax Act, Service Tax Act, Excise & Custom Acts we have relied on the Reports given by the Statutory Auditors of the Company.

We have also examined compliance with the applicable clause of the following:

a. Secretarial Standards issued by The Institute of Company Secretaries of India; and
b. The listing agreement entered by the company with the BSE Limited.

The provisions relating to Regulations 15 - 27 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (as amended) became applicable to the High Value Debt Company with effect from September 7, 2021 on a ‘comply or explain’ basis until March 31, 2025 and on a mandatory basis thereafter. However, SEBI in its board meeting decided to extend the ‘comply or explain’ for the High Value Debt Companies in respect of Corporate Governance norms till March 31, 2025. The Company is in the process of taking further steps to comply with the Corporate Governance norms as applicable until March 31, 2025.

During the period under review and as per the explanations and representations made by the management and subject to clarifications given to us, the Company has generally complied with the provisions of the Act, Old Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following **Observations:**

i. Pursuant to the provisions of the Companies Act, 2013, the Company shall file Form SH-7 with the Registrar of Companies for the purpose of redemption of preference shares within thirty days from the date of passing of board resolution, however the Company failed to file Form SH-7 for the purpose of redemption of 13,80,851 Non-convertible Redeemable Preference Shares (‘NCRPS’) during the year under review, as Form PAS-3 was not filed for said allotment of the said NCRPS. Further, pursuant to the FEMA Regulations, the

Company was also required to take prior permission of RBI for the said redemption being an NBFC and file Form Foreign Currency- Transfer of Shares (FC-TRS) within the prescribed time. However, the Company did not file the said form with the Reserve Bank of India and the Company explained that the said redemption amount of foreign shareholders are still unclaimed and are not credited to the respective foreign account holder. Further, to this the said redemption is not fully credited into the respective holders account; and therefore, as on March 31, 2024 the Company is having certain unclaimed amount for redemption preference shares

ii. *During the year under review, the company has defaulted in payment of interest/repayment of principal amount on term loan from National Bank for Agriculture and Rural Development, the company was unable to service its obligation due on July 31, 2023; however the disclosure of the same has been given to stock exchange as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

iii. *The Asset cover has fallen below 100% of outstanding debentures i.e. not in accordance of regulation 54 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 for the quarter ended June 30, 2023.*

We further report that based on the compliance mechanism established by the Company, which has been verified on test check basis and the Compliance Report submitted to and taken on record by the Board of Directors of the Company, we are of the opinion that the Company has complied with the provisions of following laws, as amended, from time to time, applicable specifically to the Company:

The Reserve Bank of India Act (RBI), 1934 and its circulars, Master Directions, notifications and guidelines as prescribed for NBFC's, from time to time, except –

i. *Reserve Bank of India Master Direction- Non-Banking Financial Company – Systemically Important Non-deposit taking Company and Deposit taking Company Directions, 2016 pertaining to;*

a) *Minimum net owned funds (NoF) as prescribed under the RBI Directions is not maintained by the Company, the NoF of the Company is negative.*

b) *The Company has net profit of Rs. 1323.31 cr and its accumulated losses of Rs. 3713.53 cr as on March 31, 2024 resulting into negative Capital to Risk Weighted Asset Ratio (CRAR)*

c) *The Company is not meeting the Assets/ Income criteria for the year and is in process of surrendering the license in view of demerger activities by virtue of which assets & liabilities of lending business has been transferred to the Holding Company.*

The Company has failed to repay to redeem debenture on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, According to the same, pursuant to sec 164 of the Companies Act, 2013, the Director shall not be eligible to be re-appointed as a director of that company, however, the Debt Resolution Plan was approved by the Hon'ble Supreme Court order vide dated August 30, 2022 and a Resolution Plan Implementation Memorandum to this regard was entered between the ICA lenders and Authum on September 30, 2022. The entire implementation of Resolution Plan has been complied with and all the creditors/lenders and debenture holders have been paid off except the dissenting creditors/lenders who as per the Hon'ble Supreme Court Order shall have the right to either assent or alternatively stand outside the proposed Resolution plan and pursue other legal means to recover their entitled dues. Accordingly, the Company has set aside their entitlement amount as per the approved resolution plan in the form of fixed deposits towards liability of dissenting debenture holders.

Attention of the members is drawn to the following matters:

i. *As per the information and explanation given to us, the company did not file an annual return on Foreign Liabilities and Assets (FLA) as required under the provisions of Foreign Exchange Management Act, 1999, since the reporting requirement in connection with the issuance of non-convertible, non-cumulative preference shares issued to non-resident shareholders pursuant to the scheme of arrangement with Reliance Mediaworks Ltd. was waived off for the Company by the Reserve Bank of India vide letter dated July 10, 2018.*

ii. *The Company has not given Structured Digital Database Certification on Stock Exchange, as the Company explained us that regulation 24A of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 is applicable to the Company on comply and explain basis until March 31, 2025 and thereafter it is applicable on mandatory basis.*

iii. *Pursuant to the provisions of section 134 of the Companies Act, 2013 the response on the remarks or comments made by the Statutory Auditor and Secretarial Auditor in its audit report were not fully covered in the Directors Report of FY2022-23, however, the Management was of the view that the remarks made by Statutory Auditor regarding Emphasis of Matter and the report was a given with an unmodified opinion, hence response under section 134 was not provided. Further a common response was given to the remarks made by the Secretarial Auditor in place of repetitive responses against each point and same was compliance in spirit of section 134.*

We further report that:

The Board of Directors of the Company was duly constituted with proper balance of the Executive Directors, Non-Executive Directors and Independent Directors for the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year under review, there was instance of:

i. *Issue and allotment of 14,817 Compulsorily Convertible Debentures (CCD's) of Rs. 1,00,000/- each at par on private placement basis to UCO Bank. The company has duly complied with the compliances as required under the Companies Act, 2013 related to passing of the said resolution.*

ii. *During the year under review, the company has shifted its registered office which is within the same jurisdiction of Registrar of Companies, Mumbai.*

iii. *The Company had change the terms of Compulsorily Convertible Debentures (CCD's) issued by the Company on private placement basis and has duly complied with the compliance as required under the law related to passing of the said resolution.*

iv. *Pursuant to the provisions of the Companies Act, 2013, the Company had issued 13,80,851 Non-convertible Redeemable Preference Shares ('NCRPS') which were due to be redeemed within 18 months from the date of allotment according to the terms and conditions of the said issue i.e. in the FY 2017-18; however the Company failed to redeem the shares within the said timeline due to losses and was in default of payment of redemption amount since financial year 2019. Thereafter, the Company raised additional capital of Rs. 14,00,000/- (Rupees Fourteen Lakhs only) by way of a right issue to Authum Investment & Infrastructure Limited by Issuance of 1,40,000 Equity Shares of Rs. 10 each at par, the amount raised was utilized towards redemption of the aforesaid NCRPS.*

v. *During the year under review, the company has acquired equity shares and optionally convertible debentures of Siddhivinayak Realties Private Limited ("SRPL"), the said acquisition resulted in acquisition of 50%(Fifty percent) stake in SRPL making it an associate company of the company, thereafter the said shares were transferred and as on March 31, 2024, SRPL is not an associate company of the company.*

vi. *During the year under review, the company and Authum Investment & Infrastructure Limited ("Authum"), its Holding Company, has made an application with the Hon'ble National Company Law Tribunal. Mumbai Bench ("NCLT") for demerger of the company as to transfer the lending business of the company to the Authum pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, including rules thereunder, in the manner provided for in the Scheme.*

Further, NCLT vide its order dated May 10, 2024 has approved the scheme of demerger between the company and Authum and its shareholders. Accordingly, the lending business of the company has been transferred to Authum with effect from the appointed date i.e. October 01, 2023 and consequently the Company has filed an application for surrendering its Certificate of Registration as NBFC with the Reserve Bank of India ("RBI") on June 28, 2024.

vii. *During the year under review, a penalty of Rupees 61,360/- (Rupees Sixty One Thousand Three Hundred and Sixty only) was levied on the company by Bombay Stock Exchange Limited ("BSE") under SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 for violation of Regulation 54(2) for quarter ended March 31, 2021 and for violation of Regulation 50(1) for the quarter ended June 30, 2022 and the said penalty was paid by the company to the BSE.*

This report is to be read with our letter of even date which is annexed as **Annexure II** and form an integral part of this report.

For Mayank Arora & Co.
Company Secretaries

Sd/-

Mayank Arora **Date: 17/09/2024**
Partner **Place: Mumbai**
Mem. No.: F10378
C.P. No.: 13609
PR No: 5923/2024
UDIN: F010378F001236229

Annexure I

Other Laws applicable to the Company

(A) Commercial Laws

(i) Indian Contract Act
(ii) Limitation Act
(iii) Arbitration and Conciliation Act
(iv) Negotiable Instruments Act
(v) Information Technology Act
(vi) The Competition Act
(vii) Goods and Service Tax Act

(B) Others

a) Bombay/Indian Stamp Act
b) Registration Act
c) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act,
d) Master Direction- Non Banking Financial Company- Systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016
e) Professional Tax Act, 1975

For Mayank Arora & Co.,
Company Secretaries

Sd/-

Mayank Arora
Partner
Membership No.: F10378
COP No.: 13609
PR No: 5923/2024
UDIN number: F010378F001236229

Place: Mumbai
Date: 17/09/2024

Annexure II

To,
The Members,
Reliance Commercial Finance Limited
The Ruby, 11th Floor, North-West Wing,
Plot No. 29, Senapati Bapat Marg, Dadar (West),
Mumba, Shivaji Park (Mumbai), Mumbai, Mumbai – 400028.

Our report of even date is to read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.

6. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

7. We have reported, in our audit report, only those non-compliance or discrepancies, especially in respect of filing of applicable forms/documents, which, in our opinion, are material and having major bearing on financials of the Company, further we have not reported clerical errors in the e-forms/XBRL and late filing in the returns and compliances.

For Mayank Arora & Co.
Company Secretaries
Sd/-
Mayank Arora
Partner
Mem. No.: F10378
C.P. No.: 13609
PR No: 5923/2024 **Date: 17/09/2024**
UDIN: F010378F001236229 **Place: Mumbai**

Annexure II

CORPORATE GOVERNANCE REPORT

The Board of the Company is an apex body, which oversees overall functioning, provides a strategic, direction, guidance, leadership and owns the fiduciary responsibility to ensure that your company's actions and objectives are aligned in creating long term value for its stakeholders. The Board helps the Company in adhering high Corporate Governance practice.

