

Reliance SMSL Limited
Financial Statements
2020-21

Reliance SMSL Limited

INDEPENDENT AUDITOR'S REPORT

To the Members of RELIANCE SMSL LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **Reliance SMSL Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, 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, 2021, 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.

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.

Responsibility 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 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,

Reliance SMSL Limited

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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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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;
 - 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 Indian Accounting Standards specified under section 133 of the Act;
 - e) On the basis of written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, 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 with reference to financial statements of the Company 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 with reference to Financial Statements;
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Registration no. 101720W/W100355

Jignesh Mehta
Partner
Membership No.: 102749

UDIN: 21102749AAAAJB1503

Place : Mumbai
Date : April 26, 2021

Reliance SMSL Limited

“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE SMSL 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 as at the year end, clause (i) of paragraph of 3 of the Order is not applicable to the Company.
- ii) As the Company had no Inventories during the year, clause (ii) of paragraph of 3 of the Order is not applicable to the Company.
- 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 granted any loans, investments, guarantees and securities covered under section 185 and 186 of the Act.
- 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) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income-tax, Sales-tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and Other Statutory Dues applicable to it.
 - b) According to the information and explanations provided to us, no undisputed amount payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Sales-tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they became payable, except for the items as set out below:

Name of Statute	Nature of Dues	Amount (in lakhs)	Period to which amount relates
Professional Tax Act	Professional Tax	134.23	01.01.2019 to 30.09.2020

- c) According to the information and explanation given to us, there are no dues of Income-tax, Sales-tax, Goods and Service Tax, Service Tax, Duty of Customs, Duty of Excise and Value Added Tax which have not been deposited with the appropriate authority on account of a dispute.
- viii) In our opinion and according to the information given to us, the Company has not raised loans from financial institutions or banks or government and no amounts were due for repayments to debenture holders; hence 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.

Reliance SMSL Limited

- 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) Company has not paid any managerial remuneration during the year and hence clause (xi) of paragraph 3 of the Order is not applicable to the Company.
- 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 **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Registration no. 101720W/W100355

Jignesh Mehta
Partner
Membership No.: 102749

UDIN: 21102749AAAAJB1503

Place : Mumbai
Date : April 26, 2021

Reliance SMSL Limited

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE SMSL 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 with reference to the aforesaid Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to financial statements of **Reliance SMSL Limited** (“the Company”) as of March 31, 2021 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 with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls, 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 with reference to financial statements.

Meaning of Internal Financial Controls with Reference To Financial Statements

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

Reliance SMSL Limited

Inherent Limitations of Internal Financial Controls With Reference To Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Registration no. 101720W/W100355

Jignesh Mehta
Partner
Membership No.: 102749

UDIN: 21102749AAAAJB1503

Place : Mumbai
Date : April 26, 2021

Reliance SMSL Limited**Balance Sheet as at 31st March, 2021**

	Notes	As at 31st March, 2021	(₹. in Lakhs) As at 31st March, 2020
ASSETS			
Non-Current assets			
Property, Plant and Equipment	1	-	87.25
Deferred tax assets (net)	2	35 54.61	33 11.11
Other Non- current assets	3	11 46.99	59 93.81
Total Non-Current assets		47 01.60	93 92.17
Current assets			
Financial Assets:			
Investment	4	-	6 33.52
Trade receivables	5	75 43.87	3 63.24
Cash and cash equivalents	6	33 24.73	17.66
Other Financial Assets	7	248 95.45	252 66.44
Other Current Assets	8	75 86.55	117 71.81
Total Current assets		433 50.60	380 52.67
Total Assets		480 52.20	474 44.84
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	9	5.00	5.00
Other Equity	10	10 43.98	(8 58.53)
Total equity		10 48.98	(8 53.53)
Liabilities			
Non-Current Liabilities			
Provisions	11	81 59.67	81 25.52
Total non-current liabilities		81 59.67	81 25.52
Current Liabilities			
Financial Liabilities			
Trade Payables Due to:			
Micro and small enterprises		-	-
Other then Micro and small enterprises	12	36 45.20	117 88.02
Other Current Liabilities	13	292 30.04	233 32.61
Provisions-Currents	14	59 68.31	50 52.22
Total current liabilities		388 43.55	401 72.85
Total Liabilities		470 03.22	482 98.37
Total Equity and Liabilities		480 52.20	474 44.84

Significant Accounting Policies

See accompanying Notes to the Financial Statements

1 to 26

As per our Report of even date

For **Chaturvedi & Shah LLP**

Chartered Accountants

Firm Regn No. - 101720W / W100355

For and on behalf of the Board

Sanjay Jog

Director

Jignesh Mehta

Partner

Membership No. - 102749

Pramod Bhawalkar

Director

April 26, 2021

Reliance SMSL Limited**Statement of Profit And Loss for the year ended 31st March, 2021**

	Notes	2020-21	(₹. in Lakhs) 2019-20
INCOME			
Income from Services	15	2845 36.09	2853 78.37
Less: GST Recovered		(434 11.32)	(397 87.65)
Revenue from Operations		2411 24.77	2455 90.72
Other Income	16	5 09.07	32.91
Total Income		2416 33.84	2456 23.63
EXPENSES			
Employee Benefits Expense	17	2236 63.48	2237 71.11
Depreciation	1	-	29.19
Other Expenses	18	170 62.35	215 20.27
Total Expenses		2407 25.83	2453 20.57
Profit Before Tax		9 08.01	3 03.06
Tax Expenses:			
Current Tax	3	-	-
Deferred Tax	2	(2 43.50)	(2 47.92)
		(2 43.50)	(2 47.92)
Profit for the year		11 51.51	5 50.98
Other Comprehensive Income			
Item that will not be reclassified in Profit & Loss			
(i) Remeasurement of Defined Benefit Plan		10 03.48	(4 54.25)
(ii) Income tax relating to items that will not be reclassified to Profit or loss		(2 52.48)	1 14.33
Total comprehensive income for the year attributable to equity holders		19 02.51	2 11.06
Earnings per equity share of face value			
Basic (In ₹)	19	2 303.02	1 101.96
Diluted (In ₹)		10.17	4.87

Significant Accounting Policies
See accompanying Notes to the
Financial Statements.

