

RELIANCE INNOVATIVE BUILDING SOLUTIONS PRIVATE LIMITED

FINANCIAL STATEMENTS

2021-22

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS of RELIANCE INNOVATIVE BUILDING SOLUTIONS PRIVATE LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **RELIANCE INNOVATIVE BUILDING SOLUTIONS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the Financial Statements, including 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, 2022 , its Loss including Total Comprehensive Loss, the Statement of Changes in Equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements 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 audit 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, 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 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, the Changes in Equity and cash flows 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.

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.

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, 2020 ("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, Statement of Changes in Equity and statement of cash flows 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 as specified under section 133 of the Act;
 - e) On the basis of written representations received from the Directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, 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 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) In our opinion and to the best of our information and according to the explanations given to us, during the year the Company has not paid or provided any managerial remuneration under Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and as represented by the management:
 - 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.
 - iv. (a) Management has represented to us that, to the best of it’s knowledge and belief, other than as disclosed in the notes to the accounts no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) Management has represented to us that, to the best of it’s knowledge and belief, other than as disclosed in the notes to the accounts no funds (which are material either individually or in aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation under sub-clause (i) and (ii) of Rule 11(e) of , as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid any dividend during the current year.

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

Vitesh D. Gandhi
Partner
Membership No.: 110248
UDIN: 22110248AGVWRR7467

Place: Mumbai
Date: April 11, 2022

**“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT ON THE FINANCIAL STATEMENTS OF
RELIANCE INNOVATIVE BUILDING SOLUTIONS PRIVATE LIMITED**

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

- 1) As the Company does not have any Property, Plant and Equipment including Intangible Assets during the year. Therefore, the provisions of clause 3(i) of the Order are not applicable to the Company.
- 2) a) As the Company does not have any Inventory during the year. Therefore, the provisions of clause 3(ii) of the Order are not applicable to the company.

b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- 3) As per the information and explanations given to us and books of accounts and records examined by us, during the year the Company has not made investment or provided any guarantee or security or has not granted any loan or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other entities. Hence reporting under clause 3(iii)(a), (b), (c), (d) (e) and (f) of the Order are not applicable to the Company.
- 4) Company has not directly or indirectly advanced loan to the persons covered under Section 185 of the Act or given guarantees or securities in connection with the loan taken by such persons and has complied with the provisions of Section 186 of the Act, in respect of investments, loans, guarantee or security given, as applicable.
- 5) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be 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 3(v) of the Order is not applicable to the Company.
- 6) 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.
- 7) In respect of Statutory dues :
 - a) According to the records of the Company examined by us, undisputed statutory dues including Goods and Service tax, provident fund, employees’ state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues have been generally regularly deposited with appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of the aforesaid dues, which were outstanding as at March 31, 2022 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) which have not been deposited with the appropriate authority on account of any dispute.
- 8) According to the information and explanations given to us and representation given to us by the management, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- 9) a) In our opinion and according to the information and explanations given and books of accounts and records examined by us, the Company has not defaulted in repayment of loans or in the payment of interest thereon to the lender during the year.
- b) In our opinion, and according to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) According to the information and explanations given to us, Term loans were applied for the purpose for which the loans were obtained.
- d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the Financial Statements of the Company, we report that, prima facie, no funds raised on short-term basis have been used during the year for long-term purposes by the Company.
- e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, the Company does not have any subsidiaries, associates or joint ventures and hence, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- f) According to the information and explanations given to us and procedures performed by us, we report that the Company does not have any subsidiaries, associates or joint ventures and hence, reporting under clause 3(ix)(f) of the Order is not applicable to the Company..
- 10) a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and hence clause 3(x)(a) of the Order is not applicable to the Company.
- b) 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 convertible debentures (fully, partially or optionally convertible) during the year.
- 11) a) 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 officer or employees has been noticed or reported during the year.
- b) According to the information and explanations given to us, no report under sub-section 12 of Section 143 of the Act has been filed by auditors in Form ADT-4 as prescribed under

Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

- c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- 12) In our opinion company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- 13) In our opinion and according to the information and explanations given to us, Section 177 of the Act is not applicable to the Company. Further, in respect of related party transactions, Company is in compliance with Section 188 of the Act and details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- 14) a) In our opinion, and according to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business.
- b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- 15) According to the information and explanations provided by the management, the Company has not entered into any non-cash transaction with directors or persons connected with him as referred to in Section 192 of the Act. Hence, reporting under clause 3(xv) of the Order is not applicable to the Company.
- 16) a) In our opinion the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable to the Company.
- b) The Group does not have any Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence the reporting under clause 3(xvi)(d) of the Order is not applicable.
- 17) In our opinion, and according to the information and explanations provided to us, Company has incurred cash losses in the financial year and in the immediately preceding financial year.
- 18) There has been no resignation of the statutory auditors during the year. Therefore, provisions of clause 3(xviii) of the Order are not applicable to the Company.
- 19) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor

any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- 20) In our opinion, and according to the information and explanations provided to us, Corporate Social Responsibility as specified under Section 135 of the Act are not applicable to the Company. Therefore, provisions of clause 3(xx) of the Order are not applicable to the Company.

For **Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration no. 101720W/W100355

Vitesh D. Gandhi

Partner

Membership No.: 110248

UDIN: 22110248AGVWRR7467

Place: Mumbai

Date: April 11, 2022

“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE INNOVATIVE BUILDING SOLUTIONS PRIVATE 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 the financial statements of **RELIANCE INNOVATIVE BUILDING SOLUTIONS PRIVATE LIMITED** (“the Company”) as of March 31, 2022 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 with reference to 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 with reference to these 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.

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 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at 31 March 2022, based on the criteria for internal financial control with reference to Financial Statements 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 issued by the Institute of Chartered Accountants of India.

For **Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration no. 101720W/W100355

Vitesh D. Gandhi

Partner

Membership No.: 110248

UDIN: 22110248AGVWRR7467

Place: Mumbai

Date: April 11, 2022

Reliance Innovative Building Solutions Private Limited
Balance sheet as at 31st March, 2022

Particulars	Note	As at 31st March, 2022	Rs. in '000 As at 31st March, 2021
ASSETS			
Non-Current Assets			
Other Non Current Assets	1	<u>1,934</u>	<u>7,964</u>
Total Non-Current Assets		1,934	7,964
Current Assets			
Financial Assets			
Trade Receivables	2	5,551	6
Cash and Cash Equivalents	3	1,742	3,250
Other Current Assets	4	<u>1,94,788</u>	<u>1,96,000</u>
Total Current Assets		2,02,081	1,99,256
Total Assets		<u><u>2,04,015</u></u>	<u><u>2,07,220</u></u>
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	5	6,46,940	6,46,940
Other Equity	6	<u>(5,73,447)</u>	<u>(5,68,463)</u>
Total Equity		73,493	78,477
Non-Current Liabilities			
Financial Liabilities			
Borrowings	7	<u>1,30,000</u>	<u>1,21,300</u>
Total Non Current Liabilities		1,30,000	1,21,300
Current Liabilities			
Financial Liabilities			
Trade Payables	8	451	5,620
Other Current Liabilities	9	<u>71</u>	<u>1,823</u>
Total Current Liabilities		522	7,443
Total Liabilities		<u><u>1,30,522</u></u>	<u><u>1,28,743</u></u>
Total Equity and Liabilities		<u><u>2,04,015</u></u>	<u><u>2,07,220</u></u>
Significant Accounting Policies Notes to Financial Statements	1 to 24		

Reliance Innovative Building Solutions Private Limited

As per our Report of even date

For and on behalf of the Board

M/s. Chaturvedi & Shah LLP

Firm Registration No : 101720W/W100355

Chartered Accountants

Tarun Kumar Jhunjhunwala

Chairman

Vitesh D. Gandhi

Partner

Membership No. 110248

Sudhakar Saraswatula

Director

Date : April 11, 2022

Ramesh Kumar Damani

Director

Pooja Karia

Chief Financial Officer

Rajiv Sharma

Chief Executive Officer

Avani Gangapurkar

Company Secretary

Reliance Innovative Building Solutions Private Limited
Profit and Loss Statement for the year ended 31st March, 2022

Particulars	Note	2021-22	Rs. in '000 2020-21
INCOME			
Revenue from Operations		-	-
Other Income	10	5,256	17,402
Total Income		<u>5,256</u>	<u>17,402</u>
EXPENSES			
Finance Costs	11	9,153	8,731
Other Expenses	12	1,087	40,937
Total Expenses		<u>10,240</u>	<u>49,668</u>
Profit/ (Loss) Before Tax		(4,984)	(32,266)
Tax Expenses		-	-
Profit/ (Loss) for the Year		<u>(4,984)</u>	<u>(32,266)</u>
Other Comprehensive Income			
Total Comprehensive Income for the year		<u>(4,984)</u>	<u>(32,266)</u>
Earnings/ (loss) per equity share (face value of ₹ 10 each)			
Basic and Diluted	13	(0.08)	(0.50)
Significant Accounting Policies Notes to Financial Statements	1 to 24		

