

**Reliance Corporate IT Park Limited**  
**Financial Statements**  
**2019-20**

## Independent Auditor's Report

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### To the Members of RELIANCE CORPORATE IT PARK LIMITED

#### Report on the Audit of Financial Statements

##### Opinion

We have audited the accompanying financial statements of **Reliance Corporate IT Park Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 its Profit including Other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

##### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

##### Emphasis of Matter

We draw attention to Note 25 of the financial statements in respect of the Scheme of arrangement approved by National Company Law Tribunal (NCLT) during the period. As per the Scheme, the Company has accounted the fair valuation impact of ₹ 38 crore to its retained earnings relating to intangible assets under development, overriding the Ind AS.

Our opinion is not modified in respect of this matter.

##### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

##### Management Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these Financial Statements that give a true and fair view of the Financial Position, Financial Performance including Other Comprehensive Income, Cash Flows and the Statement Of Changes in Equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements 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

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records, relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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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 appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act;
  - e) On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting with reference to these financial statements;
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, 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 financial statements as referred to in Note 27 of financial statements.
    - ii. The Company did not have any long-term contracts including derivative 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.

For **D T S & Associates LLP**  
Chartered Accountants  
Firm Registration no. 142412W/W100595

**Saurabh Pamecha**  
**Partner**  
Membership No.: 126551  
UDIN : 20126551AAAAACN4527

Place : Navi Mumbai  
Date : April 23, 2020

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**“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE CORPORATE IT PARK LIMITED**

**(Referred to in Paragraph 1 under the heading of “Report on other legal and regulatory requirements” of our report of even date)**

- i) In respect of its fixed assets :
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds provided to us, we report that, the title deeds, comprising all the immovable properties of lands which are freehold are held in the name of the entity that have amalgamated with the Company as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements for the said lands are held in the name of the entity that have amalgamated with the Company and buildings are in the name of the Company.
- ii) As explained to us, physical verification of the inventories have been conducted at reasonable intervals by the management, which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. No material discrepancies were noticed on such physical verification.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, the requirement of clause (iii) (a) to clause (iii) (c) of paragraph 3 of the Order is not applicable to the Company.
- iv) Company has not directly or indirectly advanced loan to the persons covered under Section 185 of the Act or given guarantees or securities in connection with the loan taken by such persons and has complied with the provisions of section 186 of the Act, in respect of investments, loans, guarantee or security given, as applicable.
- v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.
- vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended, prescribed by the Central Government under Section 148(1) of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) In respect of Statutory dues :
  - a) According to the records of the Company, undisputed statutory dues including provident fund, employees’ state insurance, income tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at March 31, 2020 for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us, there are no dues of income tax, goods and service tax, duty of customs, duty of excise, value added tax, cess on account of any dispute, which have not been deposited.
- viii) The Company has not borrowed any funds from financial institutions or banks or government. Further, no amounts were due for repayment to debenture holders. Therefore, clause (viii) of paragraph 3 of the Order is not applicable to the Company.
- ix) The company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans have been applied for the purpose for which they are raised.
- x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

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- xi) In our opinion and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
  - xii) In our opinion company is not a nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.
  - xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act and their details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
  - xiv) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the company.
  - xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.
  - xvi) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **D T S & Associates LLP**  
Chartered Accountants  
Firm Registration no. 142412W/W100595

**Saurabh Pamecha**  
**Partner**  
Membership No.: 126551

Place : Navi Mumbai  
Date : April 23, 2020

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**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS OF  
RELIANCE CORPORATE IT PARK LIMITED**

**(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Reliance Corporate IT Park Limited** (“the Company”) as of March 31, 2020 in conjunction with our audit of the 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 over financial reporting 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.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 over financial reporting with reference to these 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 system over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control 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 system over financial reporting with reference to these financial statements.

**Meaning of Internal Financial Controls Over Financial Reporting With Reference To These Financial Statements**

A company’s internal financial control over financial reporting with reference to these 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 over financial reporting with reference to these 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 Over Financial Reporting With Reference To These Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these 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 has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **D T S & Associates LLP**

Chartered Accountants

Firm Registration no. 142412W/W100595

**Saurabh Pamecha**

**Partner**

Membership No.: 126551

Place : Navi Mumbai

Date : April 23, 2020

## Balance Sheet as at 31<sup>st</sup> March, 2020

	Note	As at 31 <sup>st</sup> March, 2020	(₹ in crore)	
			As at 31 <sup>st</sup> March, 2019	
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	1	11,385.64	13,683.69	
Capital Work-in-Progress	1	7,629.73	4,603.39	
Intangible Assets	1	349.91	548.53	
Intangible Assets under Development	1	9,827.00	9,198.93	
Financial Assets				
Investments	2	-	18.93	
Other Non- Current Assets	3	668.95	971.87	
<b>Total Non- Current Assets</b>		<b>29,861.23</b>		29,025.34
<b>Current Assets</b>				
Inventories	4	16.17	26.56	
Financial Assets				
Trade Receivables	5	864.86	6,702.05	
Cash and Cash Equivalents	6	8.99	2.17	
Other Financial Assets	7	211.07	1,641.80	
Other Current Assets	8	339.62	11,039.03	
<b>Total Current Assets</b>		<b>1,440.71</b>		19,411.61
<b>Total Assets</b>		<b>31,301.94</b>		<b>48,436.95</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	9	238.00	2,379.99	
Other Equity	10	10,506.94	16,293.08	
<b>Total Equity</b>		<b>10,744.94</b>		18,673.07
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
Financial Liabilities				
Borrowings	11	13,760.84	13,868.89	
Other Financial Liabilities	12	3,313.52	-	
Deferred Tax Liability(Net)	13	1,479.42	1,627.95	
<b>Total Non-Current Liabilities</b>		<b>18,553.78</b>		15,496.84
<b>Current Liabilities</b>				
Financial Liabilities				
Borrowings	14	-	17.73	
Trade Payables Due to :	15			
Micro and Small Enterprises		4.29	61.72	
Other than Micro and Small Enterprises		533.79	3,096.26	
Other Financial Liabilities	16	1,323.88	10,911.98	
Other Current Liabilities	17	129.51	153.16	
Provisions	18	11.75	26.19	
<b>Total Current Liabilities</b>		<b>2,003.22</b>		14,267.04
<b>Total Liabilities</b>		<b>20,557.00</b>		<b>29,763.88</b>
<b>Total Equity and Liabilities</b>		<b>31,301.94</b>		<b>48,436.95</b>

Significant Accounting Policies

See accompanying Notes to the Financial Statements **1 to 33**

As per Report of even date

For **D T S & Associates LLP**

Chartered Accountants

Firm Registration No: 142412W/W100595

**Saurabh Pamecha**

Partner

Membership No: 126551

**Navi Mumbai**

April 23, 2020

For and on behalf of the board

**Virenderkumar Gandhi**

Director

**S. K. Bhardwaj**

Director

**Savithri Parekh**

Director

**Ramakant Singru**

Manager

**Rohit Shah**

Director

**Jagmohanlal Bhamri**

Director

**Radhika Disale**

Company Secretary

**Arvind Modgil**

Director

**Anil Khanna**

Director

**S. Rajagopal**

Chief Financial Officer

## Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2020

	Note	2019-20	(₹ in crore) 2018 - 19
<b>INCOME</b>			
Value Of Sales & Services (Revenue)	19	14,685.74	10,456.27
Less : GST Recovered		2,286.03	1,601.77
<b>Revenue From Operations</b>		<b>12,399.71</b>	<b>8,854.50</b>
Other Income	20	38.45	10.68
<b>Total Income</b>		<b>12,438.16</b>	<b>8,865.18</b>
<b>EXPENDITURE</b>			
Cost of Materials and Services Consumed		2,237.57	-
Employee Benefits Expense	21	643.39	839.02
Finance Costs	22	709.20	356.76
Depreciation/ Amortisation Expense	1	713.14	795.16
Other Expenses	23	7,696.30	6,369.58
<b>Total Expenses</b>		<b>11,999.60</b>	<b>8,360.52</b>
<b>Profit Before Tax</b>		<b>438.56</b>	<b>504.66</b>
Tax Expenses:			
Current Tax	3.1	114.28	135.06
Deferred Tax	13	(32.10)	(11.52)
		<b>82.18</b>	<b>123.54</b>
<b>Profit for the Year</b>		<b>356.38</b>	<b>381.12</b>
<b>Other Comprehensive Income</b>			
<b>a) Items that will not be reclassified to Profit or Loss</b>			
Remeasurement of Defined Benefit Plan		11.23	(0.18)
Income tax on above		(2.83)	0.06
<b>b) Items that will be reclassified to Profit or Loss</b>			
		-	-
<b>Total Other Comprehensive Income/ (Loss) for the Year (Net of Tax)</b>		<b>8.40</b>	<b>(0.12)</b>
<b>Total Comprehensive Income for the Year</b>		<b>364.78</b>	<b>381.00</b>
<b>Earnings per equity share of face value of ₹ 1 each</b>			
(Previous Year ₹ 10 each)			
<b>Basic (in ₹)</b>	24	<b>1.50</b>	1.60
<b>Diluted (in ₹)</b>	24	<b>1.02</b>	1.09
Significant Accounting Policies			
Notes on Financial Statements	1 to 33		

As per Report of even date

For **D T S & Associates LLP**

Chartered Accountants

Firm Registration No: 142412W/W100595

**Saurabh Pamecha**

Partner

Membership No: 126551

Navi Mumbai

April 23, 2020

For and on behalf of the board

**Virenderkumar Gandhi**

Director

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Director

**Radhika Disale**

Company Secretary

**Arvind Modgil**

Director

**Anil Khanna**

Director

**S. Rajagopal**

Chief Financial Officer

## Statement of Changes in Equity for the year ended 31st March, 2020

### A Equity Share Capital (₹ in crore)

Balance as at 1st April, 2018	Changes during the year 2018-19	Balance as at 31 <sup>st</sup> March, 2019	Changes during the year 2019-20	Balance as at 31 <sup>st</sup> March, 2020
2379.99	-	2,379.99	(2,141.99)	238.00