1. Composition of the Board:

Composition of the Board of Directors of the Company is as follows for FY 2023-24:

Sr. No.	Name of Director	Director Since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	No. of Board Meeting		No. of other Directorships	Remuneration (Rs. In crores)			No. of shares held in and convertible instruments held in the NBFC	Cessation with effect from
					Held	Attended		Salary and other compensation	Sitting Fee	Commission		
1	Mr. Sanjay Dangi	October 14, 2022	Non-Executive	00012833	7	6	5	-	-	-	NIL	September 04, 2024
2	Mr. Amit Dangi	October 14, 2022	Non-Executive	06527044	7	7	6	-	-	-	NIL	-
3	Mr. Sanjiv* Swarup	October 14, 2022	Independent	00132716	4	3	-	-	0.0075	-	NIL	September 01, 2023
4	Mr. Rahul Bagaria	November 5, 2022	Independent	06611268	7	5	3	-	0.0150	-	NIL	-
5	Ms. Bhaviika Jain	January 9, 2023	Independent	08738884	7	7	3	-	0.0175	-	NIL	-
6	Mr. Mahavir Hingar	September 5, 2023	Independent	03384356	3	3	0	-	0.0075	-	NIL	-

**Mr. Sanjiv Swarup has ceased to be an Independent Director of the Company w.e.f. September 01, 2023 and Mr. Mahavir Hingar has been appointed as the Independent Director w.e.f. September 05, 2023.*

2. Details of change in composition of the Board during the current and previous financial year

During the year under review, following changes took place in the composition of Board of Directors of the Company:

Sr. No.	Name of the Director	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of Change (resignation, appointment)	Effective Date
1	Mr. Sanjiv Swarup#	Independent	Resignation	September 01, 2023
2	Mr. Mahavir Hingar	Independent	Appointment	September 05, 2023

 # Mr. Sanjiv Swarup resigned from the post of Independent Director of the Company w.e.f. September 01, 2023 due to personal reasons.

Further, following changes took place in the composition of Board of Directors of the Company in the previous year i.e. FY 2022-23:

Sr. No.	Name of the Director	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of Change (resignation, appointment)	Effective Date
1	Mr. S.K. Agrawal#	Independent	Resignation	October 14, 2022
2	Ms. Rashna Khan#	Independent	Resignation	October 14, 2022
3	Mr. Sudeep Ghosal	Nominee of Reliance Capital Limited	Resignation	October 14, 2022
4	Mr. Sanjay Dangi	Non-Executive	Appointment	October 14, 2022
5	Mr. Amit Dangi	Non-Executive	Appointment	October 14, 2022
6	Mr. Sanjiv Swarup	Independent	Appointment	October 14, 2022
7	Mr. Rahul Bagaria	Independent	Appointment	November 5, 2022
8	Ms. Bhaviika Jain	Independent	Appointment	January 9, 2023

 # In accordance with the the Resolution plan in terms of Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019 and to give effect to the change in management. Mr. S.K. Agrawal and Ms. Rashna Khan, Independent Directors resigned before expiry of his/her terms.

3. Details of relationship amongst the directors inter-se:

There were no inter-se relationships amongst the directors except for the following:

1. Mr. Sanjay Dangi is the Uncle of Mr. Amit Dangi;
2. Mr. Amit Dangi is the Nephew of Mr. Sanjay Dangi.

4. **Committees of the Board and their composition:**

The Board of the Company has constituted various Board Committees in compliance with the rules and regulations applicable to the Company. The requisite details of the Committees including the composition and summarised terms of reference are given below:

a. **Audit Committee**

The Board has constituted the Audit Committee in accordance with the provisions of Companies Act, 2013, SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 and the Master Directions – Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions, 2023.

Mr. Sanjiv Swarup resigned from the post of Independent Director of the Company with effect from September 01, 2023. Subsequent to resignation of Mr. Sanjiv Swarup, Mr. Mahavir Hingar was appointed as the chairman of the Audit Committee w.e.f. September 07, 2023.

The Audit Committee comprised of the following during the year under review:

Sr. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	No. of Meetings of the Committee		No. of shares held in NBFC
				Held	Attended	
1	Mr. Sanjiv Swarup*	November 5, 2022	Independent	3	2	NIL
2	Mr. Rahul Bagaria	November 5, 2022	Independent	6	6	NIL
3	Mr. Amit Dangi	November 5, 2022	Non-Executive	6	6	NIL
4	Mr. Mahavir Hingar	September 7, 2023	Independent	3	3	NIL

**Mr. Sanjiv Swarup ceased to be the Chairman of the Committee w.e.f. September 01, 2023.*

The summary of terms of reference of Audit Committee includes the following:

- To give recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- To review and monitor the auditor's independence and performance, and effectiveness of audit process;
- To examine the financial statement and the auditors' report thereon;
- To approval or any subsequent modification of transactions of the Company with related parties;
- To scrutiny of inter-corporate loans and investments;
- To valuation of undertakings or assets of the Company, wherever it is necessary;

- To evaluate the internal financial controls and risk management systems;
- To monitor the end use of funds raised through public offers and related matters; and
- Any other responsibility as may be assigned by the Board from time to time.

b. Nomination and Remuneration Committee

The Board has constituted the Nomination and Remuneration Committee ('NRC') in accordance with the provisions of Companies Act, 2013, SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 and the Master Directions – Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions, 2023.

Subsequent to resignation of Mr. Sanjiv Swarup from the Board of the Company, Mr. Mahavir Hingar was appointed as the chairman of the Nomination and Remuneration Committee w.e.f. September 07, 2023.

The Nomination and Remuneration Committee comprised of the following during the year under review:

Sr. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	No. of Meetings of the Committee		No. of shares held in NBFC
				Held	Attended	
1	Mr. Sanjiv Swarup*	November 5, 2022	Independent	2	2	NIL
2	Mr. Rahul Bagaria	November 5, 2022	Independent	4	4	NIL
3	Mr. Amit Dangi	November 5, 2022	Non-Executive	4	4	NIL
4	Mr. Mahavir Hingar	September 7, 2023	Independent	2	2	NIL

**Mr. Sanjiv Swarup ceased to be the Chairman of the Committee w.e.f. September 01, 2023*

The summary of terms of reference of NRC includes the following:

- To identify person who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in the Nomination and Remuneration Policy;
- To review implementation and compliance of the evaluation mechanism/process;
- To recommend the Board, the appointment and removal of Directors and Senior Management;
- To recommend the Board a policy relating to remuneration for Directors, Key Managerial Personnel and other employees;
- To review Nomination & Remuneration Policy, Fit & Proper Criteria Policy and such other Polices on annual (to be determined) basis and recommendation of modification, if any, to the Board;

- To perform such other functions as entrusted to it by the Board of the Company and by the law from time to time.

c. Stakeholder Relationship Committee

The Board has constituted the Stakeholder Relationship Committee ('SRC') in accordance with the provisions of Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

The Stakeholder Relationship Committee comprised of the following as on March 31, 2024:

Sr. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	No. of Meetings of the Committee		No. of shares held in NBFC
				Held	Attended	
1	Mr. Rahul Bagaria	November 5, 2022	Independent	1	1	NIL
2	Mr. Sanjay Dangi	November 5, 2022	Non-Executive	1	1	NIL
3	Mr. Amit Dangi	November 5, 2022	Non-Executive	1	1	NIL

The summary of terms of reference of SRC includes the following:

- To resolve the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- To review of measures taken for effective exercise of voting rights by shareholders;
- To review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

d. Corporate Social Responsibility Committee

The Board has constituted the Corporate Social Responsibility ('CSR') Committee in accordance with the provisions of Companies Act, 2013.

The Corporate Social Responsibility Committee comprised of the following as on March 31, 2024:

Sr. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	No. of Meetings of the Committee		No. of shares held in NBFC
				Held	Attended	
1	Mr. Rahul Bagaria	November 5, 2022	Independent	0	0	NIL
2	Mr. Sanjay Dangi	November 5, 2022	Non-Executive	0	0	NIL
3	Mr. Amit Dangi	November 5, 2022	Non-Executive	0	0	NIL

The summary of terms of reference of CSR Committee includes the following:

- To formulate and recommend to the Board, a CSR Policy which shall indicate the activities required to be undertaken by the Company, in areas or subject, specified in Schedule VII of the Act;
- To monitor the CSR Policy of the Company from time to time and an annual action plan in pursuance of its CSR policy;
- To recommend to the Board, the Company's Annual Report on CSR Activities, for inclusion in the Report of the Board of Directors of the Company;
- To work across the Company to embed CSR within the strategic decision making, operations, procurement, stakeholder (including employees) engagement programmes.

e. Risk Management Committee

The Board has constituted the Risk Management Committee ('RMC') in accordance with the provisions of Companies Act, 2013, SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 and the Master Directions – Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions, 2023.

The Risk Management Committee comprised of the following as on March 31, 2024:

Sr. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	No. of Meetings of the Committee		No. of shares held in NBFC
				Held	Attended	
1	Mr. Rahul Bagaria	November 5, 2022	Independent	4	4	NIL
2	Mr. Sanjay Dangi	November 5, 2022	Independent	4	4	NIL

3	Mr. Amit Dangi	November 5, 2022	Non-Executive	4	4	NIL
4	Mr. Rohit Bhanja	November 5, 2022	Chief Executive Officer	4	4	NIL

The summary of terms of reference of RMC Committee includes the following:

- To monitor the adherence to the risk policy and guidelines and reviewing the overall risk management system considering changes in external and internal environment within which the Company operates;
- To monitor on overall process of evaluation and assessment, progress of evaluation of control effectiveness, key control deficiencies observed and counter measures to address these. Monitoring would also include significant changes in assessment of key risks or new risks identified if any;
- Review and approve modifications to existing policies, procedures, and other risk parameters on a periodic basis.

f. IT Strategy & Steering Committee

The Board has constituted IT Strategy & Steering Committee pursuant to the provisions of the Master Direction -Information Technology Framework for the NBFC Sector.

Subsequent to resignation of Mr. Arpit Malaviya, Chief Financial Officer of the Company w.e.f. close of business hours of July 28, 2023, Mr. Amit Kumar Jha, Chief Financial Officer was appointed as member of the Committee w.e.f. July 29, 2023.

