

July 29, 2023

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 001

BSE Scrip Code: 956340

Dear Sir(s),

Sub: Unaudited (Standalone) Financial Results for the quarter ended on June 30, 2023

In compliance with Regulations 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ('Listing Regulations'), the Board of Directors of the Company at its meeting held today i.e. July 29, 2023 has *inter-alia* approved the Unaudited (Standalone) Financial Results of the Company for the quarter ended on June 30, 2023.

In this regard, please find enclosed the following documents:

1. Unaudited (Standalone) Financial Results for the quarter ended on June 30, 2023;
2. Limited Review Report of the Statutory Auditors in respect of the said Financial Results;
3. Security Cover Certificate for the quarter ended June 30, 2023 under Regulation 54(3) of the Listing Regulation read with SEBI Circular dated May 19, 2022.

The meeting commenced at 12.15 p.m. and concluded at 2.40 p.m.

Thanking you.

Yours faithfully,

For **Reliance Commercial Finance Limited**

Avni Shah

Company Secretary

Encl.: a/a



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Independent Auditor's Review Report on the unaudited standalone financial results for the quarter ended June 30, 2023 of Reliance Commercial Finance Limited Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of
Reliance Commercial Finance Limited.

1. We have reviewed the accompanying statement of unaudited standalone financial results of Reliance Commercial Finance Limited ("the Company") for the quarter ended June 2023 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. These unaudited standalone financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the Company's management and has been approved by the Board of Directors. These unaudited standalone financial results has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our review.
3. We conducted our review of the unaudited standalone financial results in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Emphasis of Matter

4. In respect of loans aggregating to Rs. 4,979.89 crores the matter under Section 143(12) of the Companies Act is still pending with the Ministry of Corporate Affairs (MCA) and we are unable to comment upon the outcome of the matter.
5. We draw attention to Note No. 4 of the unaudited standalone financial results which sets out the fact that, during the quarter ended, the Company has net profit of Rs. 91.22 crores but it has accumulated losses of Rs. 8,957.20 crores as on June 30, 2023. Also, the company has negative Capital to risk weighted assets ratio (CRAR) and negative net owned fund. Further pursuant to





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the implementation of resolution plan of housing finance company through the holding company of the company, pool of assets according to the Plan as on 31.03.2023 has been transferred to the company at fair value. Also, The Company's Resolution Plan is implemented vide Memorandum executed on 30th September 2022. The financial conditions cast significant doubt on the company's ability to continue as a going concern. Nevertheless, in view of implementation of the approved resolution plan and takeover of business of the housing finance company for which company is foreseeing future cash flows, these unaudited standalone financial results of the Company for the quarter ended June 30, 2023 have been prepared on a going concern basis.

Our opinion is not modified in respect of above matters.

6. Based on our review conducted as stated above, with the exception of the matter described in the Basis of Qualification, nothing has come to our attention that causes us to believe that the accompanying unaudited standalone financial results, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement

For O P BAGLA & CO LLP

Chartered Accountants

Firm's Registration No: 000018N/N500091

Rakesh Kumar

Rakesh Kumar

Partner

Membership No : 087537

UDIN : 23087537BGXEHO7054

Mumbai

Dated : July 29, 2023



RELIANCE COMMERCIAL FINANCE LIMITED
Statement of Standalone Unaudited Financial Results for the Quarter Ended June 30, 2023

(Rupees in crore)