1 to 26

As per our Report of even date

For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Regn No. - 101720W / W100 355

For and on behalf of the Board

Sanjay Jog
Director

Jignesh Mehta
Partner
Membership No. - 102749

Pramod Bhawalkar
Director

April 26, 2021

Reliance SMSL Limited**Statement Of Changes In Equity For The Year Ended 31st March, 2021****A. EQUITY SHARE CAPITAL****(₹. in Lakhs)**

Balance as at 1st April, 2020	Change During the year 2019-20	Balance as at 31st March,2020	Change During the year 2020-21	Balance as at 31st March, 2021
5.00	-	5.00	-	5.00

B Other Equity

	Balance at 1st April, 2019	Total Comprehensive Income for the year	Transferred to / (from) Retained Earnings	(₹. in Lakhs) Balance at 31st March, 2020
As on 31st March, 2020				
Other Comprehensive Income for the year	18 01.59	(3 39.92)	-	14 61.67
Equity component of convertible instrument	11 27.26	-	-	11 27.26
Retained earning	(39 98.44)	-	550.98	(34 47.46)
Total	(10 69.59)	(3 39.92)	550.98	(8 58.53)
	Balance at 1st April, 2020	Total Comprehensive Income for the year	Transferred to / (from) Retained Earnings	Balance at 31st March, 2021
As on 31st March, 2021				
Other Comprehensive Income for the year	14 61.67	7 51.00	-	22 12.67
Equity component of convertible instrument	11 27.26	-	-	11 27.26
Retained earning	(34 47.46)	-	11 51.51	(22 95.95)
Total	(8 58.53)	7 51.00	11 51.51	10 43.98

As per our Report of even date
For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Regn No. - 101720W / W100 355

For and on behalf of the Board

Sanjay Jog
Director

Jignesh Mehta
Partner
Membership No. - 102749

Pramod Bhawalkar
Director

April 26, 2021

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March. 2021

	2020-21	2019-20
A: CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax as per Statement of Profit and Loss	9 08.01	3 03.06
Adjusted for:		
Depreciation	-	29.19
Net gain on Investment	(18.67)	(32.90)
Interest Income	-	(0.01)
Operating Profit before Working Capital Changes	8 89.34	2 99.34
Adjusted for:		
Trade and Other Receivables	(26 24.37)	(120 89.85)
Trade and Other Payables	(5 44.15)	162 74.37
	(31 68.52)	41 84.52
Cash Generated from Operations	(22 79.18)	44 83.86
Taxes Paid (Net)	48 46.83	(40 17.20)
Net Cash from Operating Activities	25 67.65	4 66.66
B: CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	87.24	-
Interest Income	-	0.01
Purchase of other investments	(456 99.35)	(381 75.00)
Sale of other investments	463 51.53	375 74.37
Net Cash (used in)/from Investing Activities	7 39.42	(6 00.61)
C: CASH FLOW FROM FINANCING ACTIVITIES		
Net Cash (used in)/From Financing Activities	-	-
Net (Decrease)/ Increase in Cash and Cash Equivalents	33 07.07	(1 33.95)
Opening Balance of Cash and Cash Equivalents	17.66	1 51.62
Closing Balance of Cash and Cash Equivalents (Refer Note 6)	33 24.73	17.66

As per our Report of even date

For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Regn No. - 101720W / W100 355

Jignesh Mehta
Partner
Membership No. - 102749

April 26, 2021

For and on behalf of the Board

Sanjay Jog
Director

Pramod Bhawalkar
Director

Reliance SMSL Limited

Significant Accounting Policies on Accounts

Notes on Financial Statements for the year ended 31st March,2021

A. CORPORATE INFORMATION

Reliance SMSL Limited ("the Company") is an entity incorporated in India.

The address of its registered office and principal place of business is 3rd floor, Court house, Lokmanya Tilak Marg, Dhobi Talao, Mumbai - 400002.

The Company is engaged in the business of providing integrated manpower solutions including sourcing, recruitment, training, engagement and staffing services to other Companies

B. 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 measured at fair value.
- (ii) Defined benefit plans - plan assets measured at fair value.

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

Company's financial statements are presented in Indian Rupees (₹), which is its functional currency.

B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Current & Non current classification

The company present asset and Liabilities in the Balancesheet 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 cycles;
- held primarily for purpose of trading;
- Expected to be realised within twelve month after reporting period, or
- Cash & Cash equivalent unless restricted from being exchange or used to settle a liability for at least twelve months after the reporting period.

