

Reliance SMSL Limited
(formerly known as Strategic Manpower Solutions Limited)

Financial Statements
2021-22

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, 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 Profit including total Comprehensive Income, 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 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 its 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 its 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

(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 representations under sub-clause (i) and (ii) of Rule 11(e), 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: 22110248AGYBJY6082

Place: Mumbai

Date: April 12, 2022

**“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)

- 1) As the company do not have any Property, Plant and Equipment including Intangible Assets as at the year end. Therefore, the provisions of clause (i) of paragraph 3 of the Order are not applicable to the company.
- 2) a) As the company do not have any Inventory during the year. Therefore, the provisions of clause (ii)(a) of paragraph 3 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 (ii)(b) of paragraph 3 of the Order is not applicable.
- 3) With respect to investments made in or any guarantee or security provided or any loans or advances in the nature, secured or unsecured, granted during the year by the Company to companies, firms, Limited Liability Partnerships or any other parties:
 - a) As per the information and explanations given to us and books of accounts and records examined by us, during the year Company has not provided any guarantee or security or has not granted any loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other entities. Hence reporting under clause (iii)(a), (c), (d) (e) and (f) of paragraph 3 of the Order are not applicable to the Company.
 - b) In our opinion and according to information and explanations given us and on the basis of our audit procedures, the investments made are, prima facie, not prejudicial to Company’s interest.
- 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 (v) of paragraph 3 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, duty of customs, 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 March 31, 2022 for a period of more than six months from the date they became payable, except for the items as set out below:

Name of Statue	Nature of Dues	Amount (Rs. in Lakhs)
Professional Tax Act	Professional Tax	126.49

- 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 taken any loans or other borrowings from any lender during the year. Hence reporting under, the clause 9(a) of paragraph 3 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 been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- 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, Company do not have any subsidiaries, associates or joint ventures and hence, reporting under clause (ix)(e) of the paragraph 3 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 do 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 (x)(a) of paragraph 3 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 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 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 (xii) of paragraph 3 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 Companies Act.
- 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.
- 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 (xvi)(d) of the Order is not applicable.

- 17) In our opinion, and according to the information and explanations provided to us, Company has not incurred any 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 (xviii) of Paragraph 3 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) With respect to CSR contribution under section 135 of the Act:
 - a) According to the information and explanations given to us and on the basis of our audit procedures, in respect of other than ongoing projects, there were no unspent amount that were required to be transferred to a Fund specified in Schedule VII in compliance with second proviso to sub-section 5 of section 135 of the Act.
 - b) According to the information and explanations given to us and on the basis of our audit procedures, in respect of ongoing projects there were no unspent amount that were required to be transferred to special account in compliance with provision of sub section 6 of section 135 of the Act.

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration no. 101720W/W100355

Vitesh D. Gandhi

Partner

Membership No.: 110248

UDIN: 22110248AGYBJY6082

Place : Mumbai

Date : April 12, 2022

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 the financial statements of **RELIANCE SML 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: 22110248AGYBJY6082

Place : Mumbai

Date : April 12, 2022

Reliance SMSL Limited
Balance Sheet As At 31 March, 2022

	Notes	As at 31st March, 2022	(₹. in Lakhs) As at 31st March, 2021
ASSETS			
Non-Current assets			
Property, Plant and Equipment	1	-	-
Deferred tax assets (net)	2	44 36.89	35 54.61
Other Non- current assets	3	18 22.15	11 46.99
Total Non-Current assets		62 59.04	47 01.60
Current assets			
Financial Assets:			
Trade receivables	4	131 05.59	75 43.87
Cash and cash equivalents	5	22.06	33 24.73
Other Financial Assets	6	384 51.68	248 95.45
Other Current Assets	7	141 44.19	75 86.55
Total Current assets		657 23.52	433 50.60
Total Assets		719 82.56	480 52.20
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	8	5.00	5.00
Other Equity	9	37 35.45	10 43.98
Total equity		37 40.45	10 48.98
Liabilities			
Non-Current Liabilities			
Provisions	10	93 00.02	81 59.67
Total non-current liabilities		93 00.02	81 59.67
Current Liabilities			
Financial Liabilities			
Trade Payables Due to:			
Micro and small enterprises		-	-
Other then Micro and small enterprises	11	58 38.84	36 45.20
Other Current Liabilities	12	447 68.57	292 30.04
Provisions	13	83 34.68	59 68.31
Total current liabilities		589 42.09	388 43.55
Total Liabilities		682 42.11	470 03.22
Total Equity and Liabilities		719 82.56	480 52.20