Sr. no.	Particulars	Quarter Ended			Year Ended
		30-Jun-23	31-Mar-23	30-Jun-22	31-Mar-23
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Revenue from operations				
	(a) Interest Income	41.06	10.22	39.63	97.18
	(b) Fees and Commission Income	0.42	0.24	0.44	1.19
	(c) Net gain on fair value change	6.85	1.99	1.98	6.92
	(d) Other operating income	39.97	24.69	12.58	59.25
I	Total Revenue from operations	88.30	37.14	54.63	164.54
II	Other income	11.55	-	0.10	0.11
III	Total Income (I) + (II)	99.85	37.14	54.73	164.65
	Expenses				
	(a) Finance costs	84.64	(44.82)	264.42	255.37
	(b) Fees and commission expense	2.21	0.15	2.78	7.02
	(c) Impairment on financial instruments	(35.54)	(92.54)	43.75	(85.90)
	(d) Impairment on Goodwill	-	-	-	160.14
	(e) Employee benefits expenses	6.44	3.31	4.56	13.11
	(f) Depreciation and amortisation	1.67	1.89	2.37	8.28
	(g) Other expenses	32.35	14.48	13.33	48.85
IV	Total expenses	91.77	(117.53)	331.21	406.87
V	Profit/ (Loss) before exceptional items and tax (III-IV)	8.08	154.67	(276.48)	(242.22)
VI	Exceptional items (Net) (Refer Note 4)	57.59	1,897.41	-	4,285.94
VII	Profit/ (Loss) before tax (V+VI)	65.67	2,052.08	(276.48)	4,043.72
VIII	Tax expense: (Refer Note 9)				
	(1) Current tax	-	-	-	-
	(2) Deferred tax	(25.55)	-	-	-
	(3) Income Tax for Earlier Years	-	-	0.14	0.36
IX	Profit/ (Loss) for the period (VII-VIII)	91.22	2,052.08	(276.62)	4,043.36
X	Other Comprehensive Income				
	Items that will not be reclassified to profit or loss				
	(i) Remeasurement gain/ (loss) on defined benefit plan	(0.01)	0.04	0.02	0.15
	(ii) Capital Reserves	-	841.02	-	841.02
	(iii) Fair Value Gain/Loss on equity shares	45.86	-	-	-
	(iii) Income tax relating to above items	(5.24)	(211.69)	-	(211.69)
	Other comprehensive income for the period, net of tax	40.61	629.37	0.02	629.48
XI	Total Comprehensive Income for the period (IX+X)	131.83	2,681.45	(276.60)	4,672.84
XII	Earnings per equity share face value of Rs. 10 each fully paid up (not annualised except for year ended)				
	Basic & Diluted (in Rupees)	6.74	151.64	(20.44)	298.79

Reliance Commercial Finance Limited
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Reliance Commercial Finance Limited

Notes :

- 1 Reliance Commercial Finance Limited ("the Company/RCFL") has prepared its Statement of Standalone financial results for the quarter ended June 30, 2023 in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.
- 2 The Standalone financial results of the Company for the quarter ended June 30, 2023 were reviewed by the Audit Committee and approved by Board of Directors at its meeting held on July 29, 2023 and subjected to limited reviewed by the statutory auditors of the Company.
- 3 The Company is mainly engaged in the NBFI activities as NBFC registered under RBI and all other activities revolve around the main business of the Company. Further, all activities are conducted within India and as such there is no separate reportable segment as specified in Ind AS - 108 "Operating Segments", in terms of Companies (Accounts) Rules, 2014.
- 4 During the quarter ended June 30, 2023, the Company has profit amounting to Rs. 91.22 crore (Previous year profit Rs.4043.36 crore) and it has accumulated losses of Rs. 8957.20 crore as on June 30, 2023 (Previous year Rs.9048.42 crore). In respect of Implementation of the approved Resolution plan submitted by Authum Investment and Infrastructure Limited ("Holding Company"), two of the lenders have converted their unsustainable balance debt into CCD . Post conversion into CCD balance outstanding of Rs. 57.59 crores. has been written back during the quarter in Statement of Profit and Loss as exceptional item.

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. The liquidation value, kept aside with Lead ICA banker, is continued to be shown as liability.

One of the assenting creditor in resolution plan has transferred its debenture of face value of Rs. 1,354.40 crore to the holding company in terms of the Resolution Plan and the same is continued to be shown as borrowing along with interest in the financial statement of the company. Remaining dissenting/other debenture are shown on normative basis. Charge registered in favour of the debenture holders shall be satisfied once the entire plan is implemented. Nevertheless, view of the resolution plan being approved and implemented, the accounts of the Company have been prepared on "Going Concern" Basis.