All other asset are classified as non current

An Liability is current when:

- It is expected to be settled in normal operating cycle;
- held primarily for purpose of trading;
- It is due to be settled within twelve month after reporting period, or
- There is unconditional right to defer the settlement of the liability for at least twelve month after the reporting period

The company classified 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 accumulated depreciation and accumulated impairment losses, if any. Such cost includes purchase price, taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

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.

Depreciation on property, plant and equipment is provided based on useful life of the assets prescribed in Schedule II to the Companies Act, 2013.

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.

Reliance SMSL Limited

Significant Accounting Policies on Accounts

Notes on Financial Statements for the year ended 31st March,2021

(c) Cash and Cash Equivalent

Cash and Cash Equivalent comprise of cash on hand and short term, highly liquid investment that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

(d) Impairment of non-financial assets-Property, plant and equipment

The company assesses at each reporting date as to whether there is any indication that any plant and equipment called Cash generating unit(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

(e) 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.

(f) Employee Benefits

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 employees render the services.

Post-Employment Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service.

Defined Benefit Plans

The liability in respect of defined benefit plans 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 and other long term benefits are charged to the Other Comprehensive Income.

(g) Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income and equity.

Reliance SMSL Limited

Significant Accounting Policies on Accounts

Notes on Financial Statements for the year ended 31st March,2021

- Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation 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 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 utilised

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.

(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.

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 contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those services. The Company has generally concluded that it is the principal in its revenue arrangement, because it typically controls the services before transferring them to the customer.

Revenue from rendering of services is recognised 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 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. Generally, the credit period varies between 0-60 days from the delivery of services.

Consideration are determined based on its most likely amount. 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.

Reliance SMSL Limited

Significant Accounting Policies on Accounts

Notes on Financial Statements for the year ended 31st March,2021

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 and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, 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 subsequently 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 are 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 subsequently 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 are 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 subsequently fair valued through profit or loss.

C. Equity Investments:

All equity investments are measured at fair value, with value changes recognised 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'.

Reliance SMSL Limited

Significant Accounting Policies on Accounts

Notes on Financial Statements for the year ended 31st March,2021

(ii) Financial liabilities

A. Initial recognition and measurement:

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

B. Subsequent measurement:

Financial liabilities are subsequently 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 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.

C. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:

The preparation of the Company's financial statements requires management to make judgement, estimates

a) Depreciation and useful lives of property plant and equipment

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation 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 for future periods is adjusted 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. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted 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, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or 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.

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) 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.

h) Fair Value Measurement:

For estimates relating to fair value of financial instruments refer note 22 of financial statements.

(g) GLOBAL HEALTH PANDEMIC ON COVID-19

The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company's operations and revenue during the period were impacted due to COVID-19. The Company has taken into account the possible impact of COVID-19 in preparation of financial statements, including its assessment of recoverable value of its assets based on internal and external information upto the date of approval of these financial statements and current indicators of future economic conditions.

Reliance SMSL Limited

Notes on financial statements for the year ended 31st March, 2021

1 PROPERTY, PLANT AND EQUIPMENT

(₹. in Lakhs)

	Description	Gross block				Depreciation				Net block	
		As at 1st April 2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March, 2021	As at 1st April 2020	For the year	Deductions/ Adjustments	Up to 31st March, 2021	As at 31st March, 2021	As at 31st March, 2020
1	PROPERTY, PLANT AND EQUIPMENT										
(i)	Tangible Assets:										
	Own Assets:										
	Plant and Machinery	175.16	-	175.16	-	87.92	-	87.92	-	-	87.25
	Total	175.16	-	-	-	87.92	-	87.92	-	-	87.25
	Previous year	175.16	-	-	175.16	58.72	29.19	-	87.92	87.25	-

(₹. in Lakhs)

	As at 31st March, 2021	As at 31st March, 2020
2 DEFERRED TAX ASSETS (NET)		
The movement on the deferred tax account is as follows:		
At the start of the year	33 11.11	30 63.19
Credit to statement of Profit or loss (Note 3.2)	<u>2 43.50</u>	<u>2 47.92</u>
At the end of year	<u>35 54.61</u>	<u>33 11.11</u>

	As at 31st March, 2020	Credit to Statement of Profit and Loss	As at 31st March, 2021
Deferred Tax Liability/Assets in relation to			
Disallowance under the Income Tax Act, 1961	33 16.58	2 38.03	35 54.61
	<u>33 16.58</u>	<u>2 38.03</u>	<u>35 54.61</u>
Property, plant and equipemnts	(5.47)	5.47	-
	<u>(5.47)</u>	<u>5.47</u>	<u>-</u>
Total	<u><u>33 11.11</u></u>	<u><u>2 43.50</u></u>	<u><u>35 54.61</u></u>

Reliance SMSL Limited**Notes on financial statements for the year ended 31st March, 2021**

		(₹. in Lakhs)	
		As at	As at
		31st March, 2021	31st March, 2020
3	OTHER NON- CURRENT ASSETS (Unsecured and Considered Good)		
	Advance Income Tax (Net of Provision)	11 46.99	59 93.81
	Total	11 46.99	59 93.81

		(₹. in Lakhs)	
		As at	As at
		31st March, 2021	31st March, 2020
3.1	Advance Income Tax (Net of Provision)		
	At start of the year	59 93.81	19 76.61
	Charge for the year	-	-
	Tax paid during the year	(48 46.83)	40 17.20
	At end of year	11 46.98	59 93.81