Further Mr. Rakesh Khosla, Chief Technology Officer was appointed as member of the Committee w.e.f. May 29, 2023. Mr. Khosla resigned from the organization w.e.f.close of business hours on March 31, 2024 pursuant to which he ceased to be member of the Committee.

The IT Strategy & Steering Committee comprised of the following during the year under review:

Sr. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	No. of Meetings of the Committee		No. of shares held in NBFC
				Held	Attended	
1	Mr. Rahul Bagaria	November 5, 2022	Independent	3	3	NIL
2	Mr. Amit Dangi	November 5, 2022	Independent	3	3	1 (as nominee of Authum Investment

						& Infrastructure Limited
3	Mr. Rohit Bhanja	November 5, 2022	Chief Executive Officer	3	3	NIL
4	Mr. Bittu Upadhya	November 5, 2022	Chief Information Officer	3	3	NIL
5	Mr. Arpit Malaviya*	November 5, 2022	Chief Financial Officer	1	1	NIL
6	Mr. Rakesh Khosla	May 29, 2023	Chief Technology Officer	2	2	NIL
7	Mr. Amit Kumar Jha	July 29, 2023	Chief Financial Officer	2	2	NIL

**Mr. Arpit Malaviya, Chief Financial Officer of the Company ceased to be the member of the Committee w.e.f. of business hours of July 28, 2023.*

The summary of terms of reference of IT Strategy Committee includes the following:

- To approve IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
- To ascertain that management has implemented processes and practices that ensure that the IT delivers value to the business;
- To ensure IT investments represent a balance of risks and benefits and that budgets are acceptable;
- To monitor the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
- To ensure proper balance of IT investments for sustaining NBFC’s growth and becoming aware about exposure towards IT risks and controls.

g. Asset- Liability Management Committee

The Board has constituted Asset- Liability Management Committee pursuant to Master Directions – Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions, 2023.

Subsequent to resignation of Mr. Arpit Malaviya, Chief Financial Officer of the Company w.e.f. close of business hours of July 28, 2023, Mr. Amit Kumar Jha, Chief Financial Officer was appointed as member of the Committee w.e.f. July 29, 2023.

The Asset-Liability Management Committee comprised of the following members as on March 31, 2024:

Sr. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	No. of Meetings of the Committee		No. of shares held in NBFC
				Held	Attended	
1	Mr. Rohit Bhanja	May 29, 2023	Chief Executive Officer	1	1	NIL
2	Mr. Sanjay Dangi	May 29, 2023	Non-Executive	1	1	NIL
3	Mr. Amit Dangi	May 29, 2023	Non-Executive	1	1	NIL
4	Mr. Arpit Malaviya*	May 29, 2023	Chief Financial Officer			NIL
5	Mr. Amit Kumar Jha	July 29, 2023	Chief Financial Officer	1	1	NIL

**Mr. Arpit Malaviya, Chief Financial Officer of the Company ceased to be the member of the Committee w.e.f. of business hours of July 28, 2023.*

The summary of terms of reference of Asset- Liability Management Committee includes the following:

- To ensure the adherence to the liquidity and interest rate risk limits set;
- To decide the desired maturity profile and mix of incremental assets and liabilities, source and mix of liabilities or sale of assets, balance sheet management and hedging strategies;
- To strategic management of interest rate, liquidity and Market risks;
- To consider and reviewing assumptions for classification of components of assets and liabilities for different time buckets and consider and review internal limits;
- To monitor liquidity profile of the Company and to act on early warning indicators of liquidity crisis, maturity profile of outstanding and incremental assets and liabilities;
- To monitor strategy on composition of liabilities and assets.

5. General Body Meetings

The details of the general meetings held during the financial year under review are given below:

Sr. No.	Type of Meetin (Annual/ Extra	Date and Place	Special/ Ordinary	Resolution passed

	ordinary)			
1	Annual	26/09/2023, Registered Office	Ordinary	1. To consider and adopt the Audited Financial Statements of the Company on Standalone and Consolidated basis for the financial year ended March 31, 2023 and the Reports of the Statutory Auditors thereon, 2. Appointment of Director in place of Mr. Sanjay Dangi (DIN: 00012833) who retires by rotation and being eligible, offers himself for re-appointment.
			Special	1. Appointment of Mr. Mahavir Hingar (DIN: 03384356) as an Independent Director of the Company.
2	Extraordinary	April 08, 2023, Registered Office	Special	1. To increase the limit for making investments in the name of the Company from Rs. 250 crores to Rs. 750 crores; 2. To make an investment upto Rs. 500 crores through brokerage account of the Company in listed equity shares.
3	Extraordinary	October 17, 2023, Registered Office	Special	1. To increase the limit for borrowing funds in excess of the paid-up share capital and free reserves and securities premium account of the Company; 2. To approve increase in limit for making investments in the name of the Company from Rs. 750 crores to Rs. 2500 crores; 3. To approve increase in limit for making investments through brokerage account of the Company in listed equity shares from 500 crores to 2500 crores.

6. **Details of non-compliance with requirements of Companies Act, 2013**:

There were no default/non-compliance with requirement of Companies Act, 2013 including accounting and secretarial standards during the financial year under review except as captured in the secretarial audit report which forms part of this Annual Report.

7. **Details of penalties and strictures**:

During the financial year under review, a penalty of Rs. 7,69,950/- and Rs. 2,17,120/- was paid to BSE for delayed/non-compliance of Regulation 54(2) for quarter ended March 2021 and September 2022.

8. **Breach of covenant:**

During the year, there was no breach of covenant of loan availed by the Company.

Further the outstanding debt securities are held with the dissenting debenture holders and an amount equivalent to their respective entitlement as per Resolution Plan in full and final settlement of dues is kept in fixed deposit. The Company along with Authum Investment & Infrastructure Limited, Holding Company, has been in process of negotiating with the dissenting debenture holders.

9. Divergence in Asset Classification and Provisioning

Details of divergence are as follows:

Sr.	Particular	Amount
1.	Gross NPAs as on March 31, 2024* as reported by the NBFC	0
2.	Gross NPAs as on March 31, 2024 as assessed by the Reserve Bank	NA
3.	Divergence in Gross NPAs (2-1)	NA
4.	Net NPAs as on March 31, 2024 as reported by the NBFC	0
5.	Net NPAs as on March 31, 2024 as assessed by the Reserve Bank	NA
6.	Divergence in Net NPAs (5-4)	NA
7.	Provisions for NPAs as on March 31, 2024 as reported by the NBFC	0
8.	Provisions for NPAs as on March 31, 2024 as assessed by the Reserve Bank	NA
9.	Divergence in provisioning (8-7)	NA
10.	Reported Profit before tax and impairment loss on financial instruments for the year ended March 31, 2024	69.74*
11.	Reported Net Profit after Tax (PAT) for the year ended March 31, 2024	1323.31
12.	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2024 after considering the divergence in provisioning	1323.31

* The company had reversal of provisions on financial instruments amounting to 1137.13, the amount of such reversal is excluded for deriving this amount.

For and on behalf of the Board of Directors

Sd/-

Amit Dangi
Director
DIN: 06527044

Sd/-

Rahul Bagaria
Director
DIN: 06611268

Place: Mumbai
Date: September 25, 2024

Annexure III

PARTICULARS OF REMUNERATION

A. Remuneration to Directors and Key Managerial Personnel ('KMP')

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during FY 2024 and the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2024 are as under:

Sr. No.	Name of Director/ KMP and Designation	Remuneration of Director/KMP for FY 2024 (Rs. In crores)	% increase/decrease In remuneration for FY 2024	Ratio of remuneration of each director to the median employees
1.	Mr. Sanjay Dangi (Non- Executive Director)	**-**	**-**	**-**
2.	Mr. Amit Dangi (Non- Executive Director)	**-**	**-**	**-**
3.	Mr. Rahul Bagaria (Independent Director)	**0.015**	**-17%**	**1.3:1**
4.	Ms. Bhaviika Jain (Independent Director)	**0.0175**	**29%**	**1.5:1**
5.	Mr. Sanjiv Swarup* (Independent Director)	**0.0075**	**-133%**	**0.6:1**
6.	Mr. Mahavir Hingar* (Independent Director)	**0.0075**	**-**	**0.6:1**
7.	Mr. Rohit Bhanja (Chief Executive Officer	**0.82**	**-17.17%**	**1.6:1**
8.	Mr. Amit Kumar Jha (Chief Financial Officer)	**0.51**	**-**	**1:1**
9.	Ms. Avni Shah (Company Secretary)	**0.09**	**-**	**0.17:1**

Notes:

a) Independent Directors are entitled to sitting fees within the limits specified under the Act. Remuneration details for Independent Directors in the above table comprises of sitting fees.

b) Non-Executive Directors do not receive any sitting fees or any other remuneration.

c) * Mr. Sanjiv Swarup has resigned from the Board w.e.f. September 01, 2023 and Mr. Mahavir Hingar has been appointed on the Board as the Independent Director w.e.f. September 05, 2023.

2. The median remuneration of employees of the Company during FY 2024 was Rs. 0.51;

3. In the financial year, there was no decrease in the median remuneration of employees;

4. There were **6** permanent employees on the rolls of the Company as on March 31, 2024;

5. Average percentage increase made in the salaries of employees other than the managerial personnel for the FY 2024 was **-32.48%** for KMPs and **0%** for Employees. As regards, comparison of Managerial Remuneration of FY 2024 over FY 2023, details of the same are given in the above table at Sr. No. 1;
(Pursuant to Scheme of Arrangement for demerger, all employees of the Company have been transferred to Authum Investment & Infrastructure Limited, Holding Company. Hence there was no increase in the salaries of the employees)

6. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

B. Employee Particulars

Details of employee remuneration as required under provisions of Section 197(12) of the Act read with Rules 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report and will be provided upon request by a Member. Further, having regard to the provisions of the second proviso to Section 136(1) of the Act and as advised, this Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection on all working days, during business hours, at the Registered Office of the Company. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Global economy

Overview: Global economic growth declined from 3.5% in 2022 to an estimated 3.1% in 2023. A disproportionate share of global growth in 2023-24 is expected to come from Asia, despite the weaker-than-expected recovery in China, sustained weakness in USA, higher energy costs in Europe, weak global consumer sentiment on account of the Ukraine-Russia war, and the Red Sea crisis resulting in higher logistics costs. A tightening monetary policy translated into increased policy rates and interest rates for new loans.

