

**Reliance Strategic Business Ventures Limited**  
**Financial Statements**  
**2019-20**

## Independent Auditor's Report

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### To the Members of RELIANCE STRATEGIC BUSINESS VENTURES LIMITED

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the accompanying financial statements of **RELIANCE STRATEGIC BUSINESS VENTURES 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 period 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 period 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.

##### 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 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.

##### Responsibilities of the Management 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 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.

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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.
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;

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- 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 Ind AS 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 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 does not have any pending litigations which would impact on its financial position;
  - 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 **Pathak H. D. & Associates LLP**  
Chartered Accountants  
Firm Registration no. 107783W/W100593

**Ashutosh Jethlia**  
**Partner**  
Membership No.: 136007

Place: Mumbai  
Date: April 24, 2020

UDIN: 20136007AAAADV1541

## Annexure A to the Independent Auditors' Report

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### “ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE STRATEGIC BUSINESS VENTURES LIMITED

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

- i) As the Company has no fixed assets during the year, clause (i) of paragraph 3 of the Order is not applicable.
- ii) As explained to us, Company did not have inventory at the year end. Clause (ii) of paragraph 3 of the Order is not applicable.
- 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 person or given guarantees or securities in connection with the loan taken by persons covered under Section 185 of the Act. Company has complied with the provisions of the section 186 of the Act, in respect of investments, loans, guarantee or security given.
- 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) To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act in respect of the activities undertaken by the Company.
- 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, cess and any other statutory dues as applicable to it 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.
  - a) According to the information and explanations given to us, there are no dues of provident fund, employees’ state insurance, income tax, goods and service tax, duty of customs, duty of excise, cess and any other statutory dues as applicable to it, which have not been deposited as on March 31, 2020 on account of any dispute.
- viii) The Company has not raised any loans from financial institutions or banks or government or debenture holders. Therefore, the 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) or term Loan and hence clause (ix) of paragraph 3 of the Order is not applicable to the Company.
- 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.
- 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 made preferential allotment of shares during the year. The Company has complied with requirements of Section 42 of the Act and amount raised have been used for the purpose for which funds were raised.

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- 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.
- xvii) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

For **Pathak H. D. & Associates LLP**  
Chartered Accountants  
Firm Registration no. 107783W/W100593

**Ashutosh Jethlia**  
**Partner**  
Membership No.: 136007  
Place: Mumbai  
Date: April 24, 2020  
UDIN: 20136007AAAADV1541

## Annexure B to Independent Auditors' Report

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### ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE STRATEGIC BUSINESS VENTURES 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 STRATEGIC BUSINESS VENTURES LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the period 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,

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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 **Pathak H. D. & Associates LLP**  
Chartered Accountants  
Firm Registration no. 107783W/W100593

**Ashutosh Jethlia**  
**Partner**  
Membership No.: 136007

Place: Mumbai  
Date: April 24, 2020

UDIN: 20136007AAAADV1541

## Balance Sheet as at 31st March, 2020

	Notes	₹ in crores As at 31st March, 2020
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Financial Assets		
Investments	1	10,681.67
Other Non-Current Assets	2	169.20
<b>Total Non-Current Assets</b>		<b>10,850.87</b>
<b>Current Assets</b>		
Financial Assets		
Trade Receivables	3	3.91
Cash and cash equivalents	4	4,304.50
Loans	5	36.15
Other Financial Assets	6	53.40
Other Current Assets	8	48.49
<b>Total Current assets</b>		<b>4,446.45</b>
<b>Total Assets</b>		<b>15,297.32</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share Capital	9	100.00
Other Equity	10	9,806.85
<b>Total equity</b>		<b>9,906.85</b>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
Financial Liabilities		
Borrowings	11	5,350.60
Deferred Tax Liabilities (Net)	12	14.79
<b>Total Non-Current Liabilities</b>		<b>5,365.39</b>
<b>Current Liabilities</b>		
Financial Liabilities		
Trade Payables	13	-
Micro and Small Enterprises		-
Other than Micro and Small Enterprises		0.21
Other Current Liabilities	14	24.87
<b>Total current liabilities</b>		<b>25.08</b>
<b>Total Liabilities</b>		<b>5,390.47</b>
<b>Total Equity and Liabilities</b>		<b>15,297.32</b>
Significant Accounting Policies		
See accompanying Notes to the Financial Statements	1 to 28	

As per our Report of even date

For and on behalf of the Board

For PATHAK H.D. &amp; ASSOCIATES LLP

Firm Registration No: 107783W/W100593

Chartered Accountants

Ashutosh Jethlia

Partner

Membership No: 136007

Radhika Disale

Director

Vineeta Golchha

Director

Siddharth Shah

Director

Ketan Patil

Chief Financial Officer

Mumbai

Dated: 24th April, 2020

Avani Gangapurkar

Company Secretary

## Statement of Profit & Loss for the period 21st June 2019 to 31st March, 2020

	Notes	₹ in crores 2019-20
<b>INCOME</b>		
Revenue from Operations	15	319.65
Other Income	16	282.44
<b>Total Income</b>		<b>602.09</b>
<b>EXPENSES</b>		
Purchases		319.55
Finance Cost	17	253.00
Other Expenses	18	1.85
<b>Total Expenses</b>		<b>574.40</b>
<b>Profit Before Tax</b>		<b>27.69</b>
<b>Tax Expenses</b>		
Current Tax		3.50
Deferred Tax		14.79
<b>Profit For the Year</b>		<b>9.39</b>
<b>Other Comprehensive Income:</b>		
a Items that will be reclassified to Statement of Profit & loss		-
b} Items that will not be reclassified to Statement of Profit & loss		
Fair value changes relating to financial assets		(1,052.73)
Income tax relating to items that will not be reclassified to Profit or Loss		120.23
<b>Total Other Comprehensive Income for the Year (Net of Tax)</b>		<b>(932.50)</b>
<b>Total comprehensive income for the year</b>		<b>(923.11)</b>
<b>Earnings per equity share of face value of ₹ 10 each</b>		
Basic (in ₹)	19	1.25
Diluted (in ₹)	19	1.25
Significant Accounting Policies		
See accompanying Notes to the Financial Statements	1 to 28	