		(₹ in Lakhs)	
		As at	As at
		31st March, 2021	31st March, 2020
3.2	TAXATION		
	a) Income Tax recognised in statement of Profit and Loss		
	Current Tax	-	-
	Deferred Tax	(2 43.5)	(2 47.92)
	Total Income Tax Expense recognised in the current year.	(2 43.5)	(247.92)

The Income Tax expenses for the year can be reconciled to the accounting profit as follows:

	As at	As at
Particulars	31st March, 2021	31st March, 2020
Profit before Tax	9 08.01	3 03.06
Applicable Tax Rate	25.17%	25.17%
Computed Tax Expense	228.55	76.28
Tax Effect of :		
Additional Allowances 80JJAA	(2 28.55)	13 42.69
Additional Allowances net of MAT credit	-	(14 18.97)
Current Tax Provision (A)	(0.00)	0.00
Incremental Deferred Tax Liability on tangible and intangible Assets	(5.47)	(15.24)
Incremental Deferred Tax Asset on account of Financial Assets & Other items	(2 38.03)	(2 32.68)
Deferred Tax Provision (B)	(2 43.5)	(2 47.92)
Others temporary differences	-	-
Tax Expenses recognised in Statement of Profit and Loss (A+B)	(2 43.5)	(2 47.92)
Effective Tax Rate	-	-

Reliance SMSL Limited**Notes on financial statements for the year ended 31st March, 2021**

		As at 31st March. 2021	(₹. in Lakhs) As at 31st March. 2020
4 Investments	Units (In Absolute	Units (In Absolute	
Investment measured at fair value through profit and loss (FVTPL)			
Investment in Mutual Funds - Quoted			
ICICI Prudential Liquid Fund Growth (₹ 100 each)	-	-	2,16,588.58
			6 33.52
Total		-	6 33.52

Reliance SMSL Limited**Notes on financial statements for the year ended 31st March, 2021**

	(₹. in Lakhs)	
	As at	As at
	31st March, 2021	31st March, 2020
5 TRADE RECEIVABLES		
(Unsecured and Considered Good)		
Trade receivables	75 43.87	3 63.24
Total	<u>75 43.87</u>	<u>3 63.24</u>

Reliance SMSL Limited

Notes on financial statements for the year ended 31st March, 2021

(₹. in Lakhs)

	As at 31st March, 2021	As at 31st March, 2020
6 CASH AND CASH EQUIVALENTS		
Balance with bank	33 24.73	17.66
Cash and cash equivalents as per balance sheet	33 24.73	17.66
Cash and cash equivalents as per statement of cash flow	33 24.73	17.66

Reliance SMSL Limited

Notes on financial statements for the year ended 31st March, 2021

(₹. in Lakhs)

As at
31st March, 2021 As at
31st March, 2020

7 OTHER FINANCIAL ASSETS

*Deposits & Other Receivables	248 95.45	252 66.44
Total	<u>248 95.45</u>	<u>252 66.44</u>

*Includes Deposits with Government authorities & Unbilled Revenue

Reliance SMSL Limited**Notes on financial statements for the year ended 31st March, 2021****(₹. in Lakhs)**

	As at 31st March, 2021	As at 31st March, 2020
8 OTHER CURRENT ASSETS (Unsecured and considered good)		
Balance with GST Authorities	3 54.85	34 25.48
Others*	72 31.70	83 46.32
Total	<u>75 86.55</u>	<u>117 71.81</u>

*Includes advance to employees, vendor and prepaid expenses.

Reliance SMSL Limited**Notes on financial statements for the year ended 31st March, 2021**

(₹. in Lakhs)

	As at 31st March, 2021	As at 31st March, 2020
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9 EQUITY SHARE CAPITAL**Authorised Share Capital:**

50,000 Equity Shares of ₹ 10 each (50,000)	5.00	5.00
Total	5.00	5.00

Issued, Subscribed and Paid-Up Share Capital:

50 000 Equity Shares of ₹ 10 each fully paid up (50,000)	5.00	5.00
Total	5.00	5.00

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

Name of the Shareholder	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	% held	No. of Shares	% held
Reliance Projects & Property Management Services Limited	50,000	100	50,000	100.00

(ii) Reconciliation of number of shares outstanding is set out below:

Particulars	As at 31st March, 2021 No. of shares	As at 31st March, 2020 No. of shares
Equity Shares at the beginning of the year	50,000	50,000
Add: Equity Shares issued during the year	-	-
Equity Shares at the end of the year	50,000	50,000

(iii) 1. Reliance Projects & Property Management Services Limited, Holding Company of the Company holds 50,000 Equity Shares of ₹ 10/- each along with nominees.

2. 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.

Reliance SMSL Limited**Notes on financial statements for the year ended 31st March, 2021**

	As at 31st March, 2021	(₹. in Lakhs) As at 31st March, 2020
10 OTHER EQUITY		
Retained Earnings		
As per last Balance Sheet	(34 47.46)	(39 98.44)
Profit / (Loss) of the Year	<u>11 51.51</u>	<u>5 50.98</u>
	(22 95.95)	(34 47.46)
Other Comprehensive Income		
As per last balance sheet	14 61.67	18 01.59
Add: movement in OCI (net) during the year	<u>7 51.00</u>	<u>(3 39.92)</u>
	22 12.67	14 61.67
Zero Coupon Unsecured optionally Fully Convertible Debenture of ₹ 10 each		
As per last balance sheet	<u>11 27.26</u>	<u>11 27.26</u>
	<u>11 27.26</u>	11 27.26
	<u>10 43.98</u>	<u>(8 58.53)</u>

10.1 The company and OFCD holder shall have an option for an early conversion at any time after allotment of the OFCDs by giving one month notice to other party at a value higher of book value or face value as at 31st March, 2015

10.2 The Company will redeem the outstanding OFCD on expiry of 15 years. The Company and the OFCD holder may mutually agree for early redemption of the outstanding OFCD (on any date after expiry of 30 days from the date of allotment of the OFCD).