- 5 During the quarter the company has synchronised accounting policy with the company for the acquired assets. There is no significant impact during the quarter. Interest income is recognised on assets acquired under the arrangement on the balance net of ECL/ fair value of the loan recognised on acquisition by the company.
- 6 Pursuant to the approval of Board of Directors in the meeting held on 14th July 2023, the company has submitted on 26th July 2023 to the Stock Exchange, a Scheme of Arrangement between the company and its Holding Company, Authum Investment and Infrastructure Ltd for demerger of its entire lending business termed as Demerged Undertaking in the aforesaid Scheme.
- 7 Rated, Listed, Secured, Redeemable, Non-convertible Debentures ("Secured NCDs") amounting to Rs. 1,456.76 crore are secured by way of a first charge & mortgage over the Company's Gujarat Immovable Property and first pari-passu charge on all present and future book debts, business receivables, current assets, investments and all other assets of the Company. The asset cover has fallen below hundred percent of outstanding secured debentures and appropriate steps are being taken by the company for the same.
- 8 During the quarter ended June 30, 2023, the Company ceased control of its associate Gulfoss Enterprise Pvt Ltd through Share Transfer Agreement dated 30th May 2023. In the ceased entity there were no transactions during the quarter hence consolidated financial results are not prepared.
- 9 Considering the brought forward losses under provisions of Income Tax Act which shall be available for set off the current year profit, no provision for current tax has been done. Also considering uncertainty of availability of future profit to set off the losses and keeping a prudent approach deferred tax assets has not been recognised.
- 10 Disclosures under Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as certified by the management are given in Annexure A and B.
- 11 The statement includes the results for the quarters ended March 31, 2023 being the balancing figure of the audited figures in respect of the full financial year and the published year to date figures up to the net of third quarter of the respective financial year, which were subjected to limited review by the statutory auditors.
- 12 Previous Period / Year figures have been regrouped / rearranged wherever necessary.

Place: Mumbai
Dated: July 29, 2023

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Amit Dangi
(Director)

Disclosures pursuant to Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended June 30, 2023

Sr. No.	Particulars	Period ended June 30, 2023
(a)	Debt-Equity Ratio	(1.26)
(b)	Outstanding Redeemable Preference Shares	
	(I) 12% Non-Cumulative Compulsorily Convertible Redeemable Preference Shares of Rs.10/- each	
	(i) Quantity	40,00,00,000
	(ii) Value (Rupees in crore)	400.00
	(II) 10% Non-Convertible Non-Cumulative Redeemable Preference Shares of Re. 1 each	
	(i) Quantity	13,79,857
	(ii) Value (Rupees in crore)	0.14
(c)	Capital Redemption Reserve/Debenture Redemption Reserve	Not Applicable (Refer Note no. 2)
(d)	Net Worth (Rupees in crore)	(3,370.02)
(e)	Net Profit / (Loss) After Tax (Rupees in crore)	91.22
(f)	Earnings Per Share (Basic & Diluted) (in Rupees)	6.74
(g)	Total Debts To Total Assets	1.73
(h)	Net Profit Margin (%)	103.31%
(i)	Sector specific ratios, as applicable	
	(i) Gross NPA (stage 3 asset, gross) Ratio	83.01%
	(ii) Net NPA (stage 3 asset, gross) Ratio	0.11%
	(iii) Capital to risk-weighted assets Ratio	-134.04%
	(iv) Liquidity Coverage Ratio (Refer Annexure B)	2.00%

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



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Liquidity Coverage Ratio (LCR)

Particulars		Period Ended June 30, 2023	
		Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets			
1	Total High Quality Liquid Assets (HQLA)	67.64	67.64
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
7	Other contingent funding obligations	-	-
8	Total Cash Outflows	2,962.15	3,406.47
Cash Inflows			
9	Secured lending	26.69	20.02
10	Inflows from fully performing exposures	-	-
11	Other cash inflows	-	-
12	Total Cash Inflows	26.69	20.02
		Total Adjusted Value	
13	Total HQLA		67.64
14	Total Net Cash Outflows		3,386.45
15	Liquidity Coverage Ratio (%)		2.00%

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



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CERTIFICATE

To,
The Board of Directors
Reliance Commercial Finance Limited
The Ruby, 11th Floor, North-west Wing,
Plot No.29, Senapati Bapat Marg, Dadar(W),
Mumbai - 400 028

Independent Auditor's (the 'Certificate') certificate regarding maintenance of asset cover as per the terms of offer document/ Information Memorandum and/or Debenture Trust Deed, including compliance with all the covenants, in respect of listed non-convertible debt securities.