As per our Report of even date

For and on behalf of the Board

**For PATHAK H.D. & ASSOCIATES LLP**

Firm Registration No: 107783W/W100593

Chartered Accountants

**Ashutosh Jethlia**

Partner

Membership No: 136007

**Radhika Disale**

Director

**Vineeta Golchha**

Director

**Siddharth Shah**

Director

**Ketan Patil**

Chief Financial Officer

Mumbai

Dated: 24th April, 2020

**Avani Gangapurkar**

Company Secretary

## Statement of Changes in Equity for the period 21st June, 2019 to 31st March, 2020

### A. Equity Share Capital

₹ in crores

Balance at the beginning of the reporting period i.e. 21st June, 2019	Changes in equity share capital during the period 2019-20	Balance at the end of the reporting period i.e. 31st March, 2020
-	100.00	100.00

### B. Other Equity

₹ in crores

	Reserve and Surplus			Instruments Classified as Equity	Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	Retained Earnings			
<b>AS ON 31st March, 2020</b>						
Balance at beginning of reporting period i.e. 21st June, 2019	-	-	-	-	-	-
Add: Increase for the period	1.91	10,725.27	-	2.78	-	10,729.96
Add: Total Comprehensive Income for the period	-	-	9.39	-	(932.50)	(923.11)
<b>Balance at the end of the reporting period i.e. 31st March, 2020</b>	<b>1.91</b>	<b>10,725.27</b>	<b>9.39</b>	<b>2.78</b>	<b>(932.50)</b>	<b>9,806.85</b>

As per our Report of even date

For and on behalf of the Board

**For PATHAK H.D. & ASSOCIATES LLP**  
Firm Registration No: 107783W/W100593  
Chartered Accountants

**Ashutosh Jethlia**  
Partner  
Membership No: 136007

**Radhika Disale**  
Director  
**Vineeta Golchha**  
Director

**Siddharth Shah**  
Director  
**Ketan Patil**  
Chief Financial Officer

Mumbai  
Dated: 24th April, 2020

**Avani Gangapurkar**  
Company Secretary

## Cash Flow Statement for the period 21st June, 2019 to 31st March, 2020

	₹ in crores	
	<u>2019-20</u>	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax as per Statement of Profit and Loss		27.69
Adjusted for:		
Interest Income		(267.50)
Net unrealised gain on financial assets		(64.65)
Loss on Sale of Financial Assets		51.14
Dividend Income		(0.72)
Finance Cost		253.00
<b>Operating Loss before Working Capital Changes</b>		<u>(1.04)</u>
Adjusted for:		
Trade and Other Receivables		(0.08)
Trade and Other Payables		24.59
<b>Cash Generated from Operations</b>		<u>23.47</u>
Tax Paid / (Refund)		(52.47)
<b>Net Cash flow used in Operating Activities</b>		<u>(28.99)</u>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest Received		302.71
Dividend Income		0.72
Movement in Loans		(41.19)
Purchase of Investments		(1,940.75)
Sale of Investments		984.71
Share application money paid		(33.72)
<b>Net Cash used in Investing Activities</b>		<u>(727.52)</u>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Equity Share Capital		0.01
Proceeds from Preference Share Capital including premium		288.05
Proceeds from Borrowing - Non-Current		3,432.47
Repayment of Borrowing - Non-Current		(561.42)
Repayment of Borrowing - Current		(1,573.40)
Interest Paid		(307.58)
<b>Net Cash Flow from Financing Activities</b>		<u>1,278.13</u>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>		<u>521.62</u>
<b>Opening Balance of Cash and Cash Equivalents</b>		-
<b>Opening Balance of Cash and Cash Equivalents on Arrangement</b>		<u>3,782.88</u>
<b>Closing Balance of Cash and Cash Equivalents (Refer Note No. 4)</b>		<u>4,304.50</u>
<b>Change in Liability arising from financing activity</b>		
	<b>Borrowings - Non Current (Refer Note 11)</b>	<b>Borrowings - Current</b>
Opening Balance as at beginning	-	-
Changes On account of Arrangement	2,479.55	1,573.40
Cash Flow furring the period	2,871.05	(1,573.40)
Foreign Exchange	-	-
Closing Balance as on 31st March, 2020	<u>5,350.60</u>	<u>-</u>

As per our Report of even date

For and on behalf of the Board

**For PATHAK H.D. & ASSOCIATES LLP**

Firm Registration No: 107783W/W100593

Chartered Accountants

**Ashutosh Jethlia**

Partner

Membership No: 136007

**Radhika Disale**

Director

**Vineeta Golchha**

Director

**Siddharth Shah**

Director

**Ketan Patil**

Chief Financial Officer

Mumbai

Dated: 24th April, 2020

**Avani Gangapurkar**

Company Secretary

## Notes to the Financial Statements for the period 21st June 2019 to 31st March, 2020

### A. CORPORATE INFORMATION

Reliance Strategic Business Ventures Limited [‘the company’] is a limited company incorporated in India having CIN U74999GJ2019PLC108789. The registered office of the Company is located at Office - 101, Saffron, Nr. Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad-380006, Gujarat, India. The Principal activities of the Company are trading and holding strategic interests in businesses and providing business support services.