Growth in advanced economies is expected to slow from 2.6 percent in 2022 to 1.5 percent in 2023 and 1.4 percent in 2024 as policy tightening takes effect. Emerging market and developing economies are projected to report a modest growth decline from 4.1 percent in 2022 to 4.0 percent in 2023 and 2024. Global inflation is expected to decline steadily from 8.7 percent in 2022 to 6.9 percent in 2023 and 5.8 percent in 2024, due to a tighter monetary policy aided by relatively lower international commodity prices. Core inflation decline is expected to be more gradual; inflation is not expected to return to target until 2025 in most cases. The US Federal Reserve approved a much-anticipated interest rate hike that took the benchmark borrowing costs to their highest in more than 22 years.

Global trade in goods was expected to have declined nearly US$2 trillion in 2023; trade in services was expected to have expanded US$500 billion. The cost of Brent crude oil averaged $83 per barrel in 2023, down from $101per barrel in 2022, with crude oil from Russia finding destinations outside the European Union and global crude oil demand falling short of expectations.

Global equity markets ended 2023 on a high note, with major global equity benchmarks delivering double-digit returns. This outperformance was led by a decline in global inflation, slide in the dollar index, declining crude and higher expectations of rate cuts by the US Fed and other Central banks.

Regional growth (%)	**2023**	**2022**
World output	3.1	3.5
Advanced economies	1.69	2.5
Emerging and developing economies	4.1	3.8

(Source: UNCTAD, IMF)

Performance of major economies, 2023

United States: Reported GDP growth of 2.5% in 2023 compared to 1.9% in 2022

China: GDP growth was 5.2% in 2023 compared to 3% in 2022

United Kingdom: GDP grew by 0.4% in 2023 compared to 4.3% in 2022

Japan: GDP grew 1.9% in 2023 unchanged from a preliminary 1.9% in 2022

Germany: GDP contracted by 0.3% in 2023 compared to 1.8% in 2022
(Source: PWC report, EY report, IMF data, OECD data, Livemint)

Outlook: Asia is expected to continue to account for the bulk of global growth in 2024-25. Inflation is expected to ease gradually as cost pressures moderate; headline inflation in G20 countries is expected to decline. The global economy has demonstrated resilience amid high inflation and monetary tightening, growth around previous levels for the next two years (Source: World Bank).

Indian economy

Overview: The Indian economy was estimated to grow 7.8 per cent in the 2023-24 fiscal against 7.2 per cent in 2022-23 mainly on account of the improved performance in the mining and quarrying, manufacturing and certain segments of the services sector. India retained its position as the fifth largest economy. The Indian rupee displayed relative resilience compared to the previous year; the rupee opened at Rs 82.66 against the US dollar on the first trading day of 2023 and on 27 December was Rs 83.35 versus the greenback, a depreciation of 0.8%.

In the 11 months of FY 2023-24, the CPI inflation averaged 5.4 percent with rural inflation exceeding urban inflation. Lower production and erratic weather led to a spike in food inflation. In contrast, core inflation averaged at 4.5 percent, a sharp decline from 6.2 percent in FY 23. The softening of global commodity prices led to a moderation in core inflation.

The nation's foreign exchange reserves achieved a historic milestone, reaching $645.6 billion. The credit quality of Indian companies remained strong between October 2023 and March 2024 following deleveraged Balance Sheets, sustained domestic demand and government-led capital expenditure. Rating upgrades continued to surpass rating downgrades in H2 FY24. UPI transactions in India posted a record 56 per cent rise in volume and 43 per cent rise in value in FY24.

Growth of the Indian economy

	FY 21	FY 22	FY23	FY24
Real GDP growth (%)	-6.6%	8.7	7.2	7.8

Growth of the Indian economy quarter by quarter, FY 2023-24

	Q1FY24	Q2FY24	Q3FY24	Q4FY24
Real GDP growth (%)	8.2	8.1	8.4	8

(*Source: Budget FY24; Economy Projections, RBI projections, Deccan Herald)*

India's monsoon for 2023 hit a five-year low. August was the driest month in a century. From June to September, the country received only 94 per cent of its long-term average rainfall. Despite this reality, wheat production was expected to touch a record 114 million tons in the 2023-24 crop year on account of higher coverage. Rice production was expected to decline to reach 106 million metric tons (MMT) compared with 132 million metric tons in the previous year. Total kharif pulses production for 2023-24 was estimated at 71.18 lakh metric tons, lower than the previous year due to climatic conditions.

As per the first advance estimates of national income released by the National Statistical Office (NSO), the manufacturing sector output was estimated to grow 6.5 per cent in 2023-24 compared to 1.3 per cent in 2022-23. The Indian mining sector growth was estimated at 8.1 per cent in 2023-24 compared to 4.1 per cent in 2022-23. Financial services, real estate and professional services were estimated to record a growth of 8.9 per cent in 2023-24 compared to 7.1 per cent in FY 2022-23.

Real GDP or GDP at constant prices in 2023-24 was estimated at Rs 171.79 lakh crore as against the provisional GDP estimate of 2022-23 of Rs 160.06 lakh crore (released on 31st May 2023). Growth in real GDP during 2023-24 was estimated at 7.3 per cent compared to 7.2 per cent in 2022-23. Nominal GDP or GDP at current prices in 2023-24 was estimated at Rs 296.58 lakh crore against the provisional 2022-23 GDP estimate of Rs 272.41 lakh crore. The gross non-performing asset ratio for scheduled commercial banks dropped to 3.2 per cent as of September 2023, following a decline from 3.9 per cent at the end of March 2023.

India's exports of goods and services were expected touch $900 billion in 2023-24 compared to $770 billion in the previous year despite global headwinds. Merchandise exports were expected to expand between $495 billion and $500 billion, while services exports were expected to touch $400 billion during the year. India's net direct tax collection increased 19 per cent to ₹14.71 lakh crore by January 2024. The gross collection was 24.58 per cent higher than the gross collection for the corresponding period of the previous year. Gross GST collection of Rs 20.2 lakh crore represented an 11.7% increase; average monthly collection was Rs 1,68,000 crore, surpassing the previous year's average of Rs 1,50,000 crore.

The agriculture sector was expected to see a growth of 1.8 per cent in 2023-24, lower than the 4 per cent expansion recorded in 2022-23. Trade, hotel, transport, communication and services related to broadcasting segment are estimated to grow at 6.3 per cent in 2023-24, a contraction from 14 per cent in 2022-23. The Indian automobile segment was expected to close FY 2023-24 with a growth of 6-9 per cent, despite global supply chain disruptions and rising ownership costs.

The construction sector was expected to grow 10.7 per cent year-on-year from 10 per cent in 2023-23. Public administration, defence and other services were estimated to grow by 7.7 per cent in 2023-24 compared to 7.2 per cent in FY2022-23. The growth in gross value added (GVA) at basic prices was pegged at 6.9 per cent, down from 7 per cent in 2022-23.

India reached a pivotal phase in its S-curve, characterized by acceleration in urbanization, industrialization, household incomes and energy consumption. India emerged as the fifth largest economy with a GDP of US$3.6 trillion and nominal per capita income of INR 123,945 in 2023-24.

India's Nifty 50 index grew 30 percent in FY2023-24 and India's stock market emerged as the world's fourth largest with a market capitalization of US$4 trillion. Foreign investment in Indian government bonds jumped in the last three months of 2023. India was ranked 63 among 190 economies in the ease of doing business, according to the latest World Bank annual ratings. India's unemployment declined to a low of 3.2% in 2023 from 6.1% in 2018.

Outlook: India withstood global headwinds in 2023 and is likely to remain the world's fastest-growing major economy on the back of growing demand, moderate inflation, stable interest rates and robust foreign exchange reserves. The Indian economy is anticipated to surpass USD 4 trillion in 2024-25.

Union Budget FY 2024-25: The Interim Union Budget 2024-25 retained its focus on capital expenditure spending, comprising investments in infrastructure, solar energy, tourism, medical ecosystem and technology. In 2024-25, the top 13 ministries in terms of allocations accounted for 54% of the estimated total expenditure. The Ministry of Defence (MoD) has been allocated a record Rs 6.22 lakh crore in the Regular Union Budget for the FY 2024-25, marking the highest allocation among all ministries. Other ministries with high allocation included Road transport and highways (5.8%), Railways (5.4%) and Consumer Affairs, food and public distribution (4.5%).
(Source: Times News Network, Economic Times, Business Standard, Times of India, ddnews.gov.in)

Indian financial services sector overview
India's financial sector is thriving with growth and diversification. This dynamic landscape includes a range of entities such as commercial banks, insurance companies, non-banking financial companies (NBFCs), co-operatives, pension funds, mutual funds, and various smaller financial organizations. Both established players and new entrants are contributing to the sector's rapid expansion and robustness. The financial sector in India is predominantly a banking sector with commercial banks accounting for more than 64% of the total assets held by the financial system.

India is the tenth largest life insurance market globally and is the fourth largest general insurance market in Asia.

India’s insurance industry plays a vital role in the country's financial sector. The insurance market in India is expected to reach a market size of US$210.60bn in 2024.The average spending per capita in the insurance market is expected to be US$146.10 in 2024. In FY24, life insurers’ new business premiums grew to Rs. 3,77,960 crores (US$ 45.3 billion). The mutual fund industry’s assets under management (AUM) has grown from ₹24.25 trillion as in 2019 to ₹61.16 trillion in 2024, more than two-fold increase in a span of 5 years.

The total number of companies listed in NSE is 2,379 in 2024. This figure marks a slight increase of 11.32% compared to the previous year's total of 2,137. Additionally, it includes 397 companies listed on the small and medium enterprises (SME) platform.
(Source: ipocentral.in, statista.com)

Outlook

The gross written premium in the Insurances market is expected to exhibit an annual growth rate (CAGR 2024-2028) of 5.30%. This growth would result in a market volume of US$258.90bn by 2028.

India's wealth management market is expected to experience a CAGR of 10.02% from FY2025 to FY2032. The market is anticipated to grow from USD 154.25 billion in FY2024 to USD 331.13 billion by FY2032.