### B Other Equity (₹ in crore)

Reserves and Surplus								
	Instruments Classified as Equity #	Capital Reserve*	Capital Redemption Reserve	Securities Premium	Debenture Redemption Reserve	Retained Earnings	Other Comprehensive Income	Total
Balance at beginning of reporting period i.e 1st April, 2018	1,120.94	-	1.33	87.90	0.42	6400.05	1.44	7,612.08
Total Comprehensive Income for the year	-	-	-	-	-	381.12	(0.12)	381.00
Transferred to/(from) Retained Earnings	-	-	-	-	(0.22)	0.22	-	-
Advance Application Money Received	8300.00	-	-	-	-	-	-	8,300.00
Balance at end of reporting period i.e. 31 <sup>st</sup> March, 2019	9,420.94	-	1.33	87.90	0.20	6,781.39	1.32	16,293.08
<b>Balance at the beginning of the reporting period i.e. 1st April, 2019</b>	<b>9,420.94</b>	<b>-</b>	<b>1.33</b>	<b>87.90</b>	<b>0.20</b>	<b>6,781.39</b>	<b>1.32</b>	<b>16,293.08</b>
Total Comprehensive Income for the year	-	-	-	-	-	356.38	8.40	364.78
Pursuant to scheme of arrangement*	-	-	-	-	-	38.00	-	38.00
Transferred to/(from) Retained Earnings	(1,008.84)	3,119.92	-	-	-	-	-	2,111.08
Advance Application Money Refund	(8,300.00)	-	-	-	-	-	-	(8,300.00)
<b>Balance at end of reporting period i.e. 31<sup>st</sup> March, 2020</b>	<b>112.10</b>	<b>3,119.92</b>	<b>1.33</b>	<b>87.90</b>	<b>0.20</b>	<b>7,175.77</b>	<b>9.72</b>	<b>10,506.94</b>

\*Refer Note 25 On Demerger

# Refer Note 10

As per Report of even date

For **D T S & Associates LLP**  
Chartered Accountants  
Firm Registration No: 142412W/W100595

**Saurabh Pamecha**  
Partner  
Membership No: 126551

Navi Mumbai  
April 23, 2020

For and on behalf of the board

**Virenderkumar Gandhi**  
Director

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Company Secretary

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Director

**S. Rajagopal**  
Chief Financial Officer

## Cash Flow Statement for the year ended 31<sup>st</sup> March, 2020

	(₹ in crore)	
	2019 - 20	2018 - 19
<b>A: Cash Flow from Operating Activities</b>		
Net Profit before tax as per Statement of Profit & Loss	438.56	504.66
Adjusted for :		
(Profit)/Loss on Sale/Discarding of Assets (Net)	0.04	0.81
Depreciation and Amortisation Expense	713.14	795.16
Effect of Exchange Rate change	1.97	4.46
Net gain on investments	(4.81)	0.02
Interest Income	(3.24)	(2.06)
Other Non Operating Income	(30.40)	(8.64)
Finance Costs	709.20	356.76
	<u>1,385.90</u>	<u>1,146.51</u>
<b>Operating Profit before Working Capital Changes</b>	<u>1,824.46</u>	<u>1,651.17</u>
Adjusted for:		
Trade and Other Receivables	10,796.03	(13,713.72)
Inventories	(3,282.31)	20.91
Trade and Other Payables	(7,067.24)	10,600.46
	<u>446.48</u>	<u>(3,092.35)</u>
<b>Cash Generated from/(used in) Operations</b>	<u>2,270.94</u>	<u>(1,441.18)</u>
Net Taxes (Paid) / Refunds	(377.55)	(368.21)
<b>Net Cash from/ (used in) Operating Activities*</b>	<u>1,893.39</u>	<u>(1,809.39)</u>
<b>B: Cash Flow from Investing Activities</b>		
Purchase of tangible and intangible assets	(8,009.35)	(9,314.09)
Proceeds from disposal of tangible and intangible assets	(0.04)	0.52
Sale of Other Investments	12.31	-
Maturity of/ (Investment in) Fixed Deposit	-	(0.13)
Interest Income	3.24	2.06
<b>Net Cash used in Investing Activities</b>	<u>(7,993.84)</u>	<u>(9,311.64)</u>
<b>C: Cash Flow From Financing Activities</b>		
Proceeds from Long Term Borrowings	35,513.29	6,670.17
Application money for OCPS	(8,300.00)	8,300.00
Short Term Borrowings (OD)	-	17.73
Repayment of Long Term Borrowings	(20,136.70)	(2,851.00)
Repayment of Debenture	(0.36)	(0.79)
Interest Paid	(968.96)	(1,013.26)
<b>Net Cash from Financing Activities</b>	<u>6,107.27</u>	<u>11,122.85</u>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<u>6.82</u>	<u>1.81</u>
<b>Opening balance of Cash and Cash equivalents</b>	<u>2.17</u>	<u>0.36</u>
<b>Closing balance of Cash and Cash equivalents (Refer Note 6)</b>	<u>8.99</u>	<u>2.17</u>

\*Amount spent in Cash towards Corporate Social Responsibility is ₹9.00 crore (Previous Year ₹ 6.50 crore).

Change in Liability arising from financing activities				(₹ in crore)
	As at 31 <sup>st</sup> March, 2019	Cashflow	Others*	As at 31 <sup>st</sup> Mar 2020
Borrowings - Non Current (Refer Note 11)	13,868.89	15,376.59	(14,494.87)	14,750.61
Borrowings - Current	18.25	(18.25)	-	-
<b>Total</b>	<u>13,887.14</u>	<u>15,358.34</u>	<u>(14,494.87)</u>	<u>14,750.61</u>
	As at 31 <sup>st</sup> March, 2018	Cashflow	Others	As at 31 <sup>st</sup> Mar 2019
Borrowings - Non Current (Refer Note 11)	10,051.03	3,817.86	-	13,868.89
Borrowings - Current	-	18.25	-	18.25
<b>Total</b>	<u>10,051.03</u>	<u>3836.11</u>	<u>-</u>	<u>13,887.14</u>

\*Adjustments on account of Demerger under scheme of arrangement (Refer Note 25)

As per Report of even date

For **D T S & Associates LLP**  
Chartered Accountants  
Firm Registration No: 142412W/W100595

**Saurabh Pamecha**  
Partner  
Membership No: 126551

Navi Mumbai  
April 23, 2020

For and on behalf of the board

**Virenderkumar Gandhi**  
Director

**S. K. Bhardwaj**  
Director

**Savithri Parekh**  
Director

**Ramakant Singru**  
Manager

**Rohit Shah**  
Director

**Jagmohanlal Bhamri**  
Director

**Radhika Disale**  
Company Secretary

**Arvind Modgil**  
Director

**Anil Khanna**  
Director

**S. Rajagopal**  
Chief Financial Officer

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

### A. CORPORATE INFORMATION

Reliance Corporate IT Park Limited (“the Company”) is an entity incorporated in India. The Company’s major activity is providing Support Services including IT / ITES, Business Support, and all other activities revolve around the same. The addresses of its registered office is at Office-101, Saffron, Near Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad-380006 Gujarat.

### B. SIGNIFICANT ACCOUNTING POLICIES

#### B.1 BASIS OF PREPARATION AND PRESENTATION

The Financial Statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:

- i) Certain financial assets and liabilities,
- ii) Defined benefit plans - plan assets

The Financial Statements of the Company have been prepared to comply with the Indian Accounting standards (‘Ind AS’), including the rules notified under the relevant provisions of the Companies Act, 2013.

With effect from 1st April 2019, Ind AS 116 – “Leases” (Ind AS 116) supersedes Ind AS 17 – “Leases”. The Company has adopted Ind AS 116 using the prospective approach.

The Company’s financial statements are presented in Indian Rupees (₹), which is also its functional currency and all values are rounded to the nearest crore (₹ 00,00,000), except when otherwise indicated.

#### B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### (a) Current and Non-Current Classification

The Company presents assets and liabilities in the Balance Sheet based on Current/Non-Current classification.

An asset is treated as Current when it is –

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

##### (b) Property, Plant and Equipment:

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets. In case of land the Company has availed fair value as deemed cost on the date of transition to Ind AS. 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 entity and the cost can be measured reliably.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

Property, Plant and Equipment which are significant to the total of the item of Property, Plant and Equipment and having different useful life are accounted separately.

Other indirect expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work – in - Progress.

Depreciation on property, plant and equipment is provided based on useful life of the assets prescribed in Schedule II to the Companies Act, 2013 except in case of Leasehold Land which is amortised over the period of lease.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

**(c) Leases:**

The Company, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

**(d) Intangible Assets:**

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

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 entity and the cost can be measured reliably.

Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Intangible Assets Under Development.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Intangible assets comprising of Software are amortised over the period of 5 years.

The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at each reporting date.

**(e) Cash and Cash Equivalent**

Cash and cash equivalents comprise of cash on hand, cash at banks, short-term deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

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**(f) Finance Cost**

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

**(g) Inventories**

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

Cost of stores and spares, trading and other products are determined on weighted average basis.

**(h) Impairment of Non-Financial Assets - Property, Plant and Equipment and Intangible Assets**

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**(i) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**(j) Contingent Liabilities**

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

**(k) Employee Benefits Expense**

**Short Term Employee Benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

### Post-Employment Benefits

#### Defined Contribution Plans

The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

#### Defined Benefit Plans

The Company pays gratuity to the employee who have completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective IncomeTax authorities.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

#### Employee Separation Costs

The Company recognises the employee separation cost when the scheme is announced, and the Company is demonstrably committed to it.

### (l) Tax Expenses

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in statement of profit or loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in Equity. In which case, the tax is also recognised in Other Comprehensive Income or Equity.

#### - Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

#### - Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

### (m) Foreign Currencies Transactions and Translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalised as cost of assets. Additionally, exchange gains or losses on foreign currency borrowings taken prior to April 1, 2016 which are related to the acquisition or construction of qualifying assets are adjusted in the carrying cost of such assets.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively).

In case of an asset, expense or income where a non-monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognized. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

### (n) Revenue Recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company is generally the principal as it typically controls the goods or services before transferring them to the customer.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognized over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue from cost plus contracts is recognized over time and is determined with reference to the extent performance obligations have been satisfied. The amount of transaction price allocated to the performance obligations satisfied represents the recoverable costs incurred during the period plus the margin as agreed with the customer. Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognised at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

#### **Contract balances:**

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional.