### 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.

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. Amount in zero (0.00) represents amount below ₹ 50,000.

#### 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) Cash and Cash Equivalents

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.

##### (c) Finance Costs

Borrowing cost are charged to the Profit and Loss Statement in the period in which they are incurred.

## Notes to the Financial Statements for the period 21st June 2019 to 31st March, 2020

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### (d) 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 recognized as a finance cost.

### (e) 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.

### (f) Tax Expenses

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

#### 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 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 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.

### (g) 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.

### (h) 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 is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional. Consideration are

## Notes to the Financial Statements for the period 21st June 2019 to 31st March, 2020

determined based on its most likely amount.

Difference between final settlement price and provisional price is recognised subsequently. The Company does not adjust short-term advances received from the customer for the effects of significant financing component if it is expected at the contract inception that the promised good or service will be transferred to the customer within a period of one year.

### **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 Assets is recognized using effective interest rate method.

### **Dividend income**

Dividend Income is recognised when the Company's right to receive the amount has been established.

### **(i) Financial instruments**

#### **i) Financial Assets**

##### **A. Initial recognition and measurement:**

All Financial Assets are initially recognised 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.

##### **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 represent 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 FVTOCI 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 at FVTPL. 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**

## Notes to the Financial Statements for the period 21st June 2019 to 31st March, 2020

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

### **D. Other equity instruments**

All other equity investments are measured at fair value, with value changes recognized in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'. However, dividend on such equity investments are recognised in Statement of Profit and loss when the company's right to receive payment is established.

### **E. 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:

- 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
- 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.

### **iii) Derecognition of financial instruments**

The Company derecognises 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 derecognised 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.

### **(j) 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

## Notes to the Financial Statements for the period 21st June 2019 to 31st March, 2020

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 JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:

The preparation of the Company's financial statements requires management to make judgment, 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) Recoverability of trade receivables:

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.

#### b) Provisions:

The timing of recognition and quantification of the liability (including litigations) requires 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.

#### c) 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.

In case of non-financial assets company estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use.

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 transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

#### d) 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.

#### e) Fair value measurement

For estimates relating to fair value of financial instruments refer note 32 of financial statements

#### f) 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.

In assessing the recoverability of Company's assets such as Investments, Loans, 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 period 21st June 2019 to 31st March, 2020

		₹ in crores
		<b>As at</b>
		<b>31st March, 2020</b>
	Units	Amount
<b>1</b>	<b>Investments - Non-Current</b>	
	<b>A) Investments measured at Cost</b>	
	<b>In Equity Shares of Subsidiary Companies</b>	
	<b>Unquoted, fully paid up</b>	
	Reliance Exploration & Production DMCC of AED 1000 each (₹ 1)	1 76 200 0.00
	Reliance Innovative Building Solutions Private Limited of ₹ 10 each	6 46 93 950 32.35
	Reliance Jio Messaging Services Private Limited of ₹ 10 each	9 73 28 000 97.33
	Nowfloats Technologies Private Limited of ₹ 10 each	1 80 735 189.22
		<b>318.89</b>
	<b>In Equity Shares of Associates /Joint Ventures / LLP</b>	
	<b>Unquoted, fully paid up</b>	
	D.E. Shaw India Securities Private Limited of ₹ 10 each	1 07 00 000 -
	GenNext Ventures Investments Advisers LLP	0.10
		<b>0.10</b>
	<b>In Preference Shares of Subsidiary companies</b>	
	<b>Unquoted, fully paid up</b>	
	5% Non Cumulative Compulsorily Convertible Preference Shares of Reliance Exploration & Production DMCC of AED 1000 each	14 90 700 1,726.67
		<b>1,726.67</b>
	<b>Total of Investments measured at Cost (A)</b>	<b>2,045.66</b>
	<b>B) Investments measured at Fair Value through Amortised Cost</b>	
	<b>In PTC</b>	
	PTC - Master Trust 2019 Series I	2 300 1,672.95
	Marigold Trust	799 577.10
	First Business Receivables Trust	875 875.00
	<b>Total of Investments measured at Fair Value through Amortised Cost (B)</b>	<b>3,125.04</b>
	<b>C) Investments measured at Fair Value Through Other Comprehensive Income</b>	
	<b>In Equity Shares</b>	
	<b>Quoted, fully paid up</b>	
	EIH Limited of ₹ 2 each	10 59 07 273 696.87
	Affinity Energy and Health Limited (formerly Algae. Tech Limited) of AU\$ 0.1636 each	4 52 88 158 1.96
	Himachal Futuristic Communications Limited of ₹ 1 each	4 85 32 764 43.92
		<b>742.75</b>
	<b>In Preference Shares</b>	
	<b>Unquoted, fully paid up</b>	
	6% Non-Cumulative Optionally Convertible Preference Shares of Teesta Retail Private Limited of ₹ 10 each	2 025 465.75
	0.1% Compulsory Convertible Preference Shares of Pipeline Infrastructure Private Limited of ₹ 10 each	400 00 00 000 4,000.00
	0.1% Redeemable Preference Shares of Pipeline Infrastructure Private Limited of ₹ 10 each	5 00 00 000 50.00
		<b>4,515.75</b>