Reliance Innovative Building Solutions Private Limited

As per our Report of even date

For and on behalf of the Board

M/s. Chaturvedi & Shah LLP

Firm Registration No : 101720W/W100355

Chartered Accountants

Tarun Kumar Jhunjhunwala

Chairman

Vitesh D. Gandhi

Partner

Membership No. 110248

Sudhakar Saraswatula

Director

Date : April 11, 2022

Ramesh Kumar Damani

Director

Pooja Karia

Chief Financial Officer

Rajiv Sharma

Chief Executive Officer

Avani Gangapurkar

Company Secretary

Reliance Innovative Building Solutions Private Limited
Statement of Changes in Equity for the year ended 31st March, 2022

A. EQUITY

Rs. in '000

Balance as at 1st April, 2020	Changes in Equity Share capital during FY 2020-21	Balance as at 31st March, 2021	Changes in Equity Share capital during FY 2021-22	Balance as at 31st March, 2022
6,46,940	-	6,46,940	-	6,46,940

B. OTHER EQUITY

Rs. in '000

Particulars	Reserves and Surplus Retained Earnings	Total
As on 31st March, 2022		
Balance at the beginning of the reporting period i.e. 1st April, 2021	(5,68,463)	(5,68,463)
Total Comprehensive Income for the year	(4,984)	(4,984)
Balance at the end of the reporting period i.e. 31st March, 2022	(5,73,447)	(5,73,447)
As on 31 March 2021		
Balance at the beginning of the reporting period i.e. 1st April, 2020	(5,36,197)	(5,36,197)
Total Comprehensive Income for the year	(32,266)	(32,266)
Balance at the end of the reporting period i.e. 31st March, 2021	(5,68,463)	(5,68,463)

Reliance Innovative Building Solutions Private Limited

As per our Report of even date

For and on behalf of the Board

M/s. Chaturvedi & Shah LLP

Firm Registration No : 101720W/W100355

Chartered Accountants

Tarun Kumar Jhunjhunwala

Chairman

Vitesh D. Gandhi

Partner

Membership No. 110248

Sudhakar Saraswatula

Director

Date : April 11, 2022

Ramesh Kumar Damani

Director

Pooja Karia

Chief Financial Officer

Rajiv Sharma

Chief Executive Officer

Avani Gangapurkar

Company Secretary

Reliance Innovative Building Solutions Private Limited
Cash Flow Statement for the year ended 31st March, 2022

Particulars	Rs. in '000		
	2021-22	2020-21	
A: CASH FLOW FROM OPERATING ACTIVITIES			
Profit/ (Loss) before Tax as per Statement of Profit and Loss	(4,984)	(32,266)	
Adjusted for:			
Provision Writeback	(551)	-	
Interest Income	(5)	(170)	
Finance Costs	9,153	8,731	
	<u>8,597</u>	<u>8,561</u>	
Operating Profit/ (Loss) before Working Capital Changes	3,613	(23,705)	
Adjusted for:			
Trade and Other Receivables	2,252	23,917	
Trade and Other Payables	(6,920)	(2,935)	
	<u>(4,668)</u>	<u>20,982</u>	
Cash (used in) Operations	(1,055)	(2,723)	
Taxes (Paid) / Refund (Net)	-	1,937	
Net Cash flow (used in) Operating Activities	(1,055)	(786)	
B: CASH FLOW FROM INVESTING ACTIVITIES			
Interest received	-	170	
Net Cash flow from Investing Activities	-	170	
C: CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Long Term Borrowings	1,30,000	9,800	
Repayment of Long Term Borrowings	(1,21,300)	-	
Interest Paid	(9,153)	(8,731)	
	<u>(453)</u>	<u>1,069</u>	
Net Cash flow from Financing Activities	(453)	1,069	
Net (Decrease)/ Increase in Cash and Cash Equivalents	(1,508)	453	
Opening Balance of Cash and Cash Equivalents	3,250	2,797	
	<u>1,742</u>	<u>3,250</u>	
Closing Balance of Cash and Cash Equivalents (Refer Note "3")	1,742	3,250	
Change in Liability arising from financing activity		Rs. in '000	
	1 April 2021	Cash Flow	31 March 22
Borrowings - Non Current (Refer Note 7)	1,21,300	8,700	1,30,000
			Rs. in '000
	1 April 2020	Cash Flow	31 March 21
Borrowings - Non Current (Refer Note 7)	1,11,500	9,800	1,21,300