India is amongst the fastest growing fintech markets in the world. Indian fintech industry’s market size was $584 Bn in 2022 and is expected to reach $1.5 Tn by 2025. Mobile wallets and their usage in India is expected to grow at a CAGR of 18.3% between 2024 and 2028 to reach Rs. 531.8 lakh crore ($6.4 trillion) in 2028. The assets under management growth in India

is expected to double to US$ 1,207 billion (Rs. 100 trillion) by 2030 implying a CAGR of 14% from FY24 to FY30.
(Source: investindia.gov.in, ibef.org, marketsanddata.com)

Indian non-banking financial sector overview
Non-banking financial companies (NBFCs) play a vital role in shaping India's financial system. India's non-banking financial sector grew by 10%. Non-banking financial institution (NBFI) entities focus on lending and financing without public deposits. The report noted India as the third-largest in the sector, highlighting the banking system's resilience, improved asset quality, macroeconomic fundamentals, and government initiatives for a level playing field. RBI's proactive measures ensured stability, growth, innovation, and advancements in digital banking.

As of the end of March 2024, NBFCs had a capital to risk assets ratio (CRAR) of 26.6%, a gross non-performing asset (GNPA) ratio of 4.0% and a return on assets (RoA) of 3.3%. The Microfinance sector's portfolio outstanding reached Rs 4,42,700 crore, rising 26.8% in FY 2023-24. Personal loans experienced substantial growth at 38.3%, with NBFC MFIs leading the charge, holding a dominant 39.2% market share.
(Source: Economic Times)

The Indian equity market
In the fiscal year 2024 (FY24), the S&P BSE Sensex index reached several record highs, and in November 2023, the market capitalization of BSE-listed companies exceeded ₹333 lakh crore, or $4 trillion, for the first time ever. The BSE Sensex has had the second-largest rise of 24.85% during the span of five years in FY24; the largest gain of 68.01% was recorded in FY21. The S&P BSE Sensex saw a mere 0.72% rise in FY23.

In the FY 2023-24, the BSE benchmark jumped 14,659.83 points or 24.85 per cent, and the Nifty soared 4,967.15 points or 28.61 per cent.

The fiscal year 2023-24 concluded on a high note for benchmark equity indices, Sensex and Nifty, driven by significant investments in sectors such as power, automotive and banking, buoyed by favourable global market conditions. Throughout the fiscal year, the BSE benchmark index climbed by 14,659.83 points or 24.85%, while the Nifty increased by 4,967.15 points or 28.61%.
(Source: timesofindia.com)

Stressed portfolio (Secured Stressed Portfolio)
Indian scheduled commercial banks' gross NPA ratio was down to a multi-year low of 2.8 per cent while the net NPA ratio fell to 0.6 per cent at the end of March 2024.

The global economy is facing heightened risks from prolonged geopolitical tensions, elevated public debt, and the slow progress in the last mile of disinflation. Despite these challenges, the global financial system has remained resilient, and financial conditions stable.

Recovery from defaulters under the Insolvency and Bankruptcy Code (IBC) decreased in 2023-24 from a year before, although 42% more cases saw resolution during the financial year. The realization for creditors from the resolution of stressed companies during the fiscal went down to Rs.47,653 crore from Rs. 55,449 crores in 2022-23, according to the Insolvency and Bankruptcy Board of India data. This happened even as a record 269 stressed firms saw resolution under the IBC in 2023-24, against 189 in the previous year. The rate of recovery fell to 27% of the creditors' admitted claims in 2023-24 from 36% in the previous year, pulling down the cumulative recovery since the IBC was introduced in 2016 to 32%. In absolute terms, the cumulative recovery from resolved firms stood at Rs. 3.36 lakh crore. Asset reconstruction companies (ARCs) are set to see an increase in the cumulative recovery rate for stressed residential real estate projects by 500-700 basis points (bps) to 16-18% as of March 31, 2025, from 11% as of March 31, 2024. This will be driven by improved viability of stressed projects due to healthy demand and price appreciation in residential real estate, alongside greater investor and promoter interest in reviving such projects.

The BIFR regime achieved debt resolution of fewer than 3,500 cases in the nearly 30 years since its inception in 1987 whereas IBC has rescued 3,171 distressed companies between 2016 and March 2024.

The asset reconstruction sector's growth moderated to 15% in the previous financial year, down from nearly 32% in 2022-23, impacted by the continuous decline in gross non-performing assets (NPAs) in the banking system and the absence of major bad loan sale deals. The value of NPAs acquired by Asset Reconstruction Companies (ARCs) reached Rs 9.7 trillion as of March this year from Rs 8.48 trillion as of March 2023, according to Association of ARCs data. However, aided by strong economic growth, the redemption of security receipts by ARCs has risen by 30% in the previous fiscal.

ARCs acquired nearly Rs 1.2 trillion of bad loans from lenders in the previous fiscal compared to Rs 2.1 trillion in 2022-23. With book value of bad loans of 27 ARCs reaching Rs 9.7 trillion as of March this year. The GNPA of banks reached 12-year low of 2.8% in March 2024 from 3.87% at end of March, 2023.
(Source: Economic Times, Financial Express, Mint,)

Structured credit and lending
Lending by non-banking financial companies (NBFCs) driven by personal loans and loans to the industry, alongside improvements in asset quality. Credit disbursal by Scheduled Commercial Banks (SCBs) reached ₹164.3 lakh crore, marking a 20.2% growth by the end of March 2024, up from 15% growth at the end of March 2023.

Agricultural credit rose by nearly 1.5 times, from ₹13.3 lakh crore in FY21 to ₹20.7 lakh crore in FY24. The Kisan Credit Card (KCC) scheme was instrumental in delivering timely and hassle-free credit to farmers, with over 7.4 crore active KCC accounts by the end of 2023.

Industrial credit growth accelerated in the second half of FY24, reaching 8.5% in March 2024, up from 5.2% a year earlier, driven by increased bank lending to both small and large industries.

Enhancing credit flow to the MSME sector at low cost has been a key priority for the Government and RBI. Despite a slowdown in credit growth, bank credit disbursal to the services sector remained resilient. Additionally, NBFCs saw housing loan disbursals rise from ₹19.9 lakh crore in March 2023 to ₹27.2 lakh crore in March 2024.

The asset quality of banks has significantly improved, driven by better borrower selection, more effective debt recovery and increased debt awareness among large borrowers. Alongside meeting regulatory capital and liquidity requirements, qualitative factors such as enhanced disclosures, a robust code of conduct and transparent governance structures have also contributed to the improved performance of the banking sector.

The gross non-performing assets (GNPA) ratio of Scheduled Commercial Banks (SCBs) continued to decline, hitting a 12-year low of 2.8% at the end of March 2024, down from its peak of 11.2% in FY18.

The macro and micro-prudential measures implemented by the RBI and the Government have strengthened the banking system's stability by enhancing its risk absorption capacity in recent years. For the top 10 Indian banks by asset size, loans account for more than 50% of their total assets, making them more resilient to the rising interest rate cycle.

Over the eight years since 2016, 31,394 corporate debtors, with a total value of ₹13.9 lakh crore, have been disposed (including pre-admission disposals) as of March 2024. Of this, ₹10.2 lakh crore in underlying defaults were addressed at the pre-admission stage.
(Source: PIB)

Company overview

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.

Scheme of arrangement between Authum Investment & Infrastructure Limited (the Holding Company / Resultant Company) and the Company and their respective shareholders and creditors has been allowed by the 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 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.

The Company 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 – 400028. The Company is a public limited company and its debt securities are listed on the BSE Limited (BSE).

Financial Performance

Discussions on Consolidated Financial Performance with respect to Operational Performance:

(Rs. in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations	177.10	175.67
Other Income	1.76	0.11
Total Income	**178.86**	**175.78**
Expenses	(1028.00)	418.00
Loss before exceptional items and tax	**1,206.87**	**(242.22)**
Exceptional items (net)	57.59	4,285.94
Profit / (Loss) before tax	**1,264.46**	**4,043.72**
Tax Expense	(58.86)	0.36
Profit / (Loss) after tax before share of loss of Associates	**1,323.31**	**4,043.36**
Other Comprehensive Income	-	629.48
Total Comprehensive Income for the year	**1,323.31**	**4,672.82**
Earnings/(Loss) Per Equity Share		
(Face value of Rs. 10 each fully paid up)		
Basic (in Rupees)	97.69	298.79
Diluted (in Rupees)	97.69	60.39

Financial review

Revenues: Total consolidated revenue from operations in FY 2023-24 was Rs. 177.10 crores, compared to Rs. 175.67 crores in FY 2022-23.

PAT: Profit after tax for FY 2023-24 stood at Rs. 1323.31 crores, compared to Rs. 4043.36 crores in FY 2022-23.

Key Financial Ratios: (Rs. in crores)

Ratio	**2023-24**	**2022-23**
Debt Equity Ratio	(1.68)	(1.18)
Net Profit Margin(%)	747.21%	2,301.68%
CRAR (capital-to-risk weighted assets ratio) (%)	(288.24)%	(215.62)%
Return on Net Worth	(363.07%)	(124.45%)
Total Debts to total Assets	2.30	1.54
Liquidity Coverage Ratio (%)	1.67%	11.56%
Gross NPA	0.00%	82.23%
Net NPA	0.00%	0.07%
Assets Cover Ratio	1.33	0.75

Internal control systems and their adequacy
The Company's internal audit system is consistently monitored and updated to ensure asset protection, regulatory compliance, and timely resolution of outstanding issues. The audit committee regularly reviews reports from internal auditors, records their observations, and takes corrective actions as needed. The committee also maintains ongoing communication with both statutory and internal auditors to ensure that internal control systems are functioning effectively.

Human Resources
The Company values its human resources and believes that the success of an organisation is directly linked to the competencies, capabilities, contributions, and experience of its employees. The Company's core philosophy is centered around promoting a safe, healthy, and happy workplace while fostering a conducive work environment among its employees. The HR department promotes a culture of integrity, honesty and a constant learning attitude, while also maintaining cordial relationships, equal opportunities and policies to prevent harassment. The Company constantly works towards promoting a respectful and secure workplace and aims to provide its employees with careers, not just jobs, and creating an environment of trust, confidence and transparency.