Reliance SMSL Limited

Notes on financial statements for the year ended 31st March, 2021

(₹. in Lakhs)

	As at 31st March, 2021	As at 31st March, 2020
11 PROVISIONS - Non Current		
Provision for Employee Benefits *	81 59.67	81 25.52
Total	81 59.67	81 25.52

* Provision for Gratuity & Leave encashment

Reliance SMSL Limited**Notes on financial statements for the year ended 31st March, 2021****(₹. in Lakhs)**

	As at 31st March, 2021	As at 31st March, 2020
12 TRADE PAYABLES		
Micro and Small Enterprise *	-	-
Other than Micro and Small Enterprise	36 45.20	117 88.02
Total	<u>36 45.20</u>	<u>117 88.02</u>

* There are no overdues to Micro, Small and Medium Enterprises as at March 31, 2021.

Reliance SMSL Limited

Notes on financial statements for the year ended 31st March, 2021

(₹. in Lakhs)

	As at 31st March, 2021	As at 31st March, 2020
13 OTHER CURRENT LIABILITIES		
Other Payables*	292 30.04	233 32.61
Total	<u>292 30.04</u>	<u>233 32.61</u>

*Others include Salary payable and Statutory Dues.

Reliance SMSL Limited**Notes on financial statements for the year ended 31st March, 2021**

	As at 31st March, 2021	(₹. in Lakhs) As at 31st March, 2020
14 PROVISIONS - CURRENT		
Provision for Employee Benefits *	59 68.31	50 52.22
Total	<u>59 68.31</u>	<u>50 52.22</u>
* Provision for Gratuity & Leave encashment		

Reliance SMSL Limited**Notes on financial statements for the year ended 31st March, 2021**

		(₹. in Lakhs)
	2020-21	2019-20
15 Revenue from Operations		
Sale of Services (Manpower services)	2845 36.09	2853 78.37
	<u>2845 36.09</u>	<u>2853 78.37</u>
Less: GST Recovered	434 11.32	397 87.65
Total	<u><u>2411 24.77</u></u>	<u><u>2455 90.72</u></u>

Reliance SMSL Limited

Notes on financial statements for the year ended 31st March, 2021

	(₹. in Lakhs)	
	2020-21	2019-20
16 OTHER INCOME		
Interest		
Others	4 90.41	0.01
Gain on Financial Assets (fair value through profit and loss)		
Realised Gain	18.67	29.88
Unrealised Gain	-	3.02
Total	<u><u>5 09.07</u></u>	<u><u>32.91</u></u>

	(₹. in Lakhs)	
	2020-21	2019-20
17 EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	1933 70.29	1970 54.44
Contribution to Provident and Other Funds	188 02.30	154 72.18
Staff Welfare Expenses	114 90.89	112 44.49
Total	2236 63.48	2237 71.11

As per Indian Accounting Standard 19 “Employee benefits”, the disclosures are given below:

Defined Contribution Plan

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

	(₹. in Lakhs)	
Particulars	2020-21	2019-20
Employer's Contribution to Provident Fund	30 60.23	28 28.71
Employer's Contribution to Pension Fund	77 15.92	63 28.55

Defined Benefit Plan

The Present value of obligation is determined based on actuarial valuation using the projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for Compensated Absences is recognised in the same manner as gratuity.

1. Reconciliation of opening and closing balances of Defined Benefit Obligation

Particulars	2020-21	2019-20
	Gratuity (Unfunded)	
Defined Benefit Obligations at the beginning of the year	58 42.07	36 48.67
Current Service Cost	18 19.97	16 56.29
Add: on Acquisition/Transfer	-	-
Interest Cost	3 99.32	2 93.16
Actuarial (Gain / Loss)	(10 03.48)	4 54.25
Benefits Paid	(2 70.51)	(2 10.30)
Defined Benefit Obligations at the end of the year	67 87.37	58 42.07

2. Reconciliation of Fair Value of Assets and Obligations

Particulars	2020-21	2019-20
	Gratuity (Unfunded)	
Fair Value of Plan Assets	-	-
Present Value Obligation	67 87.37	58 42.07
Amount Recognised in Balance sheet (Surplus/Deficit)	67 87.37	58 42.07

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

Particulars	2020-21	2019-20
	Gratuity (Unfunded)	
As at 31st March		
In Income Statement		
Current Service Cost	18 19.97	16 56.29
Interest Cost	3 99.32	2 93.16
Expected Return on Plan Assets		
Actuarial (Gain / Loss)		
Net Cost	22 19.29	19 49.45
In Other Comprehensive Income		
Actuarial (Gain / Loss)	(10 03.48)	4 54.25
Return on Plan Assets	-	-
Net (Income)/ Expense For the period Recognised in OCI	(10 03.48)	4 54.25

4. Actuarial Assumptions

Mortality Table (IALM)	2020-21	2019-20
	Gratuity(Funded)	
Discount Rate (Per Annum)	6.95%	6.84%
Expected Rate of Return on Plan Assets(Per Annum)	0.00%	0.00%
Rate of Escalation in Salary (Per Annum)	6.00%	6.00%

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.