Reliance Innovative Building Solutions Private Limited

As per our Report of even date

For and on behalf of the Board

M/s. Chaturvedi & Shah LLP

Firm Registration No : 101720W/W100355

Chartered Accountants

Tarun Kumar Jhunjhunwala

Chairman

Vitesh D. Gandhi

Partner

Membership No. 110248

Sudhakar Saraswatula

Director

Date : April 11, 2022

Ramesh Kumar Damani

Director

Pooja Karia

Chief Financial Officer

Rajiv Sharma

Chief Executive Officer

Avani Gangapurkar

Company Secretary

A. CORPORATE INFORMATION

Reliance Innovative Building Solutions Private Limited [‘the company’] is a limited company incorporated in India on October 10, 2007 having CIN U52100MH2007PTC174895. The address of its registered office is 4th Floor, Court House, Lokmanya Tilak Marg, Dhobi Talao, Mumbai 400002, India. The Company was a Joint Venture between Reliance Industrial Investments & Holdings Limited and SYNTHÉON (Mauritius) Limited upto 30th March, 2015. Subsequently it has become wholly owned subsidiary of Reliance Strategic Business Ventures Limited.

The projects of the company have been completed and the management has decided not to pursue any business in future, accordingly, the operations of the company have been terminated. The management has identified all existing fixed assets to be not in active use and has accordingly, transferred them to ‘assets held for sale/disposal’.

Amount of ₹ 12,97,41,468/- (previous year ₹ 12,97,41,468/-) representing the net book value (less of impairment provision) of the idle assets identified, have been disclosed under ‘assets held for sale/disposal’ to reflect the estimated recoverable amount of fixed assets based on valuation of plant and machineries and best estimates by management for rest of fixed assets. The management is firming up the plan to sell these assets.

In view of the above, no depreciation has been charged to the Statement of profit and loss.

B. ACCOUNTING POLICIES

B.1 BASIS OF PREPARATION AND PRESENTATION

The financial statements have been prepared on the historical cost basis except Certain financial assets and liabilities measured at fair value.

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.(as amended from time to time) and Presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS Compliant Schedule III) as amended from time to time.

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

B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Current and Non-Current Classification

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

An asset is treated as Current when it is –

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

All other assets are classified as non-current.

A liability is current when:

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

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

(b) Leases:

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

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

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

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

(c) Cash and Cash Equivalent

Cash and cash equivalents comprise of cash on hand 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

(d) Finance Cost

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

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

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

(e) Impairment of non-financial assets

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Reliance Innovative Building Solutions Private Limited
Notes on Financial Statements for the year ended 31st March, 2022

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit or loss. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(f) 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.

(g) Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

- Current tax

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

Generally, control is transferred upon shipment of goods to the customer or when the goods are 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 recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Reliance Innovative Building Solutions Private Limited
Notes on Financial Statements for the year ended 31st March, 2022

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 recognized when it becomes unconditional. Generally, the credit period varies between 0-60 days from the shipment or delivery of goods or services as the case may be.

In case of discounts, rebates, credits, price incentives or similar terms, consideration are determined based on its most likely amount, which is assessed at each reporting period.

Interest income

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

(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 carried 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 are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

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

c) Financial assets 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. 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:

- a) 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
- b) 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 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 loans and borrowings, 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 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.

(j) Earning Per Share

Basic earnings per share is calculated by dividing the net profit after tax by weighted average number of equity shares outstanding during the year adjusted for bonus element in equity share. Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

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

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

a) 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.

b) Impairment of Financial & Non-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.

c) 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.

d) 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 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.

D. STANDARDS ISSUED BUT NOT EFFECTIVE

On March 23, 2022, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2022.