1. We, OP BAGLA & Co. LLP ("We"), the statutory auditor of Reliance Commercial Finance Limited ("the Company"), we have been requested by the Company, to certify the particulars given in the attached Statement of Asset cover in respect of listed debt securities as on June 30, 2023 (the "Annexure") regarding maintenance of asset cover as per the terms of offer document/ Information Memorandum and/or Debenture Trust Deed. This is pursuant to requirement of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2020, vide notification issued in the Official Gazette dated October 08, 2020 and Regulation 56(l)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("the SEBI Regulations") for the purpose of submission to Stock Exchanges and Vistra ITCL (India) Limited ("the Debenture Trustee") to ensure compliance with the SEBI Regulations and SEBI Circular reference SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated May 19, 2022.

Management's Responsibility

2. The preparation of the Annexure is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Annexure and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
3. The Management of the Company is also responsible for ensuring that the Company complies with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2020 and provides all relevant information to the Vistra ITCL (India) Limited.





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Auditor's Responsibility

4. Pursuant to the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2020, our responsibility is to provide limited assurance whether the information given in the 'Annexure' are in agreement with the unaudited books of accounts/ records of the Company as at June 30, 2023.
5. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 4 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we have performed the following procedures in relation to the Annexure:
 - a. We have obtained the Annexure, ledger accounts of the secured borrowing and loan assets/book debts/receivable.
 - b. Traced and agreed the numbers in the Annexure for secured, unsecured borrowing, listed debt security and loan assets/book debts/receivable with the underlying records of the Company.
 - c. Verified arithmetical accuracy in the Annexure.
 - d. Performed necessary inquiries with the management and obtained necessary representations.

Opinion

6. Based on the procedures performed by us, and according to information and explanation received and necessary representation obtained from the Company, except our Emphasis of Matter given in the Limited Review Report dated July 29, 2023, nothing has come to our attention that causes us to believe that the information given in the Annexure are not in agreement with books of accounts and records of the Company as at June 30, 2023.
7. Further, the Company had defaulted in repayment of obligation to the certain Debenture holders since March, 2019. The Company Resolution Plan has been implemented vide Memorandum executed on September 30, 2022 (Refer Note 4 in Annexure). Nevertheless, we are unable to comment on the compliance of covenants/terms of the issue of the listed debt securities (NCD's) of the Company.





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Restriction on Use

8. This certificate is issued solely for the purpose given in paragraph-1 above and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. O P Bagla & Co. LLP shall not be liable to the Company, Vistra ITCL (India) Limited or to any other concerned for any claims, liabilities or expenses relating to this assignment, except to the extent of fees relating to this assignment. We have no responsibility to update this certificate for any events or circumstances occurring after the date of this certificate.

For O P BAGLA & CO LLP
Chartered Accountants

ICAI FIRM REGN. NO. 000018N/N500091



Rakesh Kumar
Partner
M.No. 087537

PLACE: NEW DELHI
DATED: 29-07-2023
UDIN: 23087537BGXEHP3901

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The Ruby, 11th floor, North-west wing, S.B. Marg, Dadar (W), Mumbai - 400 028.

[illegible]

Notes

1. Subordinate debts are classified as debt not by any assets offered as security as per circular.
2. The Financial information as on June 30, 2023 and other relevant records and documents of the Company.
3. Debts are secured by way of a first pari-passu charge on all present and future bank debts, business receivables, current assets, investments and all other assets.
4. The above information as on June 30, 2023 is based on the unaudited books of account for the quarter ended June 30, 2023 and other relevant records and documents of the Company. As on such date, the resolution plan ("Resolution Plan") submitted by Ardhum Investment & Infrastructure Limited ("Resolution Applicant") under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directive, 2019 dated June 07, 2019 (the "RBI Framework"), in addition to the Company was under implementation. The Resolution Plan, as approved by majority lenders of the RBI Framework, contemplates, amongst other things, settlement of debt of lenders, release of security interests, and payment of liquidation value to dissenting lenders. Accordingly, the above information (including the amounts and security interests) is subject to appropriate changes upon implementation of the Resolution Plan. The amounts mentioned in Column F include one first ranking priority charge as well.
5. Out of the "Bank balance other than cash and cash equivalents" of Rs. 319,90 Cr. mentioned above (Net of NPA provisioning on PTC Loans) the amount of Rs. 67,32 Cr. (Net of NPA provisioning on PTC Loans) is for Credit enhancement towards securitization in the form of Fixed Deposits.

Open file