5. The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2020-21.

6. 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 31st March, 2021		As at 31st March, 2020	
	Decrease	Increase	Decrease	Increase
Change in rate of discounting (delta effect of +/- 0.5%)	88.65	(86.33)	100.03	(95.77)
Change in rate of salary increase(delta effect of +/- 0.5%)	(87.50)	89.03	(96.96)	100.36
Change in rate of employee turnover (delta effect of +/- 25%)	603.69	(501.09)	613.73	(513.59)
Change in rate of Mortality (delta effect of +/- 10%)	(0.52)	0.52	(0.56)	0.56

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

Reliance SMSL Limited**Notes on financial statements for the year ended 31st March, 2021**

	(₹. in Lakhs)	
	2020-21	2019-20
18 OTHER EXPENSES		
Insurance	22 55.09	30 71.75
Rates and Taxes	13.43	7.75
Travelling and Conveyance Expenses	54 58.73	120 24.69
Payment to Auditors	7.50	5.00
Professional Fees	36 69.24	27 37.26
Contracted Manpower Expenses	2 65.13	2 06.31
Communication Expenses	52 96.47	33 14.53
General Expenses	96.76	1 52.98
Total	170 62.35	215 20.27

18.1 Payment to Auditors as:	2020-21	2019-20
a. As Auditor:		
Statutory Audit Fees	4.40	4.00
Tax Audit Fees	1.10	1.00
Certification Fees	2.00	-
TOTAL	7.50	5.00

18.2 Corporate Social Responsibility (CSR)

- 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 ₹ 3.53 Lakh (Previous Year ₹ NIL).
- b) Expenditure related to Corporate Social Responsibility is ₹ 5.00 Lakh (Previous Year ₹ NIL).

Details of amount spent towards CSR given below:

Particulars	2020-21	2019-20
Eradicating hunger, poverty and malnutrition and rural development projects	5.00	NIL

Reliance SMSL Limited**Notes on financial statements for the year ended 31st March, 2021**

19	Earning Per Share :	(₹. in Lakhs)	
	<u>Basic Earning Per Share</u>	2020-21	2019-20
i	Net Profit after tax as per statement of profit and loss	11 51.51	5 50.98
ii	Net Profit attributable to Equity Shareholders	11 51.51	5 50.98
iii	Weighted Average number of equity shares used as denominator for calculating Basic EPS:	50,000	50,000
iv	Basic Earnings per share of face value of ₹.10 each (In ₹)	23 03.02	11 01.96
			(₹. in Lakhs)
	<u>Diluted Earning Per Share</u>	2020-21	2019-20
i	Net Profit attributable to Equity Shareholders	11 51.51	5 50.98
ii	Weighted Average number of equity shares used as denominator for calculating Basic EPS:	50,000	50,000
iii	Add: Number of Zero Coupon Unsecured Optionally Fully Convertible Debentures (OFCDs)	1,12,72,583	1,12,72,583
iv	Weighted Average number of equity shares used as denominator for calculating Diluted EPS:	1,13,22,583	1,13,22,583
v	Diluted Earnings per share of face value of ₹.10 each (In ₹)	10.17	4.87

Reliance SMSL Limited

Notes on financial statements for the year ended 31st March, 2021

20 Related Party Disclosure

As per Ind AS 24, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

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

Sr. No.	Name of the Related Party	Relationship
1	Reliance Industries Limited	Ultimate Holding Company
2	Reliance Projects & Property Management Services Limited * \$	Holding Company
3	Reliance Retail Limited	Fellow Subsidiary Company
4	Reliance Corporate IT Park Limited @	
5	Reliance Jio Infocomm Limited	
6	Reliance Brands Limited	
7	Reliance Lifestyle Holdings Limited (the Company merged with Reliance Brands Limited)	
8	Reliance Clothing India Private Limited	
9	Reliance GAS Lifestyle India Private Limited	
10	Reliance-GrandOptical Private Limited	
11	Reliance Brands Luxury Fashion Private Limited (formerly known as Genesis Luxury Fashion Private Limited)	
12	Reliance Lifestyle Products Private Limited # (formerly known as V&B Lifestyle India Private Limited)	
13	Genesis La Mode Private Limited	
14	GLF Lifestyle Brands Private Limited	
15	GML India Fashion Private Limited	
16	Genesis Colors Limited	
17	Rhea Retail Private Limited (the Company merged with Reliance Brands Limited)	
18	Reliance Paul & Shark Fashions Private Limited	Joint Venture of Fellow subsidiary
19	Brooks Brothers India Private Limited	
20	Diesel Fashion India Reliance Private limited	
21	Ryohin-Keikaku Reliance India Private Limited	
22	Zegna South Asia Private limited	
23	Reliance Bally India Private Limited	
24	Canali India Private Limited	

* Formerly known as Reliance Digital Platform & Project Services Limited

\$ Fellow subsidiary company up to 08.12.2019

@ Holding Company upto 08.12.2019

Earlier joint venture of fellow subsidiary

(ii) Transactions during the year with related parties:

Sr. No.	Nature of Transactions (Excluding reimbursements)	(₹. in Lakhs)		
		Holding/ Ultimate Company	Fellow Subsidiary/Joint Venture of Fellow subsidiary	Total
1	Revenue form Operations	2211 38.54 2293 87.08	188 19.25 158 38.62	2399 57.79 2452 25.69
2	Revenue form Operations(Fellow Joint Venture)	- -	1 60.26 1 82.34	1 60.26 1 82.34
3	Professional Fees	36 00.00 31 11.00	- 75.00	36 00.00 31 86.00
4	Service received	0.68 0.80	62 07.49 34 71.99	62 08.17 34 72.79