- i. Ind AS 101- First time adoption of Indian Accounting Standards
- ii. Ind AS 103 – Business Combinations
- iii. Ind AS 109 - Financial Instruments
- iv. Ind AS 16 – Property, Plant and Equipment
- v. Ind AS 37 –Provisions, Contingent Liabilities and Contingent Assets
- vi. Ind AS 41 – Agriculture

Application of above standards are not expected to have any significant impact on the Company's financial statements.

Reliance Innovative Building Solutions Private Limited
Notes on Financial Statements for the year ended 31st March, 2022

1 Other Non Current Assets
(Unsecured and Considered Good)

	As at <u>31st March, 2022</u>	Rs. in '000 As at <u>31st March, 2021</u>
Security Deposits	150	6,180
Advance Income Tax (Net of Provision)	1,784	1,784
Total	<u>1,934</u>	<u>7,964</u>
Advance Income Tax (Net of Provision)		
At the Start of the year	1,784	3,721
Charge for the year	-	-
Tax paid/(Refund) during the year	-	(1,937)
At end of the year	<u>1,783</u>	<u>1,784</u>

2 Trade Receivables
(Unsecured and Considered Good)

	As at <u>31st March, 2022</u>	Rs. in '000 As at <u>31st March, 2021</u>
Receivables from Related Parties	5,551	6
Total	<u>5,551</u>	<u>6</u>

Trade Receivables Ageing Schedule:

As at 31st March, 2022							Rs. in '000
Particulars	Outstanding for following periods from due date of payment					Total	
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
Undisputed Trade receivables – considered good	-	5,551	-	-	-	5,551	
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	
Disputed Trade receivables – considered good	-	-	-	-	-	-	
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	
Total	-	5,551	-	-	-	5,551	

As at 31st March, 2021							Rs. in '000
Particulars	Outstanding for following periods from due date of payment					Total	
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
Undisputed Trade receivables – considered good	6	-	-	-	-	6	
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	
Disputed Trade receivables – considered good	-	-	-	-	-	-	
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	
Total	6	-	-	-	-	6	

3 Cash and Bank Balances

	As at <u>31st March, 2022</u>	Rs. in '000 As at <u>31st March, 2021</u>
Bank Balances:		
In Current Accounts	1,742	3,250
Cash and Cash Equivalentents as per Balance Sheet	<u>1,742</u>	<u>3,250</u>
Cash and Cash Equivalentents as per Statement of Cash Flow	<u>1,742</u>	<u>3,250</u>

4 Other Current Assets

	As at <u>31st March, 2022</u>	Rs. in '000 As at <u>31st March, 2021</u>
Balance with Goods and Service Tax/Sales Tax Authorities, etc.	64,699	65,485
Others* (Refer note no 20)	1,30,089	1,30,515
Total	<u>1,94,788</u>	<u>1,96,000</u>

* Includes Assets held for Sale, Prepaid Expenses, Advances to vendors and accrued interest.

Reliance Innovative Building Solutions Private Limited
Notes on Financial Statements for the year ended 31st March, 2022

5 Share Capital

	As at <u>31st March, 2022</u>	Rs. in '000 As at 31st March, 2021
Authorised Share Capital:		
6,60,00,000 Equity Shares of ₹ 10 each (6,60,00,000)	6,60,000	6,60,000
Total	<u>6,60,000</u>	<u>6,60,000</u>
Issued, Subscribed and Paid-Up Share Capital:		
6,46,93,950 Equity Shares of ₹ 10 each Fully Paid-up (6,46,93,950)	6,46,940	6,46,940
Total	<u>6,46,940</u>	<u>6,46,940</u>

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

Name of the Shareholders	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	% held	No. of Shares	% held
Reliance Strategic Business Ventures Limited	6,46,93,950	100	6,46,93,950	100

(ii) **Shareholding of Promoters**

Sr No	Class of Equity Share	Promoter's Name	No. of shares at the beginning of the year	change during the year	No. of shares at the end of the year	% of total shares	% change during the year
As at 31st March, 2022							
1	Equity shares of ₹ 10 each Fully paid-up	Reliance Strategic Business Ventures Limited	6 46 93 950	-	6 46 93 950	100%	-
As at 31st March, 2021							
1	Equity shares of ₹ 10 each Fully paid-up	Reliance Strategic Business Ventures Limited	6 46 93 950	-	6 46 93 950	100%	-

(iii) **The reconciliation of the number of shares outstanding is set out below :**

Particulars	As at <u>31st March, 2022</u> <u>No. of shares</u>	As at <u>31st March, 2021</u> <u>No. of shares</u>
Equity Shares at the beginning of the year	6,46,93,950	6,46,93,950
Add: Equity Shares issued during the year	-	-
Equity Shares at the end of the year	<u>6,46,93,950</u>	<u>6,46,93,950</u>

(iv) **Terms/ rights attached to equity shares**

The company has only one class of equity share having par value of ₹10 per share. Each holder of equity share is entitled to one vote per share. The dividend proposed (if any) by the Board of Directors is subject to the approval of the share holders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, in proportion to the number of equity shares held.