The HR policies of the Company are designed to empower its workforce with knowledge and build their capabilities to grow and prosper in a healthy work environment. Through a performance driven culture, the Company motivates its employees to deliver excellence, which adds value to its brand while responding successfully to business challenges. As we scale up our business and strive to build a future-ready organisation, talent attraction and retention, employee development and well-being, equal opportunities and harmonious relationships are key areas of focus. Our HR processes are guided by well-defined competencies and Company values.

As of March 31, 2024, the total number of employees was 6 including KMP's. This was on account of Scheme of Demerger of the lending business of RCFL wherein all the employee's related to Demerged business has been transferred to Resulting Company i.e Authum Investment and Infrastructure Limited. As of March 31, 2023, the total number of employees was 226 including off-role employees.

Human Resource risk
The Company's success depends largely upon the quality and competence of its Management Team and key personnel. Attracting and retaining talented professionals is therefore a key element of the Company's strategy and a significant source of competitive advantage. While the Company has a salary and incentive structure designed to encourage employee retention, a failure to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an impact on the Company's business, its future financial performance and the results of its operations.

1. Operational risk
Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people, systems, or from external events. Operational Risk includes legal risk but excludes strategic and reputational risks. Such risks could have a materially adverse effect on the Company's financial position and the results of its operations. The operations of the Company have been automated which minimises the operational risk arising out of human errors and omissions. Further a system of internal controls is practiced by RCFL to ensure

that all its assets are safeguarded and protected against loss from unauthorised use or disposition and all its transactions are authorised, recorded and reported correctly. The Audit Committee of Board has placed an independent Internal Auditor who periodically reviews the adequacy of our internal controls. The Company has implemented SunInfor systems for core accounting function. With this initiative, along with other key systems and checks and balances established, we believe that our overall control environment has been enhanced. Kindly refer the note on Scheme of arrangement under Company overview above.

2. Information security risk

RCFL has Information Security Risk monitoring systems and tools to guard and protect sensitive customer data and guard against potential hackers and viruses. The Information Security team is governed by the Information Technology Strategy Committee. Various controls and sophisticated technology is adopted across lines of business to ward off cyber threats and protect information residing within the Company.

3. Regulatory risk

As an entity in the financial services sector, the Company is subject to regulations by Indian governmental authorities, including the RBI. Government's and Regulator's laws and regulations impose numerous requirements on the Company, including asset classifications and prescribed levels of capital adequacy liquid assets. The Company has been ensuring regulatory compliance by timely submitting regulatory filings, submission of various information sought, filing of periodic returns etc.

Post demerger of the NBFC business as per the Scheme of Arrangement, RCFL is left with limited operations and is also in the process of surrendering the NBFC licence with Reserve Bank of India (RBI).

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward-looking statements' within the meaning of applicable securities laws and regulations.

Regd. Office :
B-225, 5th Floor, Okhla Indl. Area
Phase – 1, New Delhi - 110020

INDEPENDENT AUDITOR'S REPORT

To the Members of
Reliance Commercial Finance Limited

Report on the Audit of Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **Reliance Commercial Finance Limited** ("the Company"), which comprise the Balance Sheet as on March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended and notes to the standalone Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS"), of the state of affairs of the Company as at March 31, 2024, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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 IND AS financial statements Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("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 opinion.

Emphasis of Matter

a) The company had sanctioned certain loans aggregating to Rs. 4,979.89 crores in earlier years with significant deviations to certain bodies corporate including erstwhile group companies and such loans were secured by charge on current assets of borrowers and in certain cases it was further secured by corporate guarantee of erstwhile group companies. In certain cases, end use of the borrowings from the Company have been utilized to meet their Financial obligation by such entities.

In this regard, we draw attention to Note No. 65 of the standalone Ind AS financial statement referring to filing of Form ADT-4 under Section 143(12) of the Companies Act, 2013 ("the Act") to Ministry of Corporate Affairs ("MCA") by the then Auditors with respect to the aforesaid Loan transactions. We have continued to rely upon the Legal opinion based on 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.

Further, we draw attention to Note no. 64 of the standalone IND AS financial statements related to the Order of the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench, pursuant to which entire Lending business of the company has been demerged into its holding Company w.e.f. 1st October 2023 and consequently the company shall surrender its Certificate of Registration as NBFC to the Reserve Bank of India.

Nevertheless, we are unable to comment upon consequential impacts on standalone IND AS financial statements of the Company arising on outcome of the matter related to aforesaid Loans in MCA.

b) We draw attention to Note No. 63 of the standalone IND AS financial statements which sets out the fact that, during the year, the Company has net profit of Rs. 1,323.31 crores (Previous year Rs. 4043.36 crores) and it has accumulated losses of Rs. 3713.53 crores as at 31 March 2024 resulting into negative Capital to risk weighted assets ratio (CRAR) and negative net owned fund. These financial conditions cast significant doubt on the company's ability to continue as a going concern. However, in view of the comfort provided by the Holding Company to meet all future obligations of the company and value of its immovable properties, these standalone IND AS financial statements of the Company for year ended March 31, 2024 have been prepared on a going concern basis.

Our opinion is not modified in respect of above matters.

Key Audit Matters

Key Audit Matters ("KAM") are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Information other than the Standalone Ind AS Financial Statements and Auditor's Report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises of the Directors' Report, Corporate Governance Report and Management Discussion and Analysis Report etc. in the Annual report but does not include the standalone Ind AS financial statements and our Report thereon. Such other information is expected to be made available to us after the date of this Auditor's Report.

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read such other information if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the Financial position, Financial performance (including other comprehensive income), Changes in Equity and Cash flows of the Company in accordance with the Accounting Principles Generally Accepted in India, including Indian Accounting Standards prescribed under Section 133 of the Companies Act 2013 ("Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"). 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error **(subject to outcome of the matter reported in Emphasis of Matter para hereinabove)**, 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 the users taken on the basis of this Standalone Ind AS financial statements. As part of an Audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial Statements, whether due to fraud or error, design and perform Audit procedures responsive to those risks, and obtain Audit Evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of Internal Control.

- Obtain an understanding of Internal Control relevant to the Audit in order to design Audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate Internal Financial Controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of Accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the Audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in

(i) planning the scope of our Audit work and in evaluating the results of our work; and
(ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2020 ("the order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us, we give in the **Annexure-A**, a Statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

(2) As required by section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;

e. The matter described in the Emphasis of the matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company**.**

f. On the basis of the written representations received from the Directors as on March 31, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a Director in terms of Section 164(2) of the Act;

g. With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**;

h. In our opinion and to the best of our information and according to the explanations given to us, the Managerial Remuneration for the year ended March 31, 2024 has been paid/ provided by the Company to its Directors in accordance with the provisions of Section 197 read with Schedule V of the Act;

i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note No. 38 on Contingent Liabilities to the standalone Ind AS financial statements;

(ii) The Company did not have long term contracts including derivate contracts for which there were any material foreseeable losses.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.

(iv) (a) The Management has represented (Refer note 61 (12) to the standalone Ind AS financial statements that, to the best of its knowledge and belief, **during the year,** no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented (Refer note 61 (12) to the standalone Ind AS financial statements), that, to the best of its knowledge and belief, **during the year,** no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014 as amended and provided under (a) and (b) above, contain any material misstatement in respect of the transactions during the year. In accordance with the Guidance Note issued by ICAI, the transactions (if any) taken place during the year have been disclosed.

(v) The Company has not declared or paid any interim or final dividend during the year.

(vi) As informed to us by the management, the Company has used accounting software i.e., SAP for maintaining its books of account for the year ended 31 March 2024 which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions.

However, post demerger order of Hon'ble NCLT dated 10th May 2024, the company has changed its accounting software from SAP to other accounting software. Due to such change in accounting software, all demerger transactions as per the Scheme of Arrangement between the company and its Holding Company are accounted for in the new accounting software and earlier system could not be accessed.

In this regard, we are unable to verify the audit trail for demerger transactions being accounted for in the new accounting software.

Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1 April 2023, reporting under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended 31 March 2024.

For O P BAGLA & CO LLP
Chartered Accountants
Firm's Registration No: 000018N/N500091

Sd/-

Mohit
Partner
Membership No: 558639
UDIN: 24558639BKLSUJ6122
Place: Mumbai
Dated : May 27, 2024

ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Reliance Commercial Finance Limited on the standalone Ind AS financial statements for the year ended March 31, 2024.

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(i) In respect of the Company's Property, Plant & Equipment

a. (A) The Company has transferred the entire lending business pursuant to the Scheme of arrangement to its Holding Company w.e.f. 1st October 2023 and by virtue of Scheme of arrangement, property, plant & equipment of the company were transferred to the Holding Company except Immovable property. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment.

(B) The Company does not have any intangible assets in its financial statements as at March 31, 2024.

b. The Company has a program of physical verification of Property, Plant and Equipment (PPE) so as to cover all the assets in phased manner over a period of three year, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c. Based on our examination of the records of the company we report in respect of following immovable property, as disclosed in the financial statements under Investment Property are acquired by way of implementation of Scheme of Arrangement approved by the Hon'ble National Company Law Tribunal in earlier years.

(₹ in Crores)

Description of property	Gross carrying value	Held in the name of	Whether Promoter, Director or their relative or employee	Period held since	Reason for not being held in name of Company
Multiplex cinema at Village Mulund	50.07	The New India Industries Limited	NO	10th October 2017	Acquired through Scheme of Arrangement.

d. The Company has not revalued any of its Property, Plant and Equipment during the year.

e. As informed to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) a) The Company is a non-banking finance company, and consequently, does not hold any inventory. Therefore, the provisions of clause 3(ii)(a) of the said Order are not applicable to the Company.

b) The company has not been sanctioned any working capital, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) We have been informed that during the year, in view of company's resolution implementation plan, Transfer of Entire Lending Business and other complacent circumstances, the Company has not made investments in, provided guarantees, and granted loans/advances in the nature of loans, secured/unsecured to companies, firms, Limited Liability Partnerships or any other parties. In this regard we report hereunder:

a. The company is a registered NBFC with Reserve Bank of India with principal business of giving loans, hence clause 3(iii)(a) of the Order is not applicable.

b. In our opinion, the investments made, and the terms and conditions of the grant of all loans and advances in the nature of Loans and, during the year are, prima facie, not prejudicial to the Company's interest.

c. Being a registered Non-Banking Financial Company (NBFC), the Company grants its Loans on stipulated terms and conditions for repayment of principal and interest. In respect of Loan assets except credit impaired assets (under Stage 2 and 3), the repayments of principal amounts and receipts of interest are generally regular as per stipulation.

d. The entire lending business of the company has been demerged into its Holding Company as per the Scheme of Arrangement w.e.f. appointed date i.e., 1st October 2023 and no loans and advances portfolio exist as at March 31, 2024, hence reporting under clause 3(iii) (d) is not applicable.

e. Reporting under clause 3(iii)(e) of the Order is not applicable, since the principal business of the company is to give loans.

f. As per the information and explanation provided to us, the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year under audit. Hence, reporting under clause 3(iii)(f) is not applicable.