Reliance SMSL Limited**Notes on financial statements for the year ended 31st March, 2021****Balance as at 31st March , 2021**

		(₹. in Lakhs)	
1	Share Capital	5.00	-
		<i>5.00</i>	<i>5.00</i>
2	ZOFCD	11 27.26	-
		<i>11 27.26</i>	<i>11 27.26</i>
3	Trade Receivable	282 27.79	33 94.77
		<i>70 44.92</i>	<i>16 99.42</i>
4	Trade Receivable(joint Venture)		34 29.94
			<i>17 21.20</i>
5	Trade Payable	10 60.58	13 00.36
		<i>26 37.29</i>	<i>34 71.99</i>

Note :

Figures in Italic represents Previous Year's amount.

iii Disclosure in Respect of Material Related Party

Particulars	Relationship	2020-21	2019-20
1 Revenue from Operations *			
Reliance Corporate IT Park Limited	Holding Company (upto 8.12.2019) (Now fellow subsidiary company)	-	1485 39.42
Reliance Projects & Property Management Services Limited	Holding Company (w.e.f 9.12.2019)	2211 38.54	808 47.66
Reliance Projects & Property Management Services Limited	Fellow Subsidiary (upto 8.12.2019)	-	11.60
Reliance Retail Limited	Fellow Subsidiary Company	176 61.26	137 65.73
Rhea Retail Private Limited	Fellow Subsidiary Company	-	61.85
Reliance Brands Limited	Fellow Subsidiary Company	6 02.66	10 52.53
Reliance Lifestyle Holdings Limited	Fellow Subsidiary Company	-	1 98.48
Reliance Clothing India Private Limited	Fellow Subsidiary Company	2 00.40	2 86.52
Reliance Gas Lifestyle India Private Limited	Fellow Subsidiary Company	27.66	57.05
Reliance-GrandOptical Private Limited	Fellow Subsidiary Company	0.06	0.05
Reliance Brands Luxury Fashion Private Limited	Fellow Subsidiary Company	41.63	52.21
Genesis La Mode Private Limited	Fellow Subsidiary Company	47.20	55.61
GLF Lifestyle Brands Private Limited	Fellow Subsidiary Company	35.80	43.02
GML India Fashion Private Limited	Fellow Subsidiary Company	20.55	28.44
Genesis Colors Limited	Fellow Subsidiary Company	10.80	27.38
Reliance Lifestyle Products Private Limited	Fellow Subsidiary Company	10.97	15.80
Reliance Bally India Private Limited	Joint ventures of fellow subsidiary	5.13	3.76
Diesel Fashion India Reliance Private limited	Joint ventures of fellow subsidiary	33.23	44.76
Brooks Brothers India Private Limited	Joint ventures of fellow subsidiary	56.66	62.13
Reliance Paul & Shark Fashions Private Limited	Joint ventures of fellow subsidiary	9.36	9.40
Zegna South Asia Private Limited	Joint ventures of fellow subsidiary	12.93	14.46
Ryohin-Keikaku Reliance India Private Limited	Joint ventures of fellow subsidiary	18.24	21.90
Canali India Private Limited	Joint ventures of fellow subsidiary	24.71	25.91
2 Professional Services *			
Reliance Corporate IT Park Limited	Holding Company (upto 8.12.2019) (Now fellow subsidiary company)	-	1 47.50
Reliance Projects & Property Management Services Limited	Holding Company (w.e.f 9.12.2019)	36 00.00	29 63.50
Reliance Projects & Property Management Services Limited	Fellow Subsidiary (upto 8.12.2019)	-	75.00

* Related Party transactions are shown Net of GST.

Reliance SMSL Limited**Notes on financial statements for the year ended 31st March, 2021****(₹. in Lakhs)**

3	Trade Receivable			
	Reliance Projects & Property Management Services Limited	Holding Company	282 27.79	70 44.92
	Reliance Brands Limited	Fellow Subsidiary Company	1 11.85	1 31.11
	Reliance Clothing India Private Limited	Fellow Subsidiary Company	29.78	28.72
	Reliance Lifestyle Holdings Limited	Fellow Subsidiary Company		14.92
	Reliance Retail Limited	Fellow Subsidiary Company	32 02.00	14 88.35
	Reliance Brands Luxury Fashion Private Limited	Fellow Subsidiary Company	10.38	5.22
	Reliance Gas Lifestyle India Private Limited	Fellow Subsidiary Company	5.82	5.73
	Reliance-GrandOptical Private Limited	Fellow Subsidiary Company	0.19	0.12
	Genesis Luxury Fashion Private Limited	Fellow Subsidiary Company	10.38	5.22
	Genesis La Mode Private Limited	Fellow Subsidiary Company	10.54	4.79
	GLF Lifestyle Brands Private Limited	Fellow Subsidiary Company	8.41	3.51
	GML India Fashion Private Limited	Fellow Subsidiary Company	3.66	3.00
	Genesis Colors Limited	Fellow Subsidiary Company	1.75	3.89
	Rhea Retail Private Limited	Fellow Subsidiary Company	-	4.85
	Reliance Lifestyle Products Private Limited	Fellow Subsidiary Company	2.21	1.34
	Reliance Bally India Private Limited	Joint Venture of Fellow subsidiary	0.97	0.56
	Diesel Fashion India Reliance Private limited	Joint Venture of Fellow subsidiary	5.84	3.88
	Brooks Brothers India Private Limited	Joint Venture of Fellow subsidiary	10.80	6.16
	Reliance Paul & Shark Fashions Private Limited	Joint Venture of Fellow subsidiary	1.75	0.97
	Zegna South Asia Private Limited	Joint Venture of Fellow subsidiary	4.73	3.17
	Ryohin-Keikaku Reliance India Private Limited	Joint Venture of Fellow subsidiary	3.56	2.29
	Canali India Private Limited	Joint Venture of Fellow subsidiary	5.31	3.40
4	Trade Payable			
	Reliance Industires Limited	Ultimate Holding Company	0.37	0.20
	Reliance Projects & Property Management Services Limited	Holding Company	10 60.21	26 37.09
	Reliance Corporate IT Park Limited	Fellow Subsidiary Company	76.58	-
	Reliance Jio Infocomm Limited	Fellow Subsidiary Company	12 23.78	34 71.99
	Services Received			
	Reliance Industries Limited	Ultimate Holding Company	0.68	0.80
	Reliance Corporate IT Park Limited	Fellow Subsidiary Company	91.66	-
	Reliance Jio Infocomm Limited	Fellow Subsidiary Company	61 15.82	34 71.99