(v) The above equity shares 6,46,93,950 are held by Reliance Strategic Business Ventures Limited, the Holding Company.

6 Other Equity

	As at <u>31st March, 2022</u>	Rs. in '000 As at 31st March, 2021
Retained Earnings		
As per Last Balance Sheet	(5,68,463)	(5,36,197)
Add: Profit (Loss) for the year	(4,984)	(32,266)
Total	<u>(5,73,447)</u>	<u>(5,68,463)</u>

Reliance Innovative Building Solutions Private Limited
Notes on Financial Statements for the year ended 31st March, 2022

7 Borrowings - Non Current

	As at 31st March, 2022	Rs. in '000 As at 31st March, 2021
Unsecured		
From Others*	1,30,000	-
From Related Party (Refer Note no : 14)	-	1,21,300
Total	1,30,000	1,21,300

* Unsecured Borrowings taken from Teesta Retail Private Limited, repayable in more than 1 year.

* Interest Rate is 7.50% during the year.

8 Trade Payables due to:-

	As at 31st March, 2022	Rs. in '000 As at 31st March, 2021
Micro and Small Enterprises *	-	-
Others	451	5,620
Total	451	5,620

* There are no amounts outstanding to Micro and Small Enterprises as at March 31, 2022.

8.1 Trade Payables ageing Schedule:

As at 31st March, 2022

Rs. in '000

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
MSME	-	-	-	-	-
Others	65	124	40	-	229
Disputed dues-MSME	-	-	-	-	-
Disputed dues-Others	-	-	-	-	-
Total	65	124	40	-	229

As at 31st March, 2021

Rs. in '000

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
MSME	-	-	-	-	-
Others	-	2,945	22	-	2,967
Disputed dues-MSME	-	-	-	-	-
Disputed dues-Others	-	-	-	-	-
Total	-	2,945	22	-	2,967

9 Other Current Liabilities

	As at 31st March, 2022	Rs. in '000 As at 31st March, 2021
Others #	71	1,823
Total	71	1,823

Includes statutory liabilities.

Reliance Innovative Building Solutions Private Limited
Notes on Financial Statements for the year ended 31st March, 2022

10 Other Income	<u>2021-22</u>	Rs. in '000 <u>2020-21</u>
Other Non-Operating Income		
Rental Income	4,700	17,232
Interest Income	5	170
Others	551	-
	<u>5,256</u>	<u>17,402</u>
Total	<u>5,256</u>	<u>17,402</u>
11 Finance Costs	<u>2021-22</u>	Rs. in '000 <u>2020-21</u>
Interest Cost	9,153	8,731
Total	<u>9,153</u>	<u>8,731</u>
12 Other Expenses	<u>2021-22</u>	Rs. in '000 <u>2020-21</u>
Establishment Expenses		
Other Repairs	-	1,856
Rent including Lease Rentals	399	15,062
Insurance	206	206
Payment to Auditors (Refer Note no 12.1)	100	55
Professional Fees	335	397
Impairment Loss on Asset held for Sale	-	22,896
General Expenses	47	465
	<u>1,087</u>	<u>40,937</u>
Total	<u>1,087</u>	<u>40,937</u>
12.1 Payment to auditors :	<u>2021-22</u>	Rs. in '000 <u>2020-21</u>
Statutory Audit Fees	60	55
Certification Fees	40	-
Total	<u>100</u>	<u>55</u>
13 Earning Per Share (EPS)	<u>2021-22</u>	Rs. in '000 <u>2020-21</u>
(i) Face Value per Equity Share (₹)	10.00	10.00
(ii) Basic & Diluted Earning per Share (₹)	(0.08)	(0.50)
(iii) Net Profit (Loss) as per Statement of Profit & Loss attributable to Equity Shareholders (₹ in '000)	(4,984)	(32,266)
(iv) Weighted average number of equity shares (Used as Denominator for calculating Basic & Diluted EPS)	6,46,93,950	6,46,93,950