#### **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

#### **Interest Income**

Interest income from a financial asset is recognised using effective interest rate method.

#### **Dividends**

Revenue is recognised when the Company's right to receive the payment has been established.

### (o) Financial instruments

#### i) Financial Assets

##### A. Initial Recognition and Measurement:

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

### B. Subsequent Measurement

#### a) Financial Assets Measured at Amortised Cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

#### b) Financial Assets Measured at Fair Value Through Other Comprehensive Income (FVTOCI)

A financial asset is measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

#### c) Financial Assets Measured at Fair Value Through Profit Or Loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured fair valued through profit or loss. Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

### C. Investment in Subsidiaries, Associates and Joint Ventures

The Company has accounted for its investments in subsidiaries, associates and joint venture at cost less impairment loss (if any)

### D. Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to :

- (1) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- (2) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables the company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

### ii) Financial Liabilities

#### A. Initial Recognition and Measurement:

All financial liabilities are recognized at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of profit and loss as finance cost.

#### B. Subsequent Measurement:

Financial liabilities are carried at amortized cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

### iii) **Derecognition of Financial Instruments**

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

### iv) **Offsetting**

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### (p) **Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year adjusted for bonus element in equity share.

Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

### C. **Critical accounting judgements and key sources of estimation uncertainty:**

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next Financial years.

#### a) **Depreciation / Amortisation and Useful Lives of Property Plant and Equipment / Intangible Assets**

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

#### b) **Recoverability of Trade Receivable:**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

#### c) **Provisions:**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

#### d) **Impairment of non-Financial Assets:**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

**e) Impairment of Financial Assets:**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**f) Recognition Of Deferred Tax Assets And Liabilities**

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

**(g) Fair Value Measurement**

For estimates relating to fair value of financial instruments refer note 36 of financial statements.

**h) Estimation uncertainty relating to the global health pandemic on COVID 19**

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

COVID19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lock down of production facilities etc. On 24th March 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended till 3 May 2020 to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities.

In assessing the recoverability of Company's assets such as Investments, Loans, intangible assets, Trade receivable etc. the Company has considered internal and external information. The company has performed sensitivity analysis on the assumptions used basis the internal and external information / indicators of future economic conditions, the Company expects to recover the carrying amount of the assets.



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

		(₹ in crore)			
2. Investments - Non-Current	As at		As at		
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019	Units	Amount	
	Units	Amount	Units	Amount	
<b>Investment Measured at Cost</b>					
<b>In Equity Shares of Subsidiary Company - Unquoted, Fully Paid Up</b>					
Reliance SMSL Limited of ₹10 each	-	-	50 000	0.05	
<b>Sub-total (a)</b>	-	-		0.05	
<b>In Equity Shares of Associates - Unquoted, Fully Paid Up</b>					
Reliance Commercial Dealers Limited of ₹10 each	-	-	75 00 000	7.50	
Reliance Services and Holdings Limited.(Formerly known as Naroda Power Private Limited) of ₹ 1 each	-	-	50 000	0.01	
<b>Sub-total (b)</b>		-		7.51	
<b>In LLPs</b>					
GenNext Ventures Investment Advisers LLP		-		0.10	
<b>Sub-total (c)</b>		-		0.10	
<b>In Debentures of Subsidiary Company</b>					
Zero coupon Optionally Fully Convertible Debentures of Reliance SMSL Limited of ₹ 10 each	-	-	1 12 72 583	11.27	
<b>Sub-total (d)</b>		-		11.27	
<b>Total (a+b+c+d)</b>		-		18.93	
<b>2.1 Category-wise Non current investment</b>					
	As at		As at		
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019			
Financial assets carried at cost	-	-		18.93	
Refer Note 25 On Demerger					
(₹ in crore)					
<b>3. Other Non Current Assets</b>					
<i>(Unsecured and Considered Good)</i>					
Capital Advances	36.47	64.78			
Advance Income Tax (Net of Provision)	632.25	368.98			
Others *	0.23	538.11			
<b>Total</b>	<b>668.95</b>	<b>971.87</b>			
* Others Includes Prepaid Rent.					
(₹ in crore)					
<b>3.1 Advance Income Tax Assets (Net)</b>					
	As at		As at		
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019			
<b>a) Income tax recognised in statement of profit and loss</b>					
Current tax	114.28	135.06			
Deferred tax	(32.10)	(11.52)			
<b>Total income tax expenses recognised in the current year</b>	<b>82.18</b>	<b>123.54</b>			

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

The income tax expenses for the year can be reconciled to the accounting profit as follows:		(₹ in crore)
	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Profit Before Tax	438.56	504.66
Applicable Tax Rate	25.168%	34.944%
Computed Tax Expenses	110.38	176.35
<b>Tax Effect of :</b>		
Expenses Disallowed	4.12	265.89
Additional allowances net of MAT credit	(0.21)	(177.05)
Carried forward loss utilised	-	(130.14)
<b>Current Tax Provision (A)</b>	<b>114.29</b>	<b>135.06</b>
Incremental Deferred Tax asset on account of Property, Plant Equipment and Intangible Assets	(32.10)	3.11
Incremental Deferred Tax Asset / (Liability) on account of Financial Assets & Other items	-	(14.63)
	<b>(32.10)</b>	<b>(11.52)</b>
<b>Tax expenses recognised in statement of Profit and Loss</b>	<b>82.18</b>	<b>123.55</b>
Effective Tax Rate	19%	24%
		(₹ in crore)
	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>b) Advance Income Tax assets (Net)</b>		
At start of year	368.98	135.83
Charge for the year	(114.28)	(135.06)
Tax paid during the year (Net of Refunds)	377.55	368.21
<b>At end of year</b>	<b>632.25</b>	<b>368.98</b>
		(₹ in crore)
<b>4. Inventories</b>	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Stores and Spares	16.17	26.56
<b>Total</b>	<b>16.17</b>	<b>26.56</b>
		(₹ in crore)
<b>5. Trade Receivables (Unsecured and considered good)</b>	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Trade Receivables	864.86	6,702.05
<b>Total</b>	<b>864.86</b>	<b>6,702.05</b>
		(₹ in crore)
<b>6. Cash and Cash Equivalents</b>	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Bank Balances:</b>		
In Current Accounts	8.86	2.04
In Deposits	0.13	0.13
<b>Cash and Cash Equivalents as per Balance Sheet</b>	<b>8.99</b>	<b>2.17</b>
<b>Cash and Cash Equivalents as per Statement of CashFlow</b>	<b>8.99</b>	<b>2.17</b>

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

		(₹ in crore)	
7. Other Financial Assets - Current	As at	As at	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019	
Others*	<u>211.07</u>	<u>1,641.80</u>	
<b>Total</b>	<b><u>211.07</u></b>	<b><u>1,641.80</u></b>	

\* Others includes Receivable from contracts in process and Security Deposits

		(₹ in crore)	
8. Other Current Assets	As at	As at	
<i>(Unsecured &amp; Considered Good)</i>	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019	
Balance with Customs, Central Excise, GST and State Authorities	<u>183.38</u>	<u>194.65</u>	
Others*	<u>156.24</u>	<u>10,844.38</u>	
<b>Total</b>	<b><u>339.62</u></b>	<b><u>11,039.03</u></b>	

\*includes primarily Advance to Vendors, Prepaid Expenses and Advance to Employees.

		(₹ in crore)	
9. Share Capital	As at	As at	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019	
<b>Authorised Share Capital :</b>			
27,003,080,000 Equity Shares of ₹ 1 each	2,700.31	2,700.31	
(2,700,308,000) Equity Shares of ₹ 10 each			
24,000,000,000 Preference Shares of ₹ 1 each	2,400.00	2,400.00	
(2,400,000,000) Preference Shares of ₹ 10 each			
<b>Total</b>	<b><u>5,100.31</u></b>	<b><u>5,100.31</u></b>	
<b>Issued, Subscribed and Paid-Up:</b>			
<b>Fully paid-up</b>			
2,379,994,480 Equity Shares of ₹ 1 each*	238.00	2,379.99	
(2,379,994,480) Equity Shares of ₹ 10 each			
<b>Total</b>	<b><u>238.00</u></b>	<b><u>2,379.99</u></b>	

(i) Of the above, Reliance 4IR Realty Development Limited. (Previous Year Reliance Industrial Investments and Holdings Limited), the Holding Company, along with its nominees holds 237,99,94,480 (previous Year 237,99,94,480) fully paid up Equity Shares

(i) **The details of Shareholders holding more than 5% shares :**

Name of the Shareholders	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	No. of Shares	% held	No. of Shares	% held
Reliance 4IR Realty Development Limited.*	2,379,994,480	100	-	-
Reliance Industrial Investments and Holdings Limited.	-	-	2,379,994,480	100

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

### (ii) Reconciliation of opening and closing number of shares

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
	No. of shares	No. of shares
Equity Shares outstanding at the beginning of the year	2,379,994,480	2,379,994,480
Add: Equity Shares issued during the year	-	-
Equity Shares outstanding at the end of the year	2,379,994,480	2,379,994,480

Rights, Preferences and Restrictions attached to Equity Shares: The Equity Shareholder is eligible for one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the number of equity shares held.