## Notes to the Financial Statements for the period 21st June 2019 to 31st March, 2020

		₹ in crores
		<u>As at</u>
		<u>31st March, 2020</u>
	Units	Amount
<b>In Preferred Shares</b>		
<b>Unquoted, fully paid up</b>		
Skytran INC	48 29 651	39.15
		<u>39.15</u>
<b>Total of Investments measured at Fair Value Through Other Comprehensive Income (C)</b>		
		<u>5,297.66</u>
<b>D) Investments measured at Fair Value Through Profit and Loss</b>		
<b>In Equity Shares - Unquoted fully paid up</b>		
<b>In Equity Shares - Unquoted partly paid up</b>		
<b>In Preference Shares - Unquoted partly paid up</b>		
<b>In Venture fund</b>		
GenNext Ventures Fund - Class A units of ₹ 10 each	1 98 38 351	75.82
Multiples Private Equity Fund II LLP of ₹ 1000 each	9 45 361	137.49
		<u>213.31</u>
<b>Total of Investments measured at Fair Value Through Profit and Loss (D)</b>		
		<u>213.31</u>
<b>Total Investment - Non-Current (A + B + C + D)</b>		
		<b>10,681.67</b>
Aggregate amount of Quoted Investments		
		742.75
Market Value of Quoted Investments		
		742.75
Aggregate amount of Unquoted Investments		
		9,938.92
Aggregate provision for impairment in value of Investments		
		-
		₹ in crores
		<u>As at</u>
		<u>31st March, 2020</u>
<b>1.1 Category-wise Investment - Non-current</b>		
Financial assets measured at Cost		2,045.66
Financial assets measured at Amortised Cost		3,125.04
Financial assets measured at Fair value Through Other Comprehensive Income		5,297.66
Financial assets measured at Fair value Through Profit and Loss		213.31
<b>Total Investment - Non-current</b>		<u><b>10,681.67</b></u>

## Notes to the Financial Statements for the period 21st June 2019 to 31st March, 2020

		₹ in crores
		<u>As at</u>
		<u>31st March, 2020</u>
<b>2</b>	<b>Other Non-Current Assets</b>	
	<b>(Unsecured and considered good)</b>	
	Advance Income Tax (Net of Provision)	169.20
		<u>169.20</u>
	<b>Advance Income Tax (Net of Provision)</b>	
	At start of year	-
	Charge for the Year - Current Tax	(3.50)
	Others (Provision for Tax on OCI)	120.23
	Tax paid / (refund received) during the year	52.47
	At end of the year	<u>169.20</u>
		₹ in crores
		<u>As at</u>
		<u>31st March, 2020</u>
<b>3</b>	<b>Trade Receivables</b>	
	<b>(Unsecured and considered good)</b>	
	Trade Receivables	3.91
		<u>3.91</u>
		₹ in crores
		<u>As at</u>
		<u>31st March, 2020</u>
<b>4</b>	<b>Cash and Cash Equivalents</b>	
	Balances With Bank	0.62
	Deposits to Others	4,303.88
	<b>Cash and cash equivalents as per balance sheet</b>	<u>4,304.50</u>
	<b>Cash and cash equivalent as per statement of cash flows</b>	<u>4,304.50</u>
		₹ in crores
		<u>As at</u>
		<u>31st March, 2020</u>
<b>5</b>	<b>Loans - Current</b>	
	<b>(Unsecured and Considered Good)</b>	
	Loan to Related Parties	11.15
	Loan to Others	25.00
		<u>36.15</u>
		₹ in crores
		<u>As at</u>
		<u>31st March, 2020</u>
<b>6</b>	<b>Other Financial Assets - Current</b>	
	Share Application Money	33.72
	Interest receivable	19.69
		<u>53.40</u>

## Notes to the Financial Statements for the period 21st June 2019 to 31st March, 2020

		₹ in crores
		<u>Year ended</u>
		<u>31st March, 2020</u>
<b>7</b>	<b>Taxation</b>	
	a) <b>Income Tax recognised in Statement of Profit and Loss</b>	
	<b>Current Tax</b>	
	In respect of the current year	3.50
	<b>Deferred Tax</b>	
	In respect of the current year	14.79
	Total income tax expenses recognised in the current year	<u><u>18.29</u></u>
	The income tax expenses for the year can be reconciled to the accounting profit as follows:	
	Profit before tax	27.69
	Applicable Tax Rate	25.17%
	Computed Tax Expense	6.97
	Tax effect of:	
	Exempted Income	-
	Expenses Disallowed	-
	Additional Allowances net of MAT Credit	-
	Others	(3.47)
	<b>Current Tax Provision (A)</b>	<u><u>3.50</u></u>
	Incremental Deferred Tax Liability on account of Financial Assets and Other Items	<u>14.79</u>
	<b>Deferred Tax Provision (B)</b>	<u><u>14.79</u></u>
	<b>Tax Expenses recognised in Statement of Profit &amp; Loss (A+B)</b>	<u><u>18.29</u></u>
	<b>Effective Tax Rate</b>	<u>66.07%</u>
		₹ in crores
		<u>As at</u>
		<u>31st March, 2020</u>
<b>8</b>	<b>Other Current Assets</b>	
	(Unsecured and Considered good)	
	Balance with Government authorities, etc.	0.65
	Other current asset to related parties	7.49
	Other recoverables	40.34
	<b>Total</b>	<u><u>48.49</u></u>

## Notes to the Financial Statements for the period 21st June 2019 to 31st March, 2020

		₹ in crores
		<u>As at</u>
		<u>31st March, 2020</u>
	Units	Amount
<b>9 Share Capital</b>		
<b>Authorised Share Capital</b>		
Equity Shares of ₹ 10 each	10 00 10 000	100.01
Preference Shares of ₹ 10 each	1 00 00 000	10.00
		<u>110.01</u>
<b>Issued, Subscribed and Paid-Up:</b>		
Equity Shares of ₹ 10 each fully paid up	10 00 00 000	100.00
<b>TOTAL</b>		<u>100.00</u>