Reliance Innovative Building Solutions Private Limited
Notes on Financial Statements for the year ended 31st March, 2022

14 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 relationship:

Name of the Related Party	Relationship
Reliance Industries Limited	Ultimate Holding Company
Reliance Strategic Business Ventures Limited	Holding Company
Reliance Retail Limited	Fellow Subsidiary Company

(ii) Disclosure in respect of Material Related Party Transactions during the Year:

Particulars	Rs. in '000	
	2021-22	2020-21
Loan taken from Reliance Strategic Business Ventures Limited	-	9,800
Lease rent received from Reliance Retail Limited	4,700	17,232
Interest payment to Reliance Strategic Business Ventures Limited	9,153	8,731
Professional Fees Paid to Reliance Industries Limited	101	56

Balances as at 31st March, 2022	Rs. in '000
Unsecured Loan	
Reliance Strategic Business Ventures Limited	-
	<i>1,21,300</i>
Trade Receivables	
Reliance Retail Limited	5,551
	<i>6</i>
Trade Payables	
Reliance Industries Limited	183
	<i>56</i>

Note: Figures in italic represent Previous Year's amounts.

(1) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

(2) Review of outstanding balances is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. These balances are unsecured and their settlement occurs through Banking channel.

15 Leases

Operating lease: Company as lessee

The Company had taken factory premises on operating lease. The lease terms were for 9 years and 11 months, which expired on 28th February 2021. The leased premises were vacated on 31st May, 2021, hence full and final settlement done till that date. Lease payments for the Year amounted to ₹ 46,99,594 /- (Previous Period ₹ 1,43,16,077/-).

The Company had leased out a portion of the factory premises on operating lease. The lease term was for 9 years 11 months, which expired on 28th February 2021, whereas lease rent was charged till 31st May, 2021 till vacation of leased premises by Lessee.

Reliance Innovative Building Solutions Private Limited
Notes on Financial Statements for the year ended 31st March, 2022

16 Contingent Liabilities and Commitments

Commitments (For commitment relating to lease arrangement, Refer note 15)

17 Income Tax Assessment of the Company for AY 2019-20 is completed u/s 143(1). There is no Contingent Liability as on 31-03-2022.

18 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 compared to last year.

Gearing Ratio

Particulars

	As at 31st March, 2022	Rs. in '000 As at 31st March, 2021
Debt	1,30,000	1,21,300
Less: Cash and Bank Balance (including Liquid investment)	(1,742)	(3,250)
Net Debt	1,28,258	1,18,050
Total Equity	73,493	78,477
Net debt to Equity ratio	175%	150%

19 Financial Instruments

All financial assets and financial liabilities are measured at amortised cost. Consequently, application of fair value accounting and the related disclosure is not applicable.

Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. Credit risk arises from company's activities in investments, dealing in derivatives and receivables from customers. The Company ensure that sales of products are made to customers with appropriate creditworthiness. Investment and other market exposures are managed against counterparty exposure limits. Credit information is regularly shared between businesses and finance function, with a framework in place to quickly identify and respond to cases of credit deterioration.

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.

Market Risk

Interest Rate Risk

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

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

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

Please refer to interest rate exposure profile appended in table below

	As at 31st March, 2022	Rs. in '000 As at 31st March, 2021
Long Term Fixed Rate	1,30,000	1,21,300
Total	1,30,000	1,21,300

The Rate of interest is linked to bank MCLR and remains fixed till next date.

20 The projects of the company have been completed and the management has decided not to pursue any business in future, accordingly, the operations of the company has terminated. The management has identified all existing fixed assets to be not in active use and has accordingly, transferred them to 'assets held for sale/disposal'. Amount ₹ 12,97,41,468/- (previous year ₹ 12,97,41,468/-) representing the net book value (less of impairment provision) of the idle assets identified, have been disclosed under 'assets held for sale/disposal' to reflect the estimated recoverable amount of fixed assets based on valuation of plant and machineries and best estimates by management for rest of fixed assets. The management is firming up the plan to sell these assets. In view of the above, no depreciation has been charged to the Statement of profit and loss.