\*Refer Note 25 (d) Relating to Demerger and Reduction of Capital

### 10 Other Equity

(₹ in crore)

	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Instruments classifies as Equity</b>		
<b>Non Cumulative Optionally Convertible Preference Shares*</b>		
As per last Balance Sheet	9,420.94	1,120.94
Issued and Paid Up during the Year	-	-
Capital Reduction*	(1,008.85)	-
Application Money Received	(8,300.00)	8,300.00
	112.09	9,420.94
<b>Capital Reserve</b>		
As per last Balance Sheet	-	-
Addition / (Payment) during the Year*	3,119.92	-
<b>Capital Redemption Reserve</b>		
As per last Balance Sheet	1.33	1.33
<b>Securities Premium Account</b>		
As per last Balance Sheet	87.90	87.90
<b>Debenture Redemption Reserve</b>		
As per last Balance Sheet	0.20	0.42
Add: Transferred from/(to) Retained Earnings	-	(0.22)
	0.20	0.20
<b>Retained Earnings</b>		
As per last Balance Sheet	6,781.39	6400.05
Add: Profit of the Year	356.38	381.12
Add: Pursuant to scheme of arrangement*	38.00	-
Less: Transferred (to)/from Debenture Redemption Reserve	-	0.22
	7,175.77	6,781.39
<b>Other Comprehensive Income</b>		
As per last Balance Sheet	1.32	1.44
Add: Movement in OCI (Net) during the year	8.40	(0.12)
<b>Total</b>	<u>10,506.94</u>	<u>16,293.08</u>

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

### 10.1 Non Cumulative Optionally Convertible Preference Shares

#### (i) 2% Non Cumulative Optionally Convertible Preference Shares fully paid up

59 49 98 620	Preference Shares of ₹ 1 each*	59.50	-
(59 49 98 620)	Preference Shares of ₹ 10 each	-	595.00
		<u>59.50</u>	<u>595.00</u>

2% Non-cumulative Optionally Convertible Preference Shares of nominal value of ₹.1 each are redeemable on February 15, 2026 unless they are converted into Equity Shares of ₹.1 each, at the option for the Company and the holder of preference shares.

#### The details of Shareholders holding more than 5% shares :

Name of the Shareholders	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	% held	No. of Shares	% held
Reliance 4IR Realty Development Limited.*	594,998,620	100	-	-
Reliance Industrial Investments and Holdings Limited	-	-	594,998,620	100

#### Reconciliation of opening and closing number of shares

Particulars	As at 31.03.2020		As at 31.03.2019	
	No. of shares		No. of shares	
Preference Shares outstanding at the beginning of the year	594,998,620		594,998,620	
Add: Preference Shares issued during the year	-		-	
Preference Shares outstanding at the end of the year	<u>594,998,620</u>		<u>594,998,620</u>	
<b>(ii) 9% Non-Cumulative Optionally Convertible Preference Shares fully paid-up</b>				
51 08 70 000	Preference Shares of ₹ 1 each*	51.09	-	
(51 08 70 000)	Preference Shares of ₹ 10 each	-	510.87	
		<u>51.09</u>	<u>510.87</u>	

9% Non-cumulative Optionally Convertible Preference Shares of nominal value of ₹1 each shall be either redeemed at ₹1 or converted in to 1 (one) Equity Share of ₹1 each at any time at the option of the Company, but not later than 10 years from the date of allotment of 9% Non-cumulative Optionally Convertible Preference Shares

#### The details of Shareholders holding more than 5% shares :

Name of the Shareholders	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	% held	No. of Shares	% held
Reliance 4IR Realty Development Limited.*	510,870,000	100	-	-
Reliance Industrial Investments and Holdings Limited	-	-	510,870,000	100

#### Reconciliation of opening and closing number of shares

Particulars	As at 31.03.2020		As at 31.03.2019	
	No. of Shares		No. of Shares	
Preference Shares outstanding at the beginning of the year	510,870,000		510,870,000	
Add: Preference Shares issued during the year	-		-	
Preference Shares outstanding at the end of the year	<u>510,870,000</u>		<u>510,870,000</u>	
<b>(iii) 6% Non-Cumulative Preference Shares fully paid-up issued at premium</b>				
1 50 74 626	Preference Shares of ₹ 1 each*	1.51	-	
(1 50 74 626)	Preference Shares of ₹ 10 each	-	15.07	
		<u>1.51</u>	<u>15.07</u>	

6% Non-Cumulative Optionally Convertible Preference Shares of ₹1/- each shall be either redeemed at ₹58 per OCPS or converted into 1 (one) Equity Shares of ₹1 each at any time at the option of the Company, but not later than 10 years from the date of allotment of the 6% Non-Cumulative Optionally Convertible Preference Shares.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

### The details of Shareholders holding more than 5% shares :

Name of the Shareholders	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	No. of Shares	% held	No. of Shares	% held
Reliance 4IR Realty Development Limited.*	15,074,626	100	-	-
Reliance Retail Finance Limited	-	-	15,074,626	100

### Reconciliation of opening and closing number of shares

Particulars	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	No. of shares		No. of shares	
Preference Shares outstanding at the beginning of the year	15,074,626		15,074,626	
Add: Preference Shares issued during the year	-		-	
Preference Shares outstanding at the end of the year	15,074,626		15,074,626	

### \*Refer Note 25 (d) Relating to Demerger and Reduction of Capital

11. Borrowings - Non Current Secured (At amortised Cost)	As at	As at
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Zero coupon optionally convertible redeemable Debenture - Series B of ₹ 1,000/- each.	Non-Current	Non-Current
Unsecured (At amortised cost)	-	0.36
Term Loans – from Others**	13,760.84	13,868.53
<b>Total</b>	<b>13,760.84</b>	<b>13,868.89</b>

\*\* Unsecured Loan includes ₹ 14,750.60 crore (₹ 989.76 crore has been grouped under Current Liabilities as Current Portion of Non-Current Borrowings) (Previous Year - FY 18-19 ₹ 5,867.33 crore) as Interest Bearing Loan taken from Reliance Industries Limited, repayable after 5 years.

\*\* Unsecured Loan includes ₹ Nil (Previous Year - FY 18-19 ₹ 8,001.20 crore) as Interest Bearing Loan taken from Reliance Industrial Investments and Holdings Limited, repayable after 5 years.

\*\* Interest on above loans are 8.75% (Previous Year 8.75%)

12. Other Non-Current Financial Liabilities	As at	As at
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Other Non- Current Liabilities*	3,313.52	-
<b>Total</b>	<b>3,313.52</b>	<b>-</b>

\* Includes Loans & Advance from Others

13. Deferred Tax Liabilities(Net)	As at	As at
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
At the start of the year	1,627.95	1,639.47
Charge/(credit) to profit or loss (Note 3.1)	(32.10)	(11.52)
Transfer to Capital Reserve	(116.43)	-
<b>At the end of year</b>	<b>1,479.42</b>	<b>1,627.95</b>

### Components of Deferred tax Liabilities/(assets)

	At the start of the year	Charge/(credit) to profit or loss	Others (Including Exchange Difference)	At the end of year
<b>Deferred tax liabilities / (asset) in relation to:</b>				
Property, plant and equipment	2,067.58	(471.72)	(116.43)	1,479.42
Carried forward loss	(30.76)	30.76	-	-
Others	(408.87)	408.87	-	-
	1,627.95	(32.10)	(116.43)	1,479.42

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
(₹ in crore)		
<b>14. Borrowings - Current</b>		
<b>Unsecured- At Amortised Cost</b>		
<b>Working Capital Loans</b>		
<b>From Banks</b>		
Bank Overdraft	-	17.73
<b>Total</b>	<u>-</u>	<u>17.73</u>
(₹ in crore)		
<b>15. Trade Payables Due to :</b>	<b>As at</b>	<b>As at</b>
	<b>31<sup>st</sup> March, 2020</b>	<b>31<sup>st</sup> March, 2019</b>
Micro and Small Enterprise <sup>(i)</sup>	4.29	61.72
Other Than Micro and Small Enterprise	<u>533.79</u>	<u>3,096.26</u>
<b>Total</b>	<u><b>538.08</b></u>	<u><b>3,158.01</b></u>
(i) There are no overdue amounts to Micro and Small Enterprises as at March 31, 2020.		
(₹ in crore)		
<b>16. Other Financial Liabilities - Current</b>	<b>As at</b>	<b>As at</b>
	<b>31<sup>st</sup> March, 2020</b>	<b>31<sup>st</sup> March, 2019</b>
Creditors for Capital Expenditure	20.74	349.08
Current Maturities of borrowings - Non Current	-	0.52
Other Payables *	<u>1,303.14</u>	<u>10,562.38</u>
<b>Total</b>	<u><b>1,323.88</b></u>	<u><b>10,911.98</b></u>
* Includes Loans and Deposits		
(₹ in crore)		
<b>17. Other Current Liabilities</b>	<b>As at</b>	<b>As at</b>
	<b>31<sup>st</sup> March, 2020</b>	<b>31<sup>st</sup> March, 2019</b>
Others Payables*	<u>129.51</u>	<u>153.16</u>
<b>Total</b>	<u><b>129.51</b></u>	<u><b>153.16</b></u>
* Includes Statutory Dues and payable to employees.		
(₹ in crore)		
<b>18. Provisions - Current</b>	<b>As at</b>	<b>As at</b>
	<b>31<sup>st</sup> March, 2020</b>	<b>31<sup>st</sup> March, 2019</b>
Provision for Employee Benefits* ^	<u>11.75</u>	<u>26.19</u>
<b>Total</b>	<u><b>11.75</b></u>	<u><b>26.19</b></u>
*The provision for employee benefit includes annual leave and vested long service leave entitlement accrued.		
^ Refer Note 21		
(₹ in crore)		
<b>19. Revenue from Operations</b>	<b>2019-20</b>	<b>2018 - 19</b>
Sale of Services	14,685.74	10,456.27
Less: GST Recovered	<u>2,286.03</u>	<u>1,601.77</u>
<b>Total</b>	<u><b>12,399.71</b></u>	<u><b>8,854.50</b></u>

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

### 19.1 Revenue from Operations

#### Disaggregated Revenue

IT / ITES Support Services	773.92	1,705.60
Business and Infrastructure Support Services#	2,500.27	6,933.57
Manpower Services	67.41	192.89
Erection, Commissioning and Installation Services	8,430.92	-
Others	627.18	22.43
	<b>12,399.71</b>	<b>8,854.50</b>

#Net of reimbursement towards certain subcontracting of expenses amounting to ₹ 366.58 Crores (Previous Year ₹17,803.08 Crores) in case of certain cost plus contracts

### 20. Other Income

	2019-20	2018-19
		(₹ in crore)
<b>Other Income</b>		
<b>Interest</b>		
Others	3.24	2.06
<b>Other Non Operating Income</b>	30.40	8.64
<b>Realised Gain on Financial Assets</b>	4.81	(0.02)
<b>Total</b>	<b>38.45</b>	<b>10.68</b>