The reconciliation of the number of outstanding shares is set out below:

	<u>As at</u>
	<u>31st March, 2020</u>
Equity Shares	
Shares outstanding at the beginning of the year	-
Add: Shares subscribed on incorporation	10 000
Add: Shares Issued during the year	10 00 00 000
Less: Shares reduced as per the scheme	10 000
Shares outstanding at the end of the year	<u>10 00 00 000</u>

The details of shareholder holding more than 5% shares:

		<u>As at</u>
		<u>31st March, 2020</u>
Name of Shareholder	No. of Shares held	% of Holding
Equity Shares		
Reliance Industries Limited	10 00 00 000	100.00
	<u>10 00 00 000</u>	<u>100.00</u>

- 9.1** The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.
- 9.2** Of the above equity shares 10 00 00 000 are held by Reliance Industries Limited, the Holding Company.
- 9.3** Entire 10,00,00,000 Equity Shares of Rs.10/- each were allotted to Reliance Industries Limited without payment being received in Cash pursuant to the terms of the Composite Scheme of Arrangement sanctioned by the Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its Order dated September 5, 2019.

## Notes to the Financial Statements for the period 21st June 2019 to 31st March, 2020

		₹ in crores
		<u>As at</u>
		<u>31st March, 2020</u>
<b>10 Other Equity</b>		
<b>Capital Reserve</b>		
Add: Increase during the period (Refer Note 23)	1.91	1.91
<b>Securities Premium</b>		
Add: Increase during the period (Refer Note 23)	10,725.27	10,725.27
<b>Retained Earnings</b>		
Add: Profit for the period	9.39	9.39
<b>Instruments Classified as Equity</b>		
<b>6% Non Cumulative Optionally Convertible Preference Share</b>		
Add: Issued taken during the period	2.78	2.78
<b>Other Comprehensive Income</b>		
Add: Total Comprehensive Income for the period	(932.50)	(932.50)
<b>Total</b>		<u><u>9,806.85</u></u>

## 27 75 000 fully paid Preference Shares 6% Non Cumulative Optionally Convertible Redeemable Preference shares of ₹ 10 each issued at a premium of ₹ 1028 each held by Reliance Industries Limited, the Holding Company. Each OCPS shall either be redeemed at ₹ 1038 or converted in to 1 (one) equity share of Rs. 10 each at a premium of ₹ 1028 at any time after the expiry of 30 days from the date of allotment at the option of the Company, but not later than 20 years from the date of allotment. The OCPS will carry a preferential right vis-à-vis equity shares of the Company with respect to payment of dividend and repayment of capital during winding-up. The OCPS shall be non-participating in the surplus funds and shall also be non-participating in surplus assets and profits on winding-up, which may remain after the entire capital has been repaid. The OCPS shall carry voting rights as prescribed under the Companies Act, 2013.

The reconciliation of the number of outstanding shares is set out below:

		As at
		<u>31st March, 2020</u>
<b>No. of Shares</b>		
Shares outstanding at the beginning of the period		-
Add: Shares Issued during the period		27 75 000
Shares outstanding at the end of the period		<u><u>27 75 000</u></u>

## Notes to the Financial Statements for the period 21st June 2019 to 31st March, 2020

		₹ in crores
		<u>As at</u>
		<u>31st March, 2020</u>
<b>11</b>	<b>Borrowings - Non-Current</b>	
	<b>Unsecured - at Amortised Cost</b>	
	Loan from Related Party **	5,350.60
	<b>Total</b>	<u><u>5,350.60</u></u>
	** Loan represents Interest Bearing Loan taken from Reliance Industries Limited, repayable after 2 years	
	** Interest on above loans are 8.75%.	
		₹ in crores
		<u>As at</u>
		<u>31st March, 2020</u>
<b>12</b>	<b>Deferred Tax Liability (Net)</b>	
	Charge / (credit) to Statement of Profit and Loss	14.79
	At the end of the period	<u><u>14.79</u></u>
	<b>Component of Deferred Tax Liabilities:</b>	
		₹ in crores
		<u>As at</u>
		<u>31st March, 2020</u>
	<b>Deferred tax liabilities / (asset) in relation to:</b>	
	Financial Assets	14.79
	<b>Total</b>	<u><u>14.79</u></u>
		₹ in crores
		<u>As at</u>
		<u>31st March, 2020</u>
<b>13</b>	<b>Trade Payables</b>	
	Micro and Small Enterprises	-
	Other than Micro and Small Enterprises	0.21
		<u><u>0.21</u></u>
<b>13.1</b>	There are no overdues to Micro, Small and Medium Enterprises as at March 31, 2020.	
		₹ in crores
		<u>As at</u>
		<u>31st March, 2020</u>
<b>14</b>	<b>Other Current Liabilities</b>	
	Interest accrued but not due on borrowings	-
	Other Payables *	24.87
	<b>Total</b>	<u><u>24.87</u></u>
*	Includes statutory dues	