21 Capital Management

The Company manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

21.1 Gearing ratio

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

	As at 31st March, 2021	As at 31st March, 2020
Debt	-	-
Cash and bank balance	33 24.73	17.66
Net debt	(33 24.73)	(17.66)
Total Equity	10 48.98	8 53.53
Net debt to equity ratio	-	-

Debt is defined as long-term and short-term borrowings.

22 Financial Instruments

A) Fair valuation measurement hierarchy

₹ in Lakhs

Particulars	As at 31st March, 2021		As at 31st March, 2020			
	Carrying Amount	Level of input used in		Carrying Amount	Level of input used in	
		Level 1	Level 2		Level 1	Level 2
Financial Assets						
At Amortised Cost						
Trade Receivables	75 43.87		-	3 63.24		-
Cash and Cash Equivalents	33 24.73			17.66		
Other Financial Assets	248 95.45			252 66.44		
At FVTPL						
Investments	-		-	6 33.52		6 33.52
Financial Liabilities						
At Amortised Cost						
Borrowings	-			-		
Trade Payables	36 45.2			117 88.02		
Other Financial Liabilities	-			-		

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.

Level 3: Inputs based on unobservable market data.

Financial Risk Management

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

This note explains the sources of risks which the entity is exposed to and how it mitigates that risk.

Risk	Exposure arising	Measurement	Mitigation
Credit risk	Cash and cash equivalents, trade receivables and other financial assets	Ageing analysis, Credit ratings	Dealing with highly rated counterparties as a policy along with pre-defined credit limits and concentration limits.
Liquidity Risk	Borrowings and other liabilities.	Maturity bucketing, Rolling cash-flow forecasts	Availability of committed credit lines, borrowing facilities, high quality liquid investments
Market risk – Interest risk	Fixed-Income Investments.	Sensitivity analysis, Price value per basis point (PVBp) monitoring	Duration bucketing and reinvestment risk management

RELIANCE SMSL LIMITED

Notes on financial statements for the year ended 31st March, 2021

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.

Different type of risk the Company is exposed are as under:

A) Market Risk

The Company effectively manages its cash and cash equivalents through a diversified investment portfolio which has an appropriate mix of steady accrual, tax efficient and higher duration assets with lower reinvestment risk. The portfolio consists of wide ranging fixed income instruments, viz top rated mutual fund investments and bank fixed deposits. The diversification across instruments and counterparties ensures that there is minimal concentration risk.

The investment portfolio is monitored and operated under a robust risk management framework with a very nimble and dynamic adjustment to portfolio mix as and when necessary to ensure capital protection and appropriate risk adjusted.

B) 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.

C) 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.

23 Details of loans given, investments made, guarantees given and securities provided covered u/s 186 (4) of the companies Act,2013.

i) Loans given ₹ NIL (Previous year ₹ NIL).

ii) Investments made ₹ NIL (Previous year ₹ NIL).

iii) Guarantees given and Securities provided by the Company in respect of loan ₹ NIL (Previous year ₹ NIL).

24 The Company is engaged in the business of providing integrated manpower solutions including sourcing, recruitment, training, engagement and staffing services to other Companies in India. All the activities of the Company revolve around this main business. Accordingly, the Company has only one identifiable segment reportable under Ind AS-108 "Operating Reporting". The Board (the 'Chief Operating Decision Maker' as defined in Ind AS 108 'Operating Segments'), who is responsible for allocating resources and assessing performance obtains financial information.

Revenue from a Customer contributed 10% or more to the Company's revenue for 2020-21 and revenue from two Customer contributed 10% or more to the Company's revenue for 2019-20.

25 The Figures of Corresponding previous years have been regrouped/reclassified wherever necessary, to make them comparable.

26 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on 26th April, 2021

As per our Report of even date

For **Chaturvedi & Shah LLP**

Chartered Accountants

Firm Regn No. - 101720W / W100 355

For and on behalf of the Board

Sanjay Jog

Director

Jignesh Mehta

Partner

Membership No. - 102749

Pramod Bhawalkar

Director

April 26, 2021