### 21. Employee Benefits Expense

	2019-20	2018 - 19
		(₹ in crore)
Salaries and Wages	514.94	695.26
Contribution to Provident Fund and Other Funds	25.11	44.96
Staff Welfare Expenses	103.34	98.80
<b>Total</b>	<b>643.39</b>	<b>839.02</b>

As per Indian Accounting Standard 19 "Employee benefits", the disclosures as defined are given below:

#### Defined Contribution Plan

Contribution to Defined Contribution Plans, recognised as expense for the year is as under

	2019-20	2018 - 19
Employers Contribution to Provident Fund	13.31	22.53
Employers Contribution to Superannuation Scheme	0.75	1.57
Employers Contribution to Pension Scheme	6.35	11.16

The Company's Provident Fund is exempted under section 17 of Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Conditions for grant of exemption stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the trust vis-a-vis statutory rate.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

### Defined Benefit Plan

#### I Reconciliation of Opening and closing balances of Defined Benefit obligation

	Gratuity (Funded)	
	2019-20	2018-19
Defined Benefit obligation at beginning of the year	79.80	69.37
Current Service Cost	4.56	9.31
Interest cost	3.24	5.55
From Transfer	(67.54)	0.01
Actuarial (gain) / loss on obligations due to experience variance	(16.54)	1.11
Actuarial (gain) / loss on obligations due to change in financial assumption	8.26	-
Benefits paid	(6.45)	(5.54)
Defined Benefit obligation at end of the year	5.33	79.80

#### II Reconciliation of Opening and closing balances of fair value of plan assets

	Gratuity (Funded)	
	2019-20	2018-19
Fair value of plan assets at the beginning of the year	79.80	69.37
Return on plan assets	3.24	6.47
Actuarial Gain / (Loss)	2.95	-
Employer Contribution	-	9.49
Other Transfers	(67.54)	0.01
Benefits Paid	(2.04)	(5.54)
Fair value of plan assets at the end of the year	16.41	79.80
Actual Return on Plan Assets	3.24	6.47

#### III. Reconciliation of Fair Value of Assets and Obligations

	Gratuity (Funded)	
	2019-20	2018-19
Fair Value of Plan Assets	16.41	79.80
Present Value of Obligation	5.32	79.80
Amount recognised in Balance Sheet	(11.08)	(0.00)

#### IV. Expenses recognised during the year in the Statement of Profit and Loss

	Gratuity (Funded)	
	2019-20	2018-19
Current Service Cost	4.56	9.31
Interest Cost on Benefit Obligation	3.24	5.55
Return on Plan Assets	(3.24)	(6.47)
Net Benefit Expense/ (Income)	4.56	8.38

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

<b>V. Expenses recognised in the Other Comprehensive Income (OCI) for Current Period</b>		
Actuarial (Gains) / Losses on Obligation for the period	(11.23)	0.18
Return on Plan Assets, Excluding Interest Income	-	-
Net (Income) / Expense for the Period Recognised in OCI	(11.23)	0.18

### VI. Investment Details

	As at 2019-2020 (₹ in crore)	As at 2018-2019 (₹ in crore)
Insurance Policies	16.41	79.80
% Invested	100.00	100.00

### VII. Actuarial Assumptions

	Gratuity (funded)	
	2019-2020 2012-14 (Ultimate)	2018-2019 2006-08 (Ultimate)
Mortality Table		
Discount Rate (per annum)	7%	8%
Expected Rate of Return on Assets (per annum)	7%	8%
Rate of Escalation in Salary (per annum)	6%	6%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of Plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

### VIII. The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2019-20.

### IX. Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

Particulars	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	Decrease	Increase	Decrease	Increase
<b>Projected Benefit Obligation on Current Assumptions</b>	<b>5.33</b>	<b>5.33</b>	79.80	138.00
Change in rate of discounting (delta effect of +/- 0.5%)	<b>0.20</b>	<b>(0.19)</b>	3.79	(3.51)
Change in rate of salary increase (delta effect of +/- 0.5%)	<b>(0.19)</b>	<b>0.20</b>	(3.59)	3.84
Change in rate of employee turnover (delta effect of +/- 25%)	<b>(0.00)</b>	<b>0.00</b>	(0.37)	0.34

These plans typically expose the Group to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk

**Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

**Interest risk:** A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

**Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk:** The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

		(₹ in crore)
<b>22. Finance Costs</b>	<b>2019-20</b>	2018 - 19
Interest Expenses - Amortised Cost*	<u>709.20</u>	<u>356.76</u>
<b>Total</b>	<b><u>709.20</u></b>	<b><u>356.76</u></b>
* Interest Expenses are net of Interest Capitalised of ₹ 621.87 crore (Previous Year ₹ 656.50 crore)		
<b>23. Other Expenses</b>	<b>2019-20</b>	2018 - 19
<b>Establishment Expenses</b>		
Building Repairs and Maintenance	86.78	74.28
Other Repairs	470.90	326.05
Rent including Lease Rentals	1,465.71	1,176.82
Insurance	21.81	19.55
Rates and Taxes	47.90	45.15
Travelling and Conveyance Expenses	138.15	79.14
Payment to Auditors	0.46	0.46
Professional Fees	692.21	1,585.72
Exchange Differences (Net)	1.97	4.46
Contracted Manpower	663.61	1,452.87
Electricity, Fuel and water	310.14	646.29
Facility Management Expenses	420.94	416.00
Telephone Expenses	38.84	90.95
General Expenses*	3,327.87	445.33
Charity and Donation	9.01	6.51
<b>Total</b>	<b><u>7,696.30</u></b>	<b><u>6,369.58</u></b>
*Includes Project Contract Expense of ₹ 2,802.73 crore (Previous Year ₹ Nil)		
<b>23.1 Payment to Auditor as :</b>	<b>2019-20</b>	2018 - 19
Statutory Audit Fees	0.45	0.45
Certification Fees	0.01	0.01
<b>Total</b>	<b><u>0.46</u></b>	<b><u>0.46</u></b>
<b>23.2 Corporate Social Responsibility (CSR)</b>		
a) CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the company during the year is ₹ 8.93 crore (Previous Year ₹ 6.43 crore).		
b) Expenditure related to Corporate Social Responsibility is ₹ 9.00 crore (Previous Year ₹ 6.50 crore).		
Details of amount spent towards CSR given below:		
<b>Particulars</b>	<b>2019 - 20</b>	2018 - 19
Education	1.36	2.02
Sports for Development	-	3.50
Health Care	7.64	0.98
<b>Total</b>	<b><u>9.00</u></b>	<b><u>6.50</u></b>
c) Out of note (b) above, ₹ 9.00 crore (Previous Year ₹ 6.50 crore) is spent through Reliance Foundation.		
<b>24 Earning Per Share (EPS) :</b>	<b>2019 - 20</b>	2018 - 19
<b>Face Value Per Equity Share (₹)</b>	<b>1.00</b>	10.00
<b>Basic Earnings per share (₹)</b>	<b>1.50</b>	1.60
Net Profit after tax as per statement of profit and loss attributable to Equity Shareholders (₹ in crore)	356.38	381.12
Weighted Average number of equity shares used as denominator for calculating Basic EPS:	2,379,994,480	2,379,994,480

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

	2019-20	2018-19
<b>Diluted Earning Per Share (₹)</b>	<b>1.02</b>	1.09
Net Profit after tax as per statement of profit and loss attributable to Equity Shareholders (₹ in crore)	<b>356.38</b>	381.12
Weighted Average number of equity shares used as denominator for calculating Diluted EPS:	<b>3,500,937,726</b>	3,500,937,726
<b>RECONCILIATION OF WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING</b>		
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	<b>2,379,994,480</b>	2,379,994,480
Total Weighted Average Potential Equity Shares	<b>1,120,943,246</b>	1,120,943,246
<b>Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS</b>	<b>3,500,937,726</b>	3,500,937,726

### 25 Demerger Note :

The National Company Law Tribunal, Ahmedabad, (NCLT) vide order dated 5th September, 2019 approved a Composite Scheme of arrangement ("Scheme") between the Company, Reliance Digital Platform & Project Services Limited (Name changed to Reliance Projects & Property Management Services Limited) ("RDPPSL") and other companies which inter-alia, provided for transfer and vesting of Platform, Project and Services undertaking of the Company ("Demerged undertaking") to RDPPSL as a going concern from the appointed date i.e. 1st September, 2019.

- Pursuant to the Scheme, all the assets and liabilities of the Demerged Undertaking have been transferred at their respective book values appearing in the books of the Company as on the Appointed Date i.e. September 1, 2019 to RDPPSL.
- Pursuant to the Scheme and in consideration of the demerger of the Demerged Undertaking, RDPPSL had issued and allotted 10,000 fully paid up equity shares of ₹ 10 each to shareholder(s) of the Company for the equity shares and the preference shares held by such shareholder(s).
- Pursuant to the facilitation provisions of the Scheme, the Company has reclassified its development rights with respect to Leasehold Land to Intangible assets under development. Further, Company has accounted a net gain of ₹ 38 crore due to fair valuation of certain intangible assets under development in retained earnings as per the Scheme approved by NCLT, overriding the Ind AS.
- Also as per the Scheme, the book values of all assets and liabilities of the Demerged Undertaking transferred are reduced from the respective assets and liabilities and the difference of ₹ (30.92) crore has been debited to Capital Reserve Account. As per the Scheme, on implementation of demerger, the share capital of the Company being in excess of the assets in relation to the Remaining Business of the Company, the face value of each equity share and preference share of the company of ₹ 10 has been reduced to ₹ 1. The reduction of capital by ₹ 3150.84 crore has been debited to share capital and credited to capital reserve.