Significant Accounting Policies
 See accompanying Notes to the Financial Statements

1 to 28

As per our Report of even date

For **Chaturvedi & Shah LLP**
 Chartered Accountants
 Firm Regn No. - 101720W / W100355

Vitesh D. Gandhi
 Partner
 Membership No. - 110248

Mumbai
 April 12, 2022

For and on behalf of the Board

Sanjay Jog
 Director

Pramod Bhawalkar
 Director

Gulur Venkatesh
 Director

Jayashri Rajesh
 Director

Reliance SMSL Limited**Statement of Profit And Loss for the year ended 31st March, 2022**

	Notes	2021-22	(₹. in Lakhs) 2020-21
INCOME			
Income from Services		4199 11.95	2845 36.09
Less: GST Recovered		(621 12.58)	(434 11.32)
Revenue from Operations	14	3577 99.37	2411 24.77
Other Income	15	13.40	5 09.07
Total Income		3578 12.77	2416 33.84
EXPENSES			
Employee Benefits Expense	16	3306 07.74	2236 63.48
Other Expenses	17	257 96.01	170 62.35
Total Expenses		3564 03.75	2407 25.83
Profit Before Tax		14 09.02	9 08.01
Tax Expenses:			
Current Tax	3.2	-	-
Deferred Tax	2	(8 82.28)	(2 43.50)
		(8 82.28)	(2 43.50)
Profit for the year		22 91.30	11 51.51
Other Comprehensive Income			
(i) Item that will not be reclassified in Profit & Loss			
Remeasurement of Defined Benefit Plan		5 34.74	10 03.48
(ii) Income tax relating to items that will not be reclassified to Profit or loss			
		(1 34.54)	(2 52.48)
Total comprehensive income for the year		26 91.50	19 02.51
Earnings per equity share of face value of ₹ 10 each			
Basic (In ₹)		4 582.60	2 302.97
Diluted (In ₹)	18	20.24	10.17

Significant Accounting Policies

See accompanying Notes to the Financial Statements.

1 to 28

As per our Report of even date

For and on behalf of the BoardFor **Chaturvedi & Shah LLP**

Chartered Accountants

Firm Regn No. - 101720W / W100 355

Sanjay Jog

Director

Vitesh D. Gandhi

Partner

Membership No. - 110248

Pramod Bhawalkar

Director

Mumbai

April 12, 2022

Gulur Venkatesh

Director

Jayashri Rajesh

Director

Reliance SMSL Limited

Statement of Changes in Equity for the year ended 31st March, 2022

A. EQUITY SHARE CAPITAL

(₹. in Lakhs)

Balance as at 1st April, 2020	Change During the year 2020-21	Balance as at 31st March, 2021	Change During the year 2021-22	Balance as at 31st March, 2022
5.00	-	5.00	-	5.00

B Other Equity

(₹. in Lakhs)

	Balance at 1st April, 2021	Total Comprehensive Income for the year	Transferred to / (from) Retained Earnings	Balance at 31st March, 2022
As on 31st March, 2022				
Retained earning	(2 295.95)	-	2,291.30	(4.65)
Other Comprehensive Income for the year	2 212.67	400.20	-	2,612.87
Equity component of convertible instrument	1 127.26	-	-	1,127.26
Total	1043.98	400.20	2,291.30	3 735.45
	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				
Retained earning	(3 447.46)	-	1,151.51	(2 295.95)
Other Comprehensive Income for the year	1 461.67	751.00	-	2 212.67
Equity component of convertible instrument	1 127.26	-	-	1 127.26
Total	(858.53)	751.00	1 151.51	1043.98