(iv) In our opinion and according to information & explanations given to us with respect to the provisions of Section 185 of the Act, the Company has not granted any loan or provided any guarantee during the year covered under Section 185. Further, in our opinion and according to information & explanations given to us, the Company, being a NBFC, is exempt from the provisions of Section 186 of the Act and the relevant rules in respect of loans and guarantees. In respect of the investments, the Company has complied with the provisions of section 186 (1) of the Act.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from public to which the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed thereunder are applicable.

(vi) Being an NBFC company, clause 3(vi) of the Order is not applicable regarding maintenance of cost records under Companies (Cost Records and Audit) Rules, 2014, prescribed by the Central Government under Section 148 of the Companies Act, 2013.

(vii) a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, customs duty, cess and any other material statutory dues applicable to it.

b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

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

(viii) As per Information and explanation given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) a) According to the information and explanations given to us and as verified by us during our audit, the company has entered into resolution plan vide Implementation Memorandum with its lenders & have made the payment to its lenders as agreed upon in the resolution plan. Further,

(i) 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.

Being assenting creditors to the resolution plan the same is not considered as default in terms of clause (ix) of the order.

(ii) However, post implementation of the Resolution plan, the Company has set aside their entitlement amount as per the approved resolution plan in the form of Fixed deposits towards liability of dissenting debenture holders. As per the Hon'ble Supreme Court order, these dissenting debenture holders have the right to either assent or alternatively stand outside the Resolution plan and pursue other legal means to recover their entitled dues. Following is the details of outstanding amount and their entitlement amount as per the approved resolution plan in respect of such debenture holders as on March 31, 2024:

Sr No	**Nature of borrowing/Name of the lender**	**Outstanding Amount as at the Balance Sheet date (Amount in Crore)**		**Entitlement amount as per the Resolution Plan**
		Principal	**Interest**	**Amount in crores**
	Non-Convertible Debentures	**63.80**	**21.26**	**8.46**
1	INE126D07131	60.80	19.60	
2	INE126D07073	3.00	1.66	

(b) We have sought information with respect to status of the company as willful defaulter and in this regard, we have been informed by the Company that Post successful implementation of the debt resolution plan in accordance with the circular dated June 7, 2019 issued by the Reserve Bank of India on Prudential Framework for Resolution of Stressed Assets, the lenders had signed the lenders implementation memorandum which had specific clause for removal of willful defaulter classification.

(c) As per information and explanation given to us and on the overall examination of the financial statements, we are of the view that no fresh term loans were obtained during the year.

(d) As per Information and explanation given to us and on the overall examination of the financial statements, we are of the view that the Company has not raised funds on short-term basis during the year.

(e) As per information and explanation given to us, on an overall examination of the financial statements of the Company, during the year, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) As per information and explanation given to us and on an overall examination of the financial statements of the Company, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) a) In our opinion and according to the information and explanations given to us, during the year, the Company has not raised any money by way of initial public issue offer or further public offer (including debt instruments) and by way of term loans.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xi) a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have not come across any instance of any material fraud by the Company or on the Company during the year. In this regard attention to Note 65 to standalone IND AS financial statement is drawn wherein matter related to alleged fraud is reported and the same is pending with MCA. Further in some of the cases lenders have classified the borrowing account of the company as fraud. In the matter, Hon'ble Delhi High Court has disposed off the said Writ Petitions vide order dated May 12, 2023. However, in Writ Petition No. 5281/2020 the Respondent (Bank of Baroda) submitted that they have complied with the principles of natural justice and hence the Hon'ble Court was listed the matter for further directions on July 14, 2023. On September 21, 2023 the Parties were directed to file Written Submissions within 4 weeks. Next date of hearing in the matter is August 6, 2024.

(b) As informed to us and we refer para "(a)" under Emphasis of Matter in our Independent Auditors Report and also Note No. 65 to standalone IND AS financial statement, regarding the report under sub-section (12) of section 143 of the Companies Act has been filed in earlier years with the MCA in Form ADT-4 by the then auditors as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014. We have been informed that the matter is still pending with the MCA.

(c) As informed to us there are no whistle blower complaints received by the Company during the year.

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

(xiii) According to the information and explanation given to us, we are of the opinion, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable and the details have been disclosed in the standalone Ind AS financial statements, as required by the applicable accounting standards (Refer Note No. 45 to standalone Ind AS financial statements)

(xiv) a) In our opinion, although the Company has Internal Audit System in commensurate with the size and the nature of its business, we are of the opinion that the same needs to be strengthened.

b) We have considered, the Internal Audit Reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion and as informed to us during the year, the Company has not entered into any Non-cash transactions with its Directors or persons connected with its directors, hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) a) We have been informed that the Company is registered as a non-banking finance company under section 45-IA of the Reserve Bank of India Act, 1934. The registration number issued to the company is N-13.01933.

(b) According to the information and explanations given to us, the Company has not conducted any non-banking financial or housing finance activities without a valid certificate of registration from the Reserve Bank of India as per Reserve Bank of India Act, 1934.

(c) According to the information and explanations given to us, the Company is not a core investment company (CIC) as defined in the regulations made by the Reserve Bank of India, hence reporting under clause 3 (xvi) (c) of the Order is not applicable.

(d) In our opinion and as informed to us, there is no core investment company within the Group as at 31st March 2024 (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016).

(xvii) The Company has not incurred any cash losses in the current financial year or in the immediately preceding financial year after consideration of exceptional items amounting to Rs. 4,285.94 crores related to write back of liabilities of lenders as per the terms of resolution plan.

(xviii) There has been no resignation of the statutory auditors of the company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, we are of the opinion that Company is capable of meeting its liabilities (excluding liability of Holding Company for which undertaking has been furnished by such Holding Company for extension of such liability for 3 years) existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date considering Asset Liability maturity pattern and liquid assets of the company as at the end of the financial year. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) We have been informed that there are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing projects or other than ongoing projects. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable for the year.

(xxi) The clause 3 (xxi) of the Order is not applicable to the Standalone Financial Statements, hence no comment is given.

For O P BAGLA & CO LLP
Chartered Accountants
Firm's Registration No: 000018N/N500091

Sd/-

Mohit
Partner
Membership No : 558639
UDIN : 23087537BGXEFV4190
Place : Mumbai
Dated : May 27, 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 2 under 'Report on other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of Reliance Commercial Finance Limited on the standalone Ind AS financial statements for the year ended March 31, 2024.

Report on the Internal Financial Controls with reference to Standalone Ind AS Financial Statements under clause (i) of Sub-Section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Reliance Commercial Finance Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Standalone Ind AS Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Standalone Ind AS Financial Statements

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

Opinion

In our opinion, the Company except for the effects/possible effects of the material weaknesses on certain corporate loans sanctioned by the company in the earlier years amounting to Rs. 4,979.89 crores as referred in Emphasis of Matter above, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls with reference to financial statements were prima facie operating effectively as of March 31, 2024, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For O P BAGLA & CO LLP
Chartered Accountants
Firm's Registration No: 000018N/N500091

Sd/-

Mohit
Partner
Membership No: 558639
UDIN: 24558639BKLSUJ6122
Place: Mumbai
Dated: May 27, 2024

Regd. Office :
B-225, 5th Floor, Okhla Indl. Area
Phase – 1, New Delhi - 110020

Non-Banking Financial Companies Auditors' Report for the year ended 31st March 2024

The Board of Directors,

Reliance Commercial Finance Limited

We have audited the accompanying standalone financial statements of Reliance Commercial Finance Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss and the Statement of Cash Flows and the Statement of changes in equity for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

As required by the "Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016" issued by Reserve Bank of India (RBI) vide notification no. DNBS.PPD.03/66.15.001/2016-17 dated 29th September, 2016 on the matters specified in para 3(A) and 3(C) of Chapter-II of the said Directions to the extent applicable to the company and according to the information and explanations given to us for the purpose of audit, we report that:

1. The Company had been granted registration under section 45-IA of the Reserve Bank of India Act, 1934 on July 27, 2016 vide Certificate of Registration No. N-13.01933. RBI has categorized the company as a Loan Company in terms of instructions contained in RBI Circular CC No. 168 dated February 12, 2010.

2. The company's is not meeting the assets/Income criteria for the year and is in process of surrendering the License in view of demerger activities by virtue of which assets & liabilities of lending business has been transferred to the Holding Company.

3. The Company is not meeting the requirement of net owned funds and net owned funds of the company are in negative, as prescribed in Master Direction-Non Banking Financial Company-Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Direction 2016 dated September 1, 2016.

4. The Board of Directors of the Company, in its meeting held on April 8, 2023, has passed resolution for non-acceptance of any public deposits for the Financial Year 2023-24.

5. The Company has not accepted any public deposits during the financial year 2023-24.

6. The financial statements of the Company for the year 2023-24 have been prepared in accordance with recognition and measurement principles of Ind AS prescribed under Section 133 of the Companies Act 2013 read with relevant rules issued thereunder.

Refer Note No. 64 of the Standalone financial statements referring to transfer of entire lending business to its Holding Company as per the Scheme of Arrangement w.e.f. appointed date i.e., 1st October 2023 and no loans and advances portfolio exist as at March 31, 2024.

7. a) In our opinion, the Capital Adequacy ratio as disclosed in the Return submitted to RBI in Form NBS-7 has been correctly arrived on the basis of provisional financial statements and such ratio is not in compliance with minimum CRAR prescribed by RBI.

   b) As per information and explanation given to us, the annual statement of capital funds, risk assets/ exposure and risk asset ratio (DNBS 03 return) as on 31st March 2024 has been filed by company on April 21, 2024 on the basis of the provisional financial results.