## Notes to the Financial Statements for the period 21st June 2019 to 31st March, 2020

		₹ in crores
		<u>2019-20</u>
<b>15</b>	<b>Revenue from Operations</b>	
	Sale of Electronic Goods	151.26
	Sales of Exempted Goods	184.60
	Less: Service Tax / GST Recovered	(16.21)
	<b>Total</b> ^^	<u><u>319.65</u></u>
	^^ Net of GST	
	Revenue from contract with customers differ from the revenue as per contracted price due to factors such as taxes recovered, volume rebate, discounts, hedge etc.	
		₹ in crores
		<u>2019-20</u>
<b>16</b>	<b>Other Income</b>	
	<b>Interest on Financial assets measured at amortised cost</b>	
	On Loans / Deposits	94.17
	On investment in PTCs	<u>173.33</u>
		267.50
	<b>Dividend</b>	
	On investments designated at FVTPL	0.23
	On investments designated at FVOCI	<u>0.49</u>
		0.72
	<b>Gain on Financial Assets measured at FVTPL</b>	
	Realised Gain	(51.14)
	Unrealised Gain	<u>64.65</u>
		13.51
	Other income from venture fund investment designated at FVTPL	0.00
	Foreign Exchange Gain	<u>0.71</u>
		<u><u>282.44</u></u>
		₹ in crores
		<u>2019-20</u>
<b>17</b>	<b>Finance Cost</b>	
	Interest expenses (at Amortised Cost)	<u>253.00</u>
		<u><u>253.00</u></u>
		₹ in crores
		<u>2019-20</u>
<b>18</b>	<b>Other Expenditure</b>	
	Rates & Taxes	0.88
	Demat / Custody Fees	0.00
	Professional Fees *	0.44
	Rent **	0.00
	Transport Charges	0.04
	Share of Loss in LLP **	0.00
	Misc Expenses	0.46
	Payment to Auditors	
	Audit Fees	0.02
	Tax Audit Fees	<u>0.01</u>
		0.03
	<b>Total</b>	<u><u>1.85</u></u>

\* Professional Fees include payment to Key Managerial Personnel ₹ 13 23 752

## Notes to the Financial Statements for the period 21st June 2019 to 31st March, 2020

<b>19 EARNINGS PER SHARE (EPS)</b>	<b>2019-20</b>
FACE VALUE PER EQUITY SHARE (₹)	10
<b>BASIC EARNINGS PER SHARE (₹)</b>	1.25
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹)	9 39 35 348
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	7 50 02 570
<b>DILUTED EARNINGS PER SHARE (₹)</b>	1.25
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹)	9 39 35 348
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	7 50 12 342
<b>RECONCILIATION OF WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING</b>	
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	7 50 02 570
Total Weighted Average Potential Equity Shares	9 771
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	7 50 12 342

- 20** Company was incorporated on 21st June, 2019. These are the financial statements of the company for the period from 21st June, 2019 to 31st March, 2020. Hence previous year figures are not given.

₹ in crores

As at

31st March, 2020

**21 Contingent Liabilities and Commitments**

- i) Commitments towards LLP investments 6.60

**22 Disclosure under Para 2 of Schedule V of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015**

- (a) Loans and advances in the nature of loans to Subsidiaries and Associates etc.

₹ in crores

Sr. No.	Name of the Company	As at 31st March, 2020	Maximum balance during the year
1	Reliance Innovative Building Solutions Limited	Subsidiary	11.15

Loans and Advances (Loans) shown above are given towards business purpose and in the nature of

- i) Loans to above Subsidiary company fall under the category long term interest bearing loans.

- 23** The National Company Law Tribunal, Ahmedabad, vide order dated 5th September, 2019 approved a Composite Scheme of arrangement (“Scheme”) between the company and Reliance Industrial Investments and Holdings Limited (“RIIHL”) and other companies, which inter alia, provided for transfer of Investment and trading business undertaking by RIIHL from appointed dated 1st September, 2019. The Scheme became effective from 13th September, 2019. As per the Scheme, as on appointed date, all assets and liabilities of the demerged undertakings have been transferred at the respective book values appearing in the books of RIIHL; Company has issued 10,00,00,000 equity shares of face value ₹ 10 each at premium of ₹ 1,044 per share to the shareholders of equity shares and preference shares of RIIHL; Share capital of Rs. 0.01 crores held by RIIHL has been cancelled; and the difference between net assets recorded in books and face value and share premium of the equity shares issued and cancelled as above of Rs. 1.91 crores has been credited to capital reserve.

**24 Segment Reporting**

The Company has identified two reportable segments viz. Finance & Investment, Trading and Others. Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the company with following additional policies for segment reporting.

## Notes to the Financial Statements for the period 21st June 2019 to 31st March, 2020

Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment.

Segment assets and segment liabilities represent assets and liabilities in respective segments.

### i) Primary Segment Information

₹ in crores

Sr. No.	Particulars	Finance & Investment	Trading	Others	Total
		2019-20	2019-20	2019-20	2019-20
1	<b>Segment Revenue</b> External Turnover (including other income)	282.44	319.65	-	602.10
2	<b>Segment results before Interest and Taxes</b>	29.44	0.11	(1.85)	27.70
	Less: Interest expense	-	-	-	-
	Add: Interest Income	-	-	-	-
	Less: Exceptional item	-	-	-	-
	Profit/(loss) before tax	29.44	0.11	(1.85)	27.70
	Current Tax	-	-	3.50	3.50
	Deferred Tax	-	-	14.79	14.79
	Net profit/(loss) after tax	29.44	0.11	(20.14)	9.40
3	<b>Other Information</b>				
	Segment Assets	15,124.21	3.91	169.20	15,297.32
	Segment Liabilities	5,390.26	0.21	-	5,390.47
	Capital Expenditure	-	-	-	-
	Depreciation	-	-	-	-