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

Vitesh D. Gandhi
Partner
Membership No. - 110248

Mumbai
April 12, 2022

For and on behalf of the Board

Sanjay Jog
Director

Pramod Bhawalkar
Director

Gulur Venkatesh
Director

Jayashri Rajesh
Director

Reliance SMSL Limited
Statement of Cash Flow for the year ended 31st March, 2022

	2021-22	2020-21
A: CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax as per Statement of Profit and Loss	1 409.02	908.01
Adjusted for:		
Net gain on Investment	(13.39)	(18.67)
Interest Income	(0.01)	-
Operating Profit before Working Capital Changes	1 395.62	889.34
Adjusted for:		
Trade and Other Receivables	(25 675.62)	(2 624.37)
Trade and Other Payables	21 639.09	(544.15)
	(4 036.53)	(3 168.52)
Cash Generated from Operations	(2 640.91)	(2 279.18)
Taxes Paid (Net)	(675.16)	4 846.83
Net Cash Flow (Used in)/from Operating Activities	(3 316.07)	2 567.65
B: CASH FLOW FROM INVESTING ACTIVITIES		
Sales of Fixed Assets	-	87.24
Interest Income	0.01	-
Purchase of other investments	(41 567.92)	(45 699.35)
Sale of other Investments	41 581.31	46 351.53
Net Cash Flow (used in)/from Investing Activities	13.40	739.42
C: CASH FLOW FROM FINANCING ACTIVITIES		
Net Cash (used in)/From Financing Activities	-	-
Net (Decrease)/ Increase in Cash and Cash Equivalents	(3 302.67)	3 307.07
Opening Balance of Cash and Cash Equivalents	3 324.73	17.66
Closing Balance of Cash and Cash Equivalents (Refer Note 5)	22.06	3 324.73

As per our Report of even date

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

Vitesh D. Gandhi
Partner
Membership No. - 110248

Mumbai
April 12, 2022

For and on behalf of the Board

Sanjay Jog
Director

Pramod Bhawalkar
Director

Gulur Venkatesh
Director

Jayashri Rajesh
Director

Reliance SMSL Limited**Notes on Financial Statements for the year ended 31st March, 2022****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. Significant Accounting Policies**B.1 BASIS OF PREPARATION AND PRESENTATION**

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

- (i) Certain financial assets and liabilities 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.

Upto the year ended March 31, 2016, the Company has prepared its financial statements in accordance with the requirement of Indian GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".

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

A 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.

(c) Cash and Cash Equivalent

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

Reliance SMSL Limited**Notes on Financial Statements for the year ended 31st March, 2022****(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) Contingent Liabilities

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

(g) 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.

(h) 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.

- 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.

(i) Foreign Currencies Transactions and Translation

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

Reliance SMSL Limited**Notes on Financial Statements for the year ended 31st March, 2022**

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

(j) 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 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

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.

(l) 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.

Reliance SMSL Limited**Notes on Financial Statements for the year ended 31st March, 2022****d) Impairment of Financial Assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL). Expected Credit Losses are measured through a loss allowance at an amount equal to :

*The 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date);
or

*Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For Trade Receivables the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

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

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'.

(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:**(iii) Derecognition of financial instruments**

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

(iv) Offsetting

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

II) Earnings Per Share

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

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

C. CRITICAL ACCOUNTING JUDGMENTS 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) 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.

Reliance SMSL Limited
Notes on Financial Statements for the year ended 31st March, 2022

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) Fair Value Measurement:

For estimates relating to fair value of financial instruments refer note 21 of financial statements.

h) Estimation of Uncertainty relating to the Global Health Pandemic on COVID 19

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

COVID19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lock down of production facilities etc.

The company has evaluated impact of COVID -19 on its business operations and based on its review there is no significant impact on its financial statements.

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 Ind AS
- ii. Ind AS 103 – Business Combination
- iii. Ind AS 109 – Financial Instrument
- 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 SMSL Limited

Notes on financial statements for the year ended 31st March, 2022

1 PROPERTY, PLANT AND EQUIPMENT

(₹. in Lakhs)

	Description	Gross block				Depreciation				Net block	
		As at 1st April 2021	Additions/ Adjustments	Deductions / Adjustments	As at 31st March, 2022	As at 1st April 2021	For the year	Deductions/ Adjustments	Up to 31st March, 2022	As at 31st March, 2022	As at 31st March, 2021
1	PROPERTY, PLANT AND EQUIPMENT										
(i)	Tangible Assets:										
	Own Assets:										
	Plant and Machinery	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-
	Previous year	175.16	-	175.16	-	87.92		87.92	-	-	-