For O P BAGLA & CO LLP
Chartered Accountants
Firm's Registration No: 000018N/N500091

Sd/-

Mohit
Partner
Membership No : 558639
UDIN : 24558639BKLSUJ6122
Place : Mumbai
Dated : May 27, 2024

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

Sd/-

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 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

Sd/-

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

Sd/-

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
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

Sd/-

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 Quantity	As at March 31, 2024 Value	As at March 31, 2023 Quantity	As at March 31, 2023 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	**-**

RELIANCE COMMERCIAL FINANCE LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 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 :				
ı)	**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				
		-	-	-	-
ı)	**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

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

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.

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.

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)**

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**

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.

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.

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.

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	-	-

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.

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	-	-	-	-

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		Associtess		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**

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

Sd/-

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
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 As at March 31, 2024	Amount Outstanding As at March 31, 2023	Amount Overdue As at March 31, 2024	Amount Overdue 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	Amount Outstanding 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	Amount Outstanding 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

RELIANCE COMMERCIAL FINANCE LIMITED
Registered Office: The Ruby, 11th Floor, North-West Wing, Plot No. 29, Senapati Bapat Marg, Dadar (West), Mumbai 400 028
Phone no: 02268388100 CIN: U66010MH2000PLC128301
Email id: rcfl.secretarial@authum.com Website: www.reliancemoney.co.in

NOTICE OF THE 24TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 24th Annual General Meeting ('AGM') of the Members of Reliance Commercial Finance Limited ('the Company' or 'RCFL') will be held at a shorter notice on Thursday, September 26, 2023, at 12:00 p.m. Indian Standard Time (IST) at The Ruby, 11th Floor, North-West Wing, Plot No. 29, Senapati Bapat Marg, Dadar (West), Mumbai – 400028, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company on Standalone basis for the financial year ended March 31, 2024 together with the Reports of the Board of Directors and the Report of the Auditors thereon.

2. To appoint Mr. Amit Dangi (DIN: 06527044) as Director liable to retire by rotation.

3. To appoint M/s. Sohil Kapasi & Associates, Chartered Accountants as the Statutory Auditor of the Company.

   To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

   "**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with applicable rules made thereunder and in accordance with the Circular No. RBI/2021-22/25-Ref. No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 issued by The Reserve Bank of India, inter-alia, on Guidelines for appointment of Statutory Auditors of NBFCs ("RBI Circular"), including any statutory amendment(s), modification(s) thereto or re-enactment(s) thereof, for the time being in force and Company's Policy on Appointment of Statutory Auditors and pursuant to the recommendation of the Audit Committee and the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded for appointment of M/s Sohil Kapasi & Associates, Chartered Accountants (FRN: 156083W) who have confirmed their eligibility to be appointed in terms of Section 141 of the Act and said RBI Circular, as the Statutory Auditor of the Company, to hold office for a period of three consecutive years from the conclusion of the 24th Annual General Meeting of the Company till the conclusion of the 27th Annual General Meeting of the Company to be held in the year 2027, at a remuneration to be determined by the Board of Directors (including any Committee thereof) of the Company in addition to out-of-pocket expenses as may be incurred by them during the course of the audit.

RESOLVED FURTHER THAT any Directors of the Company or Key Managerial Personnel be and are hereby authorized on behalf of the Company to do all such acts, deeds, matters, things as are considered necessary and expedient to give effect to this resolution"

By Order of the Board of Directors

Avni Shah
Company Secretary

Place: Mumbai
Date: September 25, 2024

Registered office: The Ruby, 11th Floor, North-West Wing, Plot No. 29, Senapati Bapat Marg, Dadar (West), Mumbai 400 028

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The instrument appointing the proxy is enclosed herewith as **Annexure 'A'** should be deposited at the registered office of the Company.

2. Corporate Members intending to send their Authorized Representative to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution under Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote at the Meeting.

3. Members/ Proxies should bring the attendance slips enclosed as **Annexure 'B'** duly filled in and signed for attending the Meeting.

4. The Registers of Directors and Key Managerial Personnel (KMP) and their shareholding and Register for Contracts or Arrangements in which Director are interested, maintained under Section 170 and 189 of the Companies Act, 2013 respectively will be available for inspection by the members at the AGM.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 3: To Appoint M/s. Sohil Kapasi & Associates, Chartered Accountants as the Statutory Auditor of the Company:

The Reserve Bank of India ("RBI") had vide its Circular No. RBI/2021-22/25 Ref. No. DoS.CO.ARG/ SEC.01/08.91.001/2021-22 dated April 27, 2021, inter alia, issued Guidelines for appointment of Statutory Auditors of Non-Banking Financial Companies ("NBFCs") ("RBI Circular"), which mandated NBFCs to appoint Statutory Auditors for a continuous period of three years.

Your Company is required to comply with the aforesaid requirement. The Members of the Company had appointed M/s. O P Bagla & Co LLP, Chartered Accountants as the Statutory Auditors of the Company for a period of three consecutive years to hold office till conclusion of this Annual General Meeting ("AGM") of the Company. Since the current Statutory Auditors have completed their tenure of three consecutive years with the Company, as per the said RBI Guidelines, the said audit firm would not be eligible for reappointment in the Company for six years (i.e. two tenures) after completion of one term of the audit tenure.

After considering proposals from multiple Chartered Accountant firms for appointment as Statutory Auditors of the Company, the Company has selected M/s. Sohil Kapasi & Associates. On recommendation of the Audit Committee, the Board of Directors at their meeting held on September 25, 2024, have approved and recommended their appointment as Statutory Auditor of the Company subject to the approval of the Members of the Company.

The approval of the Members of the Company is sought for appointment of M/s. Sohil Kapasi & Associates, Chartered Accountants (FRN: 156083W) as the Statutory Auditor of the Company, for a period of three consecutive years, to hold office from the conclusion of this AGM till the conclusion of the 27th AGM of the Company, to be held in the year 2027 at a remuneration as maybe decided by the Board. They would replace the current Statutory Auditor M/s. O P Bagla & Co LLP, Chartered Accountants who would complete their tenure at this AGM.

The Company has received necessary consent letters and eligibility certificates from the auditor as required under Companies Act, 2013 and RBI Circular.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution.

By Order of the Board of Directors

Avni Shah
Company Secretary

Place: Mumbai
Date: September 25, 2024

Annexure I

Information required under Secretarial Standard 2 with respect to appointment/re-appointment of Directors:

Name of the Director	Mr. Amit Dangi
Date of Birth and Age	30/01/1991, 33 years
DIN	06527044
Date of appointment / first appointment on the Board	October 14, 2022
Expertise in specific functional areas	He is a 33 years old aspiring Chartered Accountant and Bachelor of Commerce Grduate. He has past experience of working with Ernst & Young one of the largest professional services firm in the world and is one of the "Big Four" accounting firms. He has major roles in performing fundamental analysis to determine favourable investment opportunities and generally prefer to minimize risk while maximizing returns. He plays a pivotal role in operational activities of the Company.
Qualifications	Chartered Accountant and Bachelor of Commerce Graduate
Directorship held in other companies.	• Authum Investment & Infrastructure Limited; • Berix Bearing Private Limited; • Uniworld Entertainment Private Limited; • Authum Asset Management Company Private Limited;
Chairmanship/ Membership of the Committees of other companies	**Authum Investment & Infrastructure Limited** • Chairperson of Risk Management Committee, Investment Committee, Securities Allotment and Redemption Committee and Asset Liability Management Committee. • Member of Audit Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee.
Shareholdings in the Company including shareholding as a beneficial owner	1 equity share as the nominee of Authum Investment & Infrastructure Limited

Disclosure of relationships between directors/ Key Managerial Personnel inter-se	NIL
Remuneration received from the Company	NIL
Terms and conditions of reappointment/ appointment along with details of remuneration sought to be paid	Non-Independent Non-Executive Director w.e.f. October 14, 2022.
The number of Meetings of the Board attended during the F.Y. 2023-24	7

Annexure A

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): --
Registered Address: --
Email ID: ---
Folio No./client ID:-------------------------------------- DP ID:--------------------------------

I/We, being the member(s) holding-----------------------shares of the above named Company, hereby appoint

1. Name:---------------------------------- Address:--
   Email ID: -------------------------------Signature----------------------- or failing him/her

2. Name:---------------------------------- Address:--
   Email ID: -------------------------------Signature----------------------- or failing him/her

3. Name:---------------------------------- Address:--
   Email ID: -------------------------------Signature-----------------------

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company to be held at The Ruby, 11th Floor, North-West Wing, Plot No. 29, Senapati Bapat Marg, Dadar (West), Mumbai – 400028 at 12:00 p.m. (IST) on Thursday, September 26, 2024 and at any adjournment thereof in respect of such resolutions as are indicated below:

** I/We wish my above proxy (ies) to vote in the manner as indicated in the box below:

Sr. No.	Resolutions	For	Against	Abstain
1	To consider and adopt the Audited Financial Statements of the Company on Standalone basis for the financial year ended March 31, 2024 together with the Reports of the Board of Directors and the Report of the Auditors thereon			
2	To appoint a Director in place of Mr. Amit Dangi (DIN: 06527044) who retires by rotation and being eligible, offers himself for re-appointment.			

3	To Appoint M/s. Sohil Kapasi & Associates, Chartered Accountants as the Statutory Auditor of the Company.			

Signed this....................................day of.................................. 2024.

Affix revenue stamp

____

Signature of shareholder

____

Signature of Proxy holder(s)

Annexure B

ATTENDANCE SLIP

I/We hereby record my/our presence at the 24th Annual General Meeting of the Company held at The Ruby, 11th Floor, North-West Wing, Plot No. 29, Senapati Bapat Marg, Dadar (West), Mumbai – 400028 at 12:00 p.m. (IST) on Thursday, September 26, 2024.

DP ID*	**Folio No.**
Client ID*	**No. of Shares**

<table>
<tr><td colspan="3">Name and Address of the Shareholder(s)</td></tr>
<tr><td rowspan="2">If Shareholder(s), please sign here</td><td colspan="2">If Proxy, please mention name and sign here</td></tr>
<tr><td>Name of Proxy</td><td>Signature</td></tr>
<tr><td></td><td></td><td></td></tr>
</table>

* Applicable for shareholders holding shares in electronic form.

Note:

Shareholder/Proxy holder, as the case may be, is requested to produce the attendance slip duly signed at the entrance of the Meeting venue.