### i) Secondary Segment Information

₹ in crores

#### (a) Segment Revenue – External Turnover

2019-20

Within India	601.78
Outside India	0.32
Total	<u>602.10</u>

#### (b) Non-Current Assets

Within India	9,083.09
Outside India	1,767.78
Total	<u>10,850.87</u>

## Notes to the Financial Statements for the period 21st June 2019 to 31st March, 2020

### 25 Related Party

As per Ind AS 24, the disclosures of transactions with the related parties are given below:

i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship
1	Reliance Industries Limited	Holding Company
2	Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary Company
3	Reliance Strategic Investments Limited	
4	Reliance Project & Property Management Services Limited (formerly known as Reliance Digital Platform & Product Services Limited)	
5	Jio Platform Limited	
6	Reliance Ventures Limited	
7	Reliance Exploration & Production DMCC	
8	Reliance Innovative Building Solutions Private Limited	
9	Reliance Jio Messaging Services Private Limited	
10	Nowfloats Technologies Private Limited	
11	Asteria Aerospace Private Limited	
12	D E Shaw Securities Private Limited	Joint Venture
13	GenNext Ventures Investments Advisers LLP	LLP
14	Shri Ketan Patil (CFO from 15.01.2020)	Key Managerial Personnel (KMP)
15	Shri Manoj Anchlia (Manager from 15.01.2020)	
16	Ms Avani Gangapurkar (Company Secretary from 25.01.2020)	

ii) Transactions during the period with Related Parties:

₹ in crores

Sr. No.	Nature of Transactions (Excluding Reimbursements)	Holding Company	Fellow Subsidiary Company	Subsidiary Company	Joint Venture	Key Managerial Personnel	Total
1	Loans Taken / (Repaid)	2,871.0	(1,573.40)	-	-	-	1,297.65
2	Finance Costs	196.3	56.70	-	-	-	253.00
3	Issue of Equity Shares at premium	10,540.00	0.01	-	-	-	10,540.01
4	Issue of Preference Shares at premium	288.05	-	-	-	-	288.05
5	Interest Income	-	-	0.53	-	-	0.53
6	Loans Given	-	-	0.92	-	-	0.92
7	Sale of Investments	-	63.12	-	-	-	63.12
8	Rental Expenses	-	-	0.00	-	-	0.00
9	Share Application Money Paid	-	-	33.72	-	-	33.72
10	Professional Fees	-	-	-	-	0.13	0.13
11	Purchase of Investments	-	-	87.58	-	-	87.58
<b>Balances as at 31st March, 2020</b>							
1	Equity Share Capital (including premium)	10,540.00	-	-	-	-	10,540.00
2	Optionally Convertible Preference Shares (including premium)	288.05	-	-	-	-	288.05
3	Investments	-	-	2,045.56	0.10	-	2,045.66
4	Interest Payable	-	-	-	-	-	-
5	Interest Receivable	-	-	-	-	-	-
6	Loans Taken	5,350.60	-	-	-	-	5,350.60
7	Share Application Money	-	-	33.72	-	-	33.72
8	Loans Given	-	-	11.15	-	-	11.15
9	Other Current Assets	-	-	-	7.49	-	7.49

## Notes to the Financial Statements for the period 21st June 2019 to 31st March, 2020

### iii) Disclosure in respect of Major Related Party Transactions during the period:

₹ in crores

Sr. No.	Particulars	Relationship	2019-20
1	<b>Loans Taken / (Repaid)</b>		
	Reliance Industries Limited	Holding Company	3,432.47
	Reliance Industries Limited	Holding Company	(561.42)
	Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary Company	2,517.12
	Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary Company	(2,517.12)
	Reliance Strategic Investments Limited	Fellow Subsidiary Company	(244.40)
	Reliance Ventures Limited	Fellow Subsidiary Company	117.95
	Reliance Ventures Limited	Fellow Subsidiary Company	(1,446.95)
2	<b>Finance Costs</b>		
	Reliance Industries Limited	Holding Company	196.30
	Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary Company	34.71
	Reliance Strategic Investments Limited	Fellow Subsidiary Company	1.57
	Reliance Ventures Limited	Fellow Subsidiary Company	20.42
3	<b>Issue of Equity Shares at premium</b>		
	Reliance Industries Limited	Holding Company	10,540.00
	Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary Company	0.01
4	<b>Issue of Preference Shares at premium</b>		
	Reliance Industries Limited	Holding Company	288.05
5	<b>Interest Income</b>		
	Reliance Innovative Building Solutions Private Limited	Subsidiary Company	0.53
6	<b>Loans Given</b>		
	Reliance Innovative Building Solutions Private Limited	Subsidiary Company	0.92
7	<b>Sale of Investments</b>		
	Jio Platforms Limited	Fellow Subsidiary Company	63.12
8	<b>Rental Expenses</b>		
	Reliance Industries Limited	Holding Company	0.00
9	<b>Share Application Money Paid</b>		
	Reliance Exploration & Production DMCC	Fellow Subsidiary Company	33.72
10	<b>Professional Fees</b>		
	Shri Ketan Patil (CFO)	KMP	0.06
	Shri Manoj Anchlia (Manager)	KMP	0.05
	Ms Avani Gangapurkar (Company Secretary)	KMP	0.03
11	<b>Purchase of Investments</b>		
	Nowfloats Technologies Private Limited	Subsidiary Company	47.58
	Asteria Aerospace Private Limited	Subsidiary Company	40.00
12	<b>Expenditure - Share of Loss</b>		
	GenNext Ventures Investment Advisor LLP	LLP	0.00

## Notes to the Financial Statements for the period 21st June 2019 to 31st March, 2020

### 26 NON DERIVATIVES FINANCIAL INSTRUMENTS

#### 26.1 Capital Management

The Company manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders. The company manages its capital structure and make adjustment in light of changes in business condition. The overall strategy remains unchanged as compare to last year

The Net Gearing Ratio at end of the reporting period was as follows:

	₹ in crores
	<b>As at</b>
	<b>31st March, 2020</b>
Gross Debt	5,350.60
Cash and Marketable Securities	4,304.50
<b>Net debt (A)</b>	<b>1,046.10</b>
<b>Total Equity (As per Balance Sheet) (B)</b>	<b>9,906.85</b>
<b>Net Gearing Ratio (A/B)</b>	<b>0.11</b>

#### 26.2 Financial Risk Management

The Company's activities expose it to liquidity risk and credit risk.