Reliance SMSL Limited

Notes on financial statements for the year ended 31st March, 2022

(₹. in Lakhs)

	As at 31st March, 2022	As at 31st March, 2021
2 DEFERRED TAX ASSETS (NET)		
The movement on the deferred tax account is as follows:		
At the start of the year	35 54.61	33 11.11
Credit to statement of Profit or loss (Note 3.2)	8 82.28	2 43.50
At the end of year	44 36.89	35 54.61

COMPONENT OF DEFERRED TAX LIABILITIES / (ASSET)

	As at 31st March, 2021	Credit to Statement of Profit and Loss	As at 31st March, 2022
Deferred Tax Liability/Assets in relation to			
Disallowance under the Income Tax Act, 1961	35 54.61	8 82.28	44 36.89
	-	-	-
Total	35 54.61	8 82.28	44 36.89

Reliance SMSL Limited
Notes on financial statements for the year ended 31st March, 2022

	As at 31st March, 2022	As at 31st March, 2021
3 OTHER NON- CURRENT ASSETS		
(Unsecured and Considered Good)		
Advance Income Tax (Net of Provision)	1 822.15	1 146.99
Total	1 822.15	1 146.99

	As at 31st March, 2022	As at 31st March, 2021
		(₹. in Lakhs)
3.1 Advance Income Tax (Net of Provision)		
At start of the year	1,146.99	5993.81
Charge for the year - Current Tax	-	-
Tax paid during the year	675.16	(4,846.82)
At end of year	1,822.15	1,146.99

	As at 31st March, 2022	As at 31st March, 2021
		(₹ in Lakhs)
3.2 TAXATION		
a) Income Tax recognised in statement of Profit and Loss		
Current Tax	-	-
Deferred Tax	(8 82.28)	(2 43.5)
Total Income Tax Expense recognised in the current year.	(8 82.28)	(243.50)

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
Profit before Tax	14 09.02	9 08.01
Applicable Tax Rate	25.17%	25.17%
Computed Tax Expense	354.65	2 28.55
Tax Effect of :		
Additional Allowances 80JJAA	(354.65)	(2 28.55)
Current Tax Provision (A)	0.00	(0.00)
Incremental Deferred Tax Liability on Property, Plant & Equipment	-	(5.47)
Incremental Deferred Tax Asset on account of Financial Assets & Other items	(882.28)	(2 38.03)
Deferred Tax Provision (B)	(8 82.28)	(243.50)
Tax Expenses recognised in Statement of Profit and Loss (A+B)	(882.28)	(243.50)
Effective Tax Rate	0.00%	0.00%

Reliance SMSL Limited

Notes on financial statements for the year ended 31st March, 2022

	As at 31st March, 2022	As at 31st March, 2021
4 TRADE RECEIVABLES		
(Unsecured and Considered Good)		
Trade receivables	13 105.59	7 543.87
Total	13 105.59	7 543.87

4.1 Trade Receivables Ageing as at 31st March'2022

(₹ in Lakhs)

	From Other Parties (incl. Associates & JVs)	Outstanding for following periods from due date of payment				Total
	Particulars	< 6 months	6 months - 1 year	1-2 year	2-3 Year	
(i)	Undisputed Trade receivables – considered good	529.17	-	-	-	529.17
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-
(iv)	Disputed Trade receivables – considered good	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-
	Subtotal	529.17	-	-	-	529.17

4.2 Trade Receivables Ageing As At 31st March'2021

(₹ in Lakhs)

	From Other Parties (incl. Associates & JVs)	Outstanding for following periods from due date of payment				Total
	Particulars	< 6 months	6 months - 1 year	1-2 year	2-3 Year	
(i)	Undisputed Trade receivables – considered good	120.12	296.95	3.17	0.06	420.30
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-
(iv)	Disputed Trade receivables – considered good	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-
	Subtotal	120.12	296.95	3.17	0.06	420.30

Reliance SMSL Limited**Notes on financial statements for the year ended 31st March, 2022**