### 26 Related Party Disclosures

As per Indian Accounting Standard 24, the disclosures of transactions with the related parties are given below:

- List of Related Parties where control exists and Related Parties with whom transactions have taken place and the relationship:

S. No.	Name of the Related Party	Relationship
1	Reliance Industries Limited	Ultimate Holding Company
2	Reliance 4IR Realty Development Limited <sup>s</sup>	Holding Company
3	Reliance Industrial Investments and Holdings Limited <sup>^^</sup>	Fellow Subsidiary Company
4	Reliance SMSL Limited <sup>@</sup>	
5	Reliance Jio Infocomm Limited	
6	AETN18 Media Private Limited	
7	e-Eighteen.com Limited	

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

8	Greycells18 Media Limited	
9	Indiawin Sports Private Limited	
10	Kanhatech Solutions Limited	
11	Network18 Media & Investments Limited	
12	Recron (Malaysia) Sdn. Bhd.	
13	Reliance Ambit Trade Private Limited	
14	Reliance Brands Limited	
15	Reliance Eminent Trading & Commercial Private Limited	
16	Reliance Energy Generation and Distribution Limited	
17	Reliance Lifestyle Holdings Limited (Now merged) #	
18	Reliance World Trade Private Limited (Now merged) ^	
19	Rhea Retail Private Limited (Now merged) #	
20	Reliance Polyolefins Limited (Now merged) ^	
21	Reliance Gas Pipelines Limited	
22	Reliance Jio Infocomm Pte. Limited	
23	Reliance Payment Solutions Limited	
24	Reliance Jio Messaging Services Limited	
25	Reliance Petro Marketing Limited	
26	Reliance Progressive Traders Private Limited	
27	Reliance Prolific Commercial Private Limited	Fellow Subsidiary Company
28	Reliance Prolific Traders Private Limited	
29	Reliance Retail Finance Limited	
30	Reliance Retail Insurance Broking Limited	
31	Reliance Retail Limited	
32	Reliance Retail Ventures Limited	
33	Reliance Strategic Investments Limited	
34	Reliance Universal Traders Private Limited	
35	Reliance Vantage Retail Limited	
36	Reliance Ventures Limited	
37	Reliance Jio Media Limited	
38	Viacom 18 Media Pvt Limited	
39	Reliance Global Energy Services (Singapore) Pte Limited	
40	RIL USA, Inc.	
41	Reliance Industries (Middle East) DMCC	
42	Surela Investment And Trading Limited	
43	TV18 Broadcast Limited	
44	Reliance Gas Lifestyle India Private Limited	
45	Reliance Projects & Property Management Services Limited (Formerly Know as Reliance Digital Platform & Project Services Limited)	
46	Ashwani Commercials Private Limited	Associate Of Fellow Subsidiary

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

47	GenNext Ventures Investment Advisers LLP	Associate Of Ultimate Holding Company
48	Reliance Industrial Infrastructure Limited	
49	East West Pipeline Limited	
50	Gujarat Chemical Port Terminal Company Limited	
51	Sikka Ports and Terminals Limited	
52	India Gas Solutions Private Limited	Joint Venture Of Ultimate Holding Company
53	IMG Reliance Limited	
54	Football Sports Development Limited	
55	Ethane Crystal LLC	
56	Ethane Emerald LLC	
57	Ethane Opal LLC	
58	Ethane Pearl LLC	
59	Ethane Sapphire LLC	
60	Ethane Topaz LLC	
61	Jio Payments Bank Limited	Joint Venture Of Fellow Subsidiary
62	Marks and Spencer Reliance India Private Limited	
63	IBN Lokmat News Private Limited	
64	Diesel Fashion India Reliance Private Limited	
65	Zegna South Asia Private Limited	
66	Reliance Paul & Shark Fashions Private Limited	
67	Brooks Brothers India Private Limited	Key Managerial Personnel (KMP)
68	Sh. Ramakant Singru	
69	Sh. S Rajagopal	
70	Smt. Radhika Disale	Post Employee Benefits
71	Reliance Corporate IT Park Trust Limited	

# Reliance Lifestyle Holdings Limited And Rhea Retail Private Limited (now merged with Reliance Brands Limited)

^ Relationship Ceased during the Year on account of Composite Scheme of Arrangements of Group Companies sanctioned by NCLT vide order dated 5th September 2019

^^ Ceased to be holding company during the year pursuant to the Composite Scheme of Arrangement sanctioned by NCLT vide order dated September 5, 2019.

§ Became holding company during the year pursuant to the Composite Scheme of Arrangement sanctioned by NCLT vide order dated September 5, 2019, earlier it was fellow subsidiary

@ Ceased to be subsidiary during the year pursuant to the Composite Scheme of Arrangement sanctioned by NCLT vide order dated September 5, 2019

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

### (ii) Transactions during the year with related parties: (₹ in crore)

S. No.	Nature of Transactions (Excluding reimbursements)	Ultimate Holding Company	Holding Company	Subsidiary Company	Fellow Subsidiaries	Fellow Associate/ Joint Venture/of Ultimate Holding Company/Fellow Subsidiaries	Key Managerial Personnel	Others	Total
1	Revenue from Operation	<b>1,820.50</b>	-	-	<b>2,027.70</b>	<b>1.57</b>	-	-	<b>3,849.76</b>
		<i>2,898.16</i>	<i>0.37</i>	<i>7.79</i>	<i>6832.74</i>	<i>13.48</i>	-	-	<i>9752.54</i>
2	Professional fees	<b>61.83</b>	-	-	<b>620.10</b>	<b>10.26</b>	-	-	<b>692.19</b>
		<i>142.23</i>	<i>43.06</i>	<i>759.12</i>	<i>54.28</i>	<i>20.52</i>	-	-	<i>1,019.21</i>
3	Hire Charges - Contracted Services	-	-	-	<b>663.61</b>	-	-	-	<b>663.61</b>
		-	-	<i>1049.38</i>	-	-	-	-	<i>1049.38</i>
4	Net Unsecured Loans taken/(returned)	<b>8,883.26</b>	<b>6,008.11</b>	-	-	-	-	-	<b>14,891.37</b>
		<i>2,568.00</i>	<i>1,251.00</i>	-	-	-	-	-	<i>3,819.00</i>
5	Issue Of Optionally Fully Convertible Preference Shares.	-	-	-	-	-	-	-	-
		-	-	-	<i>101.00</i>	-	-	-	<i>101.00</i>
6	Application Money for Optionally Fully Convertible Preference Shares	-	<b>(8,300.00)</b>	-	-	-	-	-	<b>(8,300.00)</b>
		-	<i>8,300.00</i>	-	-	-	-	-	<i>8,300.00</i>
7	Finance Charges Paid	<b>817.43</b>	-	<b>149.95</b>	-	-	-	-	<b>967.38</b>
		<i>468.97</i>	<i>543.21</i>	-	-	-	-	-	<i>1,012.18</i>
8	Payment to Key Managerial Personnel	-	-	-	-	-	<b>1.82</b>	-	<b>1.82</b>
		-	-	-	-	-	<i>1.91</i>	-	<i>1.91</i>
9	Rent	<b>2.16</b>	-	-	<b>1,060.09</b>	<b>0.50</b>	-	-	<b>1,062.75</b>
		<i>5.39</i>	-	-	<i>117.86</i>	<i>2.27</i>	-	-	<i>125.52</i>
10	General Expenses	-	-	-	<b>114.66</b>	-	-	-	<b>114.66</b>
		<i>13.12</i>	-	-	<i>208.80</i>	-	-	-	<i>221.92</i>
11	Employee Benefit Expenses	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	<i>9.49</i>	<i>9.49</i>
12	Purchase Of Business (Through Slump Sale)	-	-	-	-	-	-	-	-
		<i>77.00</i>	-	-	-	-	-	-	<i>77.00</i>
13	Cost of Material Purchase	<b>184.74</b>	-	-	<b>721.00</b>	-	-	-	<b>905.74</b>
		-	-	-	-	-	-	-	-
14	Other Payables	-	-	-	-	-	-	-	-
		<i>10,243.61</i>	-	-	-	-	-	-	<i>10,243.61</i>
<b>Balance as at 31<sup>st</sup> March, 2020</b>									
1	Share Capital	-	<b>238.00</b>	-	-	-	-	-	<b>238.00</b>
		-	<i>2,379.99</i>	-	-	-	-	-	<i>2,379.99</i>
2	Preference Share	-	<b>110.60</b>	-	<b>1.50</b>	-	-	-	<b>112.10</b>
		-	<i>1,105.87</i>	-	<i>15.07</i>	-	-	-	<i>1,120.94</i>
3	Trade Receivables	<b>35.76</b>	-	-	<b>792.05</b>	<b>1.49</b>	-	-	<b>829.30</b>
		<i>20.88</i>	<i>0.01</i>	<i>4.74</i>	<i>164.96</i>	<i>3.25</i>	-	-	<i>193.84</i>
4	Investments	-	-	-	-	-	-	-	-
		-	-	<i>11.32</i>	<i>0.01</i>	<i>7.60</i>	-	-	<i>18.92</i>
5	Trade Payables	<b>3.61</b>	<b>3.67</b>	-	<b>38.66</b>	-	-	-	<b>45.94</b>
		-	<i>1.60</i>	<i>169.48</i>	<i>72.45</i>	-	-	-	<i>243.53</i>
6	Unsecured Loans	<b>14,750.60</b>	-	-	-	-	-	-	<b>14,750.60</b>
		<i>5,867.33</i>	<i>8,001.20</i>	-	-	-	-	-	<i>13,868.53</i>
7	Deposits	-	-	-	-	-	-	-	-
		-	-	-	-	<i>300</i>	-	-	<i>300</i>
8	Other Financial Liabilities	-	-	-	-	-	-	-	-
		<i>10,243.61</i>	-	-	-	-	-	-	<i>10,243.61</i>

Note : Figures in Italic represents Previous Year's amount.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