The company's risk management is carried out by the company as per policies approved by the management. The company identifies, evaluates and mitigates financial risk in close co-operation with its operation team. The company's overall risk management programme focuses on unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

##### A) Liquidity Risk

Liquidity risk is the risk that suitable sources of funding for the company's business activities may not be available. Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. Company manages liquidity risk by maintaining adequate reserves and matching maturity profiles of financial assets and financial liabilities.

##### B) Credit Risk

Credit risk is the risk that a customer will fail to pay amounts due causing financial loss to the company. It arises from cash and cash equivalents and principally from credit exposures to customers relating to outstanding receivables.

##### C) Foreign Currency Risk

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Company is not doing any forwards & future or currency swap transactions.

Exposure to foreign currency as at the year end is not material. The Company has a prudent and conservative process for managing its foreign currency risk if any.

## Notes to the Financial Statements for the period 21st June 2019 to 31st March, 2020

### 26.3 Fair Valuation Measurements

₹ in crores

Particulars	As at 31st March, 2020			
	Carrying Amount	Level of Input used		
		Level 1	Level 2	Level 3
<b>Financial Assets</b>				
<b>At Amortised Cost</b>				
Cash and Cash Equivalents	4,304.50	-	-	-
Trade Receivables	3.91	-	-	-
Loans	36.15	-	-	-
Other Financial Assets	53.40	-	-	-
Investments*	3,125.04	-	-	-
<b>At FVTPL</b>				
Investments	213.31	-	213.31	-
<b>At FVTOCI</b>				
Investments	5,297.66	740.79	-	4,556.86
<b>Financial Liabilities</b>				
<b>At Amortised Cost</b>				
Borrowings	5,350.60	-	-	-
Trade Payables	0.21	-	-	-

\* Excludes financial assets measured at cost (Refer Note 1)

#### Reconciliation of fair value measurement of the investment categorised at level 3:

Particulars	As at 31st March, 2020	
	At FVTPL	At FVTOCI
Opening Balance	-	-
Addition during the year **	-	4,555.10
Sale/Reduction during the year	-	-
Total Gain/(Loss)	-	1.76
<b>Closing Balance</b>	<b>-</b>	<b>4,553.33</b>
<b>Line item in which gain/loss recognised</b>		
Other Income - realised	-	-
Other Income - unrealised	-	1.76
	<b>-</b>	<b>1.76</b>

\*\* Additions includes on account of demerger of RIIHL.

The financial instruments are categorized into three 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;

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

**Level 3:** Inputs based on unobservable market data.

## Notes to the Financial Statements for the period 21st June 2019 to 31st March, 2020

27 Details of Loans given, Investments made and Guarantees given covered under Section 186(4) of Companies Act, 2013:

i) Details of Loans given during the period 21st June, 2019 to 31st March, 2020:

₹ in crores

Sr. No.	Name of the Entity	Opening balance as on June 21, 2019	Acquired under Scheme of Arrangement	Loans given during the period	Loans repaid during the period	Closing balance as on March 31, 2020	Purpose for which the loan is proposed to be utilised by the recipient
1	Teesta Retail Private Limited	-	1,639.35	637.23	115.98	2,160.60	Business
2	JM Financial Products Limited	-	25.00	-	-	25.00	Business
3	skyTran	-	5.65	29.54	5.65	29.54	Business

ii) Investments made during the period 21st June, 2019 to 31st March, 2020

₹ in crores

Sr. No.	Name of the Entity	Nature of Investment	Opening balance as on June 21, 2019	Acquired under Scheme of Arrangement	Investment made during the year	Investment sold during the year	Closing balance as on 31st March, 2020
1	Master Trust 2019 Series I	PTC	-	2,372.23	-	699.28	1,672.95
2	Marigold Trust	PTC	-	-	799.40	222.30	577.10
3	First Business Receivables Trust	PTC	-	-	875.00	-	875.00
4	EIH Limited	Equity Shares	-	1,704.05	-	-	1,704.05
5	Affinity Energy and Health Limited	Equity Shares	-	1.96	-	-	1.96
6	Himachal Futuristic Communications Limited	Equity Shares	-	91.24	-	-	91.24
7	Teesta Retail Private Limited	Preference Shares	-	465.75	-	-	465.75
8	Pipeline Infrastructure Private Limited	Preference Shares	-	4,000.00	-	-	4,000.00
9	Pipeline Infrastructure Private Limited	Preference Shares	-	50.00	-	-	50.00
10	Skytran INC	Preferred Shares	-	23.24	14.15	-	37.39
11	GenNext Ventures Fund - Class A units	Venture Fund	-	75.89	-	51.14	24.75
12	Multiples Private Equity Fund II LLP	Venture Fund	-	118.41	5.50	-	123.91

iii) Guarantees given and securities provided by the company in respect of loans ₹ Nil.

## Notes to the Financial Statements for the period 21st June 2019 to 31st March, 2020

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### 28 Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on April 24, 2020.

As per our Report of even date

For and on behalf of the Board

**For PATHAK H.D. & ASSOCIATES LLP**

Firm Registration No: 107783W/W100593

Chartered Accountants

**Ashutosh Jethlia**

Partner

Membership No: 136007

**Radhika Disale**

Director

**Vineeta Golchha**

Director

**Siddharth Shah**

Director

**Ketan Patil**

Chief Financial Officer

Mumbai

Dated: 24th April, 2020

**Avani Gangapurkar**

Company Secretary