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

Reliance Innovative Building Solutions Private Limited
Notes on Financial Statements for the year ended 31st March, 2022

22 RATIO ANALYSIS

Sr. No.	Particulars	2021-22	2020-21	% Change
1	Current Ratio ^a	386.86	26.77	1345.08%
2	Debt-Equity Ratio ^b	1.77	1.55	14.44%
3	Debt Service Coverage Ratio ^c	0.46	(2.70)	(116.89)%
4	Return on Equity Ratio ^d	(6.56)%	(34.10)%	80.77%
5	Inventory Turnover Ratio	Not Applicable	Not Applicable	Not Applicable
6	Trade Receivables Turnover Ratio ^e	Not Applicable	Not Applicable	Not Applicable
7	Trade Payables Turnover Ratio	Not Applicable	Not Applicable	Not Applicable
8	Net Capital Turnover Ratio ^f	Not Applicable	Not Applicable	Not Applicable
9	Net Profit Ratio ^g	(94.84)%	(185.41)%	48.85%
10	Return on Capital Employed (Excluding Working Capital Financing) ^h	2.09%	(11.40)%	(118.34)%
11	Return on Investment ⁱ	0.22%	5.63%	(96.11)%

Notes:-

- a Current Ratio increases due to increase in Current Assets.
- b Debt Equity Ratio increases due to increase in Borrowings.
- c Debt Service Coverage Ratio increased on account of decrease in Loss.
- d Return on Equity Ratio increases due to decrease in Loss.
- e Trade Receivable turnover Ratio not applicable as no Revenue from Operations.
- f Net Capital Turnover Ratio not applicable as no Revenue from Operations.
- g Net Profit Ratio is increased on account of reduction in Other expenses and Loss during the year.
- h Return on Capital Employed increased due reduction in Loss during the year.
- i Return on Investment reduced due to reduction in Other income (excluding Income from Lease Rent).

22.1 FORMULAE FOR COMPUTATION OF RATIOS ARE AS FOLLOWS:

Sr. No.	Particulars	Formula
1	Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
2	Debt-Equity Ratio	$\frac{\text{Total Debt}}{\text{Total Equity}}$
3	Debt Service Coverage Ratio	$\frac{\text{Earnings before Interest, Tax and Exceptional Items}}{\text{Interest Expense + Principal Repayments made during the period for long term loans}}$
4	Return on Equity Ratio	$\frac{\text{Profit After Tax (Attributable to Owners)}}{\text{Average Net Worth}}$
5	Inventory Turnover Ratio	Not Applicable
6	Trade Receivables Turnover Ratio	Not Applicable
7	Trade Payables Turnover Ratio	Not Applicable

Reliance Innovative Building Solutions Private Limited
Notes on Financial Statements for the year ended 31st March, 2022

Sr. No.	Particulars	Formula
8	Net Capital Turnover Ratio	Not Applicable
9	Net Profit Ratio	$\frac{\text{Profit after tax(after exceptional items)}}{\text{Total Income}}$
10	Return on Capital Employed (Excluding Working Capital financing)	$\frac{\text{Net Profit After Tax + Deferred Tax Expense/(Income) + Finance Cost (-) Other Income}}{\text{Average Capital Employed**}}$
11	Return on Investment	$\frac{\text{Other Income (Excluding Dividend and Rental Income)}}{\text{Average Cash, Cash Equivalents \& Other Marketable Securities}}$

**Capital employed includes Equity, Borrowings, Deferred Tax Liabilities, Creditors for Capital Expenditure and reduced by Investments, Cash and Cash Equivalents, Capital Work-in-Progress and Intangible Assets under Development.

23 OTHER STATUTORY INFORMATION:

(i) There are no balances outstanding with struck off companies as per section 248 of the Companies Act, 2013.

(ii) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(iii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iv) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.

24 APPROVAL OF FINANCIAL STATEMENTS

The Financial statements were approved for issue by the Board of Directors on April 11, 2022.

Reliance Innovative Building Solutions Private Limited

As per our Report of even date

M/s. Chaturvedi & Shah LLP

Firm Registration No : 101720W/W100355

Chartered Accountants

Vitesh D. Gandhi

Partner

Membership No. 110248

Date : April 11, 2022

For and on behalf of the Board

Tarun Kumar Jhunjhunwala

Chairman

Sudhakar Saraswatula

Director

Ramesh Kumar Damani

Director

Pooja Karia

Chief Financial Officer

Rajiv Sharma

Chief Executive Officer

Avani Gangapurkar

Company Secretary