(iii) Disclosure in Respect of Related Party Transactions during the year:		(₹ in crore)	
Particulars	Relationship	2019-20	2018-19
1 Revenue from Operations			
Reliance Industries Limited	Ultimate Holding Company	<b>1,820.50</b>	2,898.16
Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary	<b>1.16</b>	0.37
Reliance SMSL Limited	Fellow Subsidiary	<b>1.48</b>	7.79
Reliance Jio Infocomm Limited	Fellow Subsidiary	<b>322.01</b>	2,097.66
Reliance Payment Solutions Limited	Fellow Subsidiary	<b>23.96</b>	76.70
Reliance Jio Messaging Services Limited	Fellow Subsidiary	-	8.56
Reliance Retail Limited	Fellow Subsidiary	<b>1,420.37</b>	4,482.89
Reliance Retail Ventures Limited	Fellow Subsidiary	<b>0.16</b>	16.04
Reliance Jio Infratel Private Limited	Fellow Subsidiary	-	0.09
Reliance Retail Insurance Broking Limited	Fellow Subsidiary	<b>0.75</b>	2.52
Reliance Jio Infocomm Pte. Limited	Fellow Subsidiary	<b>0.58</b>	2.01
Reliance Gas Pipelines Limited	Fellow Subsidiary	<b>1.04</b>	109.06
Reliance Global Energy Services (Singapore) Pte Limited	Fellow Subsidiary	-	0.30
RIL USA, Inc.	Fellow Subsidiary	-	0.25
Reliance Industries (Middle East) DMCC	Fellow Subsidiary	-	0.05
Recron (Malaysia) Sdn. Bhd.	Fellow Subsidiary	-	0.35
AETN18 Media Private Limited	Fellow Subsidiary	<b>0.01</b>	0.05
Digital18 Media Limited	Fellow Subsidiary	-	0.01
e-Eighteen.com Limited	Fellow Subsidiary	<b>0.06</b>	0.22
Network18 Media and Investments Limited	Fellow Subsidiary	<b>0.06</b>	0.22
Panorama Television Private Limited	Fellow Subsidiary	-	0.04
Greycells18 Media Limited	Fellow Subsidiary	-	0.01
TV18 Broadcast Limited	Fellow Subsidiary	<b>0.18</b>	0.72
Indiawin Sports Private Limited	Fellow Subsidiary	<b>0.88</b>	28.06
Reliance Brands Limited	Fellow Subsidiary	<b>0.07</b>	1.49
Reliance Eminent Trading and Commercial Private Limited	Fellow Subsidiary	<b>0.28</b>	0.57
Reliance World Trade Private Limited (Now merged)	Fellow Subsidiary	-	0.15
Reliance Energy Generation and Distribution Limited	Fellow Subsidiary	<b>0.18</b>	0.14
Reliance Lifestyle Holdings Limited (now merged with Reliance Brands Limited) #	Fellow Subsidiary	<b>0.06</b>	0.19
Reliance Petro Marketing Limited	Fellow Subsidiary	<b>0.13</b>	1.25
Reliance Polyolefins Limited (Now merged)	Fellow Subsidiary	-	0.58
Reliance Progressive Traders Private Limited	Fellow Subsidiary	<b>0.34</b>	0.16
Reliance Prolific Traders Private Limited	Fellow Subsidiary	<b>0.22</b>	0.19
Reliance Retail Finance Limited	Fellow Subsidiary	-	0.03
Reliance Universal Traders Pvt. Ltd	Fellow Subsidiary	<b>0.23</b>	0.42
Reliance Strategic Investments Limited	Fellow Subsidiary	<b>0.16</b>	0.65
Reliance Ventures Limited	Fellow Subsidiary	-	0.65
Reliance Gas Lifestyle India Private Limited (Current Year ₹ 10,000)	Fellow Subsidiary	<b>0.00</b>	0.01
Reliance Jio Media Limited	Fellow Subsidiary	-	0.06
Viacom 18 Media Pvt Ltd	Fellow Subsidiary	-	0.35
Kanhatech Solutions Limited	Fellow Subsidiary	<b>0.11</b>	-
Reliance Projects and Property Management Services Limited	Fellow Subsidiary	<b>253.22</b>	-
Rhea Retail Private Limited (Now merged) (Current Year ₹ 10,000)	Fellow Subsidiary	<b>0.00</b>	0.00

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

<b>Particulars</b>	<b>Relationship</b>	<b>2019-20</b>	<b>2018-19</b>
Marks and Spencer Reliance India Private Limited	Joint Venture Of Fellow Subsidiary	-	0.71
India Gas Solutions Private Limited	Joint Venture Of Ultimate Holding Company	<b>0.32</b>	3.13
IBN Lokmat News Private Limited	Joint Venture Of Fellow Subsidiary	<b>0.01</b>	0.04
IMG Reliance Limited	Joint Venture Of Ultimate Holding Company	<b>0.40</b>	0.79
Football Sports Development Limited	Joint Venture Of Ultimate Holding Company	<b>0.34</b>	4.33
Jio Payments Bank Limited	Joint Venture Of Ultimate Holding Company	<b>0.12</b>	1.22
Diesel Fashion India Reliance Private Limited	Joint Venture Of Fellow Subsidiary	-	0.01
Zegna South Asia Private Limited	Joint Venture Of Fellow Subsidiary	-	0.00
Reliance Paul and Shark Fashions Private Limited	Joint Venture Of Fellow Subsidiary	-	0.01
Brooks Brothers India Private Limited	Joint Venture Of Fellow Subsidiary	-	0.01
Ethane Crystal LLC (Current Year ₹ 3,822)	Joint Venture Of Ultimate Holding Company	<b>0.00</b>	0.01
Ethane Emerald LLC (Current Year ₹ 3,822)	Joint Venture Of Ultimate Holding Company	<b>0.00</b>	0.01
Ethane Opal LLC (Current Year ₹ 3,822)	Joint Venture Of Ultimate Holding Company	<b>0.00</b>	0.01
Ethane Pearl LLC (Current Year ₹ 3,822)	Joint Venture Of Ultimate Holding Company	<b>0.00</b>	0.01
Ethane Sapphire LLC (Current Year ₹ 3,822)	Joint Venture Of Ultimate Holding Company	<b>0.00</b>	0.01
Ethane Topaz LLC (Current Year ₹ 3,822)	Joint Venture Of Ultimate Holding Company	<b>0.00</b>	0.01
Reliance Industrial Infrastructure Limited	Associate Of Ultimate Holding Company	<b>0.33</b>	0.80
Sikka Ports and Terminals Limited	Associate Of Ultimate Holding Company	-	0.02
East West Pipeline Limited	Associate Of Ultimate Holding Company	-	2.33
Gujarat Chemical Port Terminal Company Limited	Associate Of Ultimate Holding Company	<b>0.03</b>	0.08

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

Particulars	Relationship	2019-20	2018-19
2 Professional Fees			
Reliance Industries Limited	Ultimate Holding Company	<b>61.83</b>	142.23
Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary	<b>18.26</b>	43.06
Reliance SMSL Limited	Fellow Subsidiary	<b>570.14</b>	759.12
Reliance Jio Global Resources LLC	Fellow Subsidiary	<b>31.70</b>	54.28
Reliance Industrial Infrastructure Limited	Associate Of Ultimate Holding Company	<b>10.26</b>	20.52
3 Hire Charges Contracted Manpower		-	
Reliance SMSL Limited	Fellow Subsidiary	<b>663.61</b>	1049.38
4 Net Unsecured Loans Taken			
Reliance Industries Limited	Ultimate Holding Company	<b>8,883.26</b>	2,568.00
Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary	-	1,251.00
Reliance 4IR Realty Development Limited	Holding Company	<b>6,008.11</b>	-
5 Application of Optionally Fully Convertible Preference Shares Received/ (Refunded)			
Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary	<b>(8,300.00)</b>	8,300.00
6 Finance Charges Paid			
Reliance Industries Limited	Ultimate Holding Company	<b>817.43</b>	468.97
Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary	<b>149.95</b>	543.21
7 Payment to Key Managerial Personnel			
Sh. Ramakant Singru	Key Managerial Personnel	<b>0.66</b>	0.68
Sh. S Rajagopal	Key Managerial Personnel	<b>0.96</b>	1.07
Smt. Radhika Disale	Key Managerial Personnel	<b>0.20</b>	0.16
8 Rent			
Reliance Industries Limited	Ultimate Holding Company	<b>2.16</b>	5.39
Reliance Retail Limited	Fellow Subsidiary	<b>1,026.00</b>	-
Reliance Universal Traders Private Limited	Fellow Subsidiary	<b>1.02</b>	4.19
Reliance Ambit Trade Private Limited	Fellow Subsidiary	<b>1.36</b>	6.36
Reliance Eminent Trading and Commercial Private Limited	Fellow Subsidiary	<b>9.64</b>	41.05
Reliance Progressive Traders Private Limited	Fellow Subsidiary	<b>8.12</b>	37.84
Reliance Prolific Commercial Private Limited	Fellow Subsidiary	<b>1.65</b>	7.61
Reliance Prolific Traders Private Limited	Fellow Subsidiary	<b>3.94</b>	15.83
Surela Investment And Trading Limited	Fellow Subsidiary	<b>0.07</b>	0.32
Reliance Vantage Retail Limited	Fellow Subsidiary	<b>1.00</b>	4.65
Ashwani Commercials Private Limited	Associate Of Fellow Subsidiary	<b>0.50</b>	2.27
9 General Expenses			
Reliance Industries Limited	Ultimate Holding Company	-	13.12
Reliance Jio Infocomm Limited	Fellow Subsidiary	<b>86.01</b>	9.85
Reliance Retail Limited	Fellow Subsidiary	<b>28.65</b>	198.95

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

10	Employee Benefit Expenses Reliance Corporate IT Park Trust Ltd.	Post Employee Benefits	-	9.49
11	Purchase of Business (Through Slump Sale) Reliance Industries Limited	Ultimate Holding Company	-	77.00
12	Cost of Material Purchase Reliance Industries Limited	Ultimate Holding Company	<b>184.74</b>	-
	Reliance SMSL Limited	Fellow Subsidiary	<b>519.01</b>	-
	Reliance Projects and Property Management Services Limited	Fellow Subsidiary	<b>203.26</b>	-
13	Other Payables Reliance Industries Limited	Ultimate Holding Company	-	10,243.61
iv	<b>Balance as at 31<sup>st</sup> March, 2020</b>			
1	Investments			
	Reliance SMSL Limited	Fellow Subsidiary	-	11.32
	Reliance Commercial Dealers Limited (RCDL)	Associate	-	7.50
	Reliance Services and Holdings Limited (Formerly known as Naroda Power Private Limited)	Associate	-	0.01
	GenNext Ventures Investment Advisers LLP	Associate Of Ultimate Holding Company	-	0.10
2	Unsecured Loans Taken Reliance Industries Limited	Ultimate Holding Company	<b>14,750.60</b>	5,867.33
	Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary	-	8,001.20
3	Deposits Received Reliance Retail Limited	Fellow Subsidiary	-	300.00

### 26.1 Compensation of Key Managerial Personnel

The remuneration of director and other member of Key managerial personnel during the year was as follows:

	(₹ in crore)	
	2019-20	2018-19*
i Short-term benefits	0.27	1.73
ii Post employment benefits	0.01	0.07
iii Share based payments	-	0.11
<b>Total</b>	<b>0.28</b>	<b>1.91</b>

\* Includes Professional Fees towards Key Managerial Personnel payments reimbursed to Reliance Industries Limited.

### 27 Contingent Liabilities & Commitments

	(₹ in crore)	
	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>I) Contingent Liabilities</b>		
Outstanding guarantees furnished to Banks and Financial Institutions including in respect of Letters of credit.	492.05	128.00
Claims against the Company / disputed liabilities not acknowledged as debts *	76.85	71.55
<b>II) Commitments</b>		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	438.00	770.46

\* The Company has been advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

### 28 Capital management

The Company adheres to disciplined Capital Management framework, the pillars of which are as follows:

- Maintaining diversity of sources of financing and spreading the maturity across tenure buckets in order to minimise liquidity risk.
- Maintain AAA rating domestically and investment grade rating internationally by ensuring that the financial strength of the Balance Sheet is preserved.
- Manage financial market risks arising from foreign exchange, interest rates and commodity prices, and minimise the impact of market volatility on earnings.
- Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of Balance Sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment

#### 28.1 Gearing Ratio

The net gearing ratio at end of the reporting period was as follows.

(₹ in crore)

Particulars	As at	As at
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Gross Debt	13760.84	13869.41
Cash and Cash Equivalents	8.99	2.17
Net Debt (A)	13751.85	13867.24
Total Equity (as per Balance Sheet) (B)	10744.94	18673.07
<b>Net Gearing ratio (A/B)</b>	<b>1.28</b>	<b>0.74</b>

### 29 FINANCIAL INSTRUMENTS

#### A. Fair valuation measurement hierarchy :

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019			
	Carrying amount	Level of Input used in		Carrying amount	Level of Input used in	
		Level 1	Level 2		Level 1	Level 2
<b>Financial Assets*</b>						
<b>At Amortised Cost</b>						
Trade Receivables	864.86	-	-	6,702.05	-	-
Cash and Cash Equivalents	8.99	-	-	2.17	-	-
Other Financial Assets	211.07	-	-	1,641.80	-	-
<b>Financial Liabilities</b>						
<b>At Amortised Cost</b>						
Borrowings	13,760.84	-	-	13,868.89	-	-
Trade Payables	538.08	-	-	3,157.98	-	-
Other Financial Liabilities	4,637.40	-	-	668.34	-	-

\*Exclude Investments in Associates and Joint Ventures [₹ Nil (Previous Year ₹ 7.51 crore)] measured at cost.

#### Valuation Methodology

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

- The fair value of investment in quoted Equity Shares and Mutual Funds is measured at quoted price or NAV.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements as described below:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

**Level 2:** Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

### B. Financial Risk Management

The different types of risk the company is exposed to are liquidity risk, credit risk and market risk.

- (i) **Liquidity Risk:** Liquidity risk is the risk that suitable sources of funding for the company's business activities may not be available. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due, so that the company is not forced to obtain funds at higher rates.

**Maturity Profile of Secured Term Loan is as set out below:**

Particulars	2 to 5 Years	More than 5 Years
Borrowings	-	13,760.84

- (ii) **Credit Risk:** Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due causing financial loss to the company. It arises from cash and cash equivalents, derivative financial instruments, deposits from financial institutions and principally from credit exposures to customers relating to outstanding receivables.

### (iii) Market Risk

#### (a) Foreign Currency Risk

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD, EUR and GBP.

Foreign currency risk arises from recognised assets and liabilities and future commercial transactions that are in foreign currency.

**Foreign currency exposure profile is given below:**

(₹ in crore)

	As at 31 <sup>st</sup> March, 2020				As at 31 <sup>st</sup> March, 2019			
	USD	EUR	SGD	AED	USD	EUR	SGD	AED
Trade and Other Payables	-	-	-	-	48.84	10.58	-	-
Trade and Other Receivables	-	-	-	-	(0.59)			
<b>Net Exposure</b>	-	-	-	-	48.25	10.58	0.00	-

#### (b) Interest Rate Risk

Fluctuation in future cash flows of a financial instrument because of changes in market interest rates gives rise to interest rate risk.

Fluctuation in fair value or future cash flows of a financial instrument because of changes in market interest rates gives rise to interest rate risk.

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IND AS 107.

Interest rate exposure profile is given below:

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Borrowings</b>		
Non-Current-Fixed	13,760.84	13,868.89
<b>Total</b>	13,760.84	13,868.89

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

### 29.1 Foreign Currency Sensitivity

(₹ in crore)

	As at 31 <sup>st</sup> March, 2020				As at 31 <sup>st</sup> March, 2019			
	USD	EUR	SGD	AED	USD	EUR	SGD	AED
1 % Depreciation in INR								
Transferred to Assets								
Impact on P & L	-	-	-	-	(0.48)	(0.11)	0.00	0.00
Transferred to OCI								
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.48)</b>	<b>(0.11)</b>	<b>0.00</b>	<b>0.00</b>
1 % Appreciation in INR								
Transferred to Assets								
Impact on P & L	-	-	-	-	0.48	0.11	0.00	0.00
Transferred to OCI								
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.48</b>	<b>0.11</b>	<b>0.00</b>	<b>0.00</b>

### 30 Segment Information :

The Company's operating segments are established on the basis of those components of the Company that are evaluated regularly by the Board (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments') in deciding how to allocate resources and in allocating performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

The Company has two principal operating and reporting segments; viz. Real Estate and Platform, Projects and Services.

The accounting policies adopted for Segment reporting are in line with the accounting policy of the Company with following additional policies for the segment reporting.

- Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to segment on reasonable basis have been disclosed as "Unallocable".
- Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments.

#### (i) Primary Segment Information

(₹ in crore)

Particulars	Real Estate		Platform, Projects & Services		Unallocable		Total Amount	
	2019 - 20	2018 - 19	2019 - 20	2018 - 19	2019 - 20	2018 - 19	2019 - 20	2018 - 19
<b>Segment Turnover</b>	<b>1,166.10</b>	1,298.63	<b>13,518.66</b>	9,157.64	-	-	<b>14,684.76</b>	10,456.27
Less : GST Recovered	(138.53)	(121.38)	(2,147.50)	(1,480.39)	-	-	(2,286.03)	(1,601.77)
Net Turnover	<b>1,027.57</b>	1,177.25	<b>11,371.16</b>	7,677.25	-	-	<b>12,398.73</b>	8,854.50
<b>Segment Result before Interest and Taxes</b>	<b>29.93</b>	34.29	<b>1,117.83</b>	827.13	-	-	<b>1,147.76</b>	861.42
Interest	-	-	-	-	<b>709.20</b>	356.76	<b>709.20</b>	356.76
Profit Before Tax	<b>29.93</b>	34.29	<b>1,117.83</b>	827.13	<b>(709.20)</b>	(356.76)	<b>438.56</b>	504.66
Current Tax	-	-	-	-	<b>114.28</b>	135.06	<b>114.28</b>	135.06
Deferred Tax	-	-	-	-	<b>(32.10)</b>	(11.52)	<b>(32.10)</b>	(11.52)
Profit After Tax	<b>29.93</b>	34.29	<b>1,117.83</b>	827.13	<b>(791.38)</b>	(480.30)	<b>356.38</b>	381.12
<b>Other Information</b>	-	-	-	-	-	-	-	-
Segment Assets	<b>31,301.94</b>	16,070.88	-	32,365.99	-	-	<b>31,301.94</b>	48,436.87
Segment Liabilities	<b>19,077.58</b>	12,554.97	-	15,580.35	<b>1,479.42</b>	1,628.00	<b>20,557.00</b>	29,763.32
Capital Expenditure	<b>1,157.74</b>	806.00	-	9,198.93	-	-	<b>1,157.74</b>	10,004.93
Depreciation	<b>616.17</b>	683.84	<b>96.97</b>	111.32	-	-	<b>713.14</b>	795.16

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

### (ii) The Reportable Segments are further described below :

- The Real Estate segment includes services provided from Real Estates held by the Company
- The Platform, Projects and Services segment includes Apps and business and infrastructure support services. This has been Demerged to Fellow Subsidiary (Refer Note 25 On Demerger)

### (iii) Secondary Segment Information

Particulars	2019 - 20	2018 - 19
		(₹ in crore)
<b>1. Segment Revenue</b>		
Within India	<b>14,684.15</b>	9,777.74
Outside India	<b>0.61</b>	678.53
<b>2. Non-Current Assets</b>		
Within India	<b>29,861.23</b>	29,025.00
Outside India	-	-

**31** Details of loans given, investments made and guarantee given as on 31<sup>st</sup> March, 2020 covered U/S 186 (4) of the companies Act, 2013.

- i) Loan given ₹ Nil (Previous year ₹ Nil)
- ii) Investment made by the Company as at 31<sup>st</sup> March, 2020 (Refer Note 2).
- iii) Guarantees given and securities provided by the company in respect of loan ₹ Nil (Previous year ₹ Nil)

**32** The figures for the corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable

### **33 Approval of Financial Statements**

The Financial Statements were approved for issue by the Board of Directors on April 23, 2020.

As per Report of even date

For **D T S & Associates LLP**

Chartered Accountants

Firm Registration No: 142412W/W100595

**Saurabh Pamecha**

Partner

Membership No: 126551

**Navi Mumbai**

April 23, 2020

For and on behalf of the board

**Virenderkumar Gandhi**

Director

**S. K. Bhardwaj**

Director

**Savithri Parekh**

Director

**Ramakant Singru**

Manager

**Rohit Shah**

Director

**Jagmohanlal Bhamri**

Director

**Radhika Disale**

Company Secretary

**Arvind Modgil**

Director

**Anil Khanna**

Director

**S. Rajagopal**

Chief Financial Officer