	As at 31st March, 2022	As at 31st March, 2021
5 CASH AND CASH EQUIVALENTS		
Balance with bank	22.06	3,324.73
Cash and cash equivalents as per balance sheet	<u>22.06</u>	<u>3,324.73</u>
Cash and cash equivalents as per statement of cash flow	22.06	3,324.73

Reliance SMSL Limited**Notes on financial statements for the year ended 31st March, 2022**

	As at 31st March, 2022	As at 31st March, 2021
6 OTHER FINANCIAL ASSETS - CURRENT		
Deposits & Other Receivables*	38,451.68	24,895.45
Total	<u>38,451.68</u>	<u>24,895.45</u>

*Includes Deposits with Government authorities & Unbilled Revenue

Reliance SMSL Limited**Notes on financial statements for the year ended 31st March, 2022**

	As at 31st March, 2022	As at 31st March, 2021
7 OTHER CURRENT ASSETS		
(Unsecured and considered good)		
Balance with GST Authorities	1,150.57	354.85
Others*	12,993.62	7,231.69
Total	<u>14,144.19</u>	<u>7,586.54</u>

*Includes advance to employees, vendor and prepaid expenses.

Reliance SMSL Limited**Notes on financial statements for the year ended 31st March, 2022**

	As at 31st March, 2022	As at 31st March, 2021
8 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

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

Name of the Shareholder	No. of Shares	As at 31st March, 2022 % held	No. of Shares	As at 31st March, 2021 % held
Reliance Projects & Property Management Services Limited	50,000	100	50 000	100

Shareholding of Promoters**As at 31st March, 2022**

Sr. No.	Class of Equity Shares	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
1	Equity Shares	Reliance Projects & Property Management Services Limited	50,000	0	50,000	100	0

As at 31st March, 2021

Sr. No.	Class of Equity Shares	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
1	Equity Shares	Reliance Projects & Property Management Services Limited	50,000	0	50,000	100	0

8.2 Reconciliation of number of shares outstanding is set out below:

Particulars	As at 31st March, 2022 No. of shares	As at 31st March, 2021 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

8.3 1. Reliance Projects & Property Management Services Limited (formerly known as Reliance Digital Platform & Project Services Ltd), holding Company of the Company holds 50,000 Equity Shares of Rs. 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, 2022

	As at 31st March, 2022	(₹. in Lakhs) As at 31st March, 2021
9 OTHER EQUITY		
Retained Earnings		
As per last Balance Sheet	(2 295.95)	(3 447.46)
Profit / (Loss) of the Year	<u>2 291.30</u>	<u>1 151.51</u>
	(4.65)	(2 295.95)
Other Comprehensive Income		
As per last balance sheet	2 212.67	1 461.67
Add: movement in OCI (net) during the year	<u>400.20</u>	<u>751.00</u>
	2 612.87	2 212.67
Zero Coupon Unsecured optionally Fully Convertible Debenture of ₹ 10 each		
As per last balance sheet	1 127.26	1 127.26
Add: Issue of Debenture	<u>-</u>	<u>-</u>
	1 127.26	1 127.26
	<u>3 735.45</u>	<u>1 043.98</u>

- 9.1 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
- 9.2 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, 2022**

	As at 31st March, 2022	As at 31st March, 2021
10 PROVISIONS - Non Current		
Provision for Employee Benefits*	<u>9,300.02</u>	<u>8,159.67</u>
Total	<u><u>9,300.02</u></u>	<u><u>8,159.67</u></u>

* Provision for Gratuity & Leave encashment (Refer Note 16)

Reliance SMSL Limited
Notes on financial statements for the year ended 31st March, 2022

	As at 31st March, 2022	As at 31st March, 2021
11 TRADE PAYABLES		
Micro and Small Enterprise	-	-
Other than Micro and Small Enterprise	5,838.84	3,645.20
Total	5,838.84	3,645.20

11.1 Trade Payables Ageing As At 31st March'2022

(₹ in Lakhs)

To Other Parties (incl. Associates & JVs)	Outstanding for following periods from due date of payment				Total
Particulars	< 1 year	1-2 Year	2-3 Year	> 3 Years	
MSME	-	-	-	-	-
Others	404.69	0.09	-	-	404.77
Disputed-MSME	-	-	-	-	-
Disputed-Others	-	-	-	-	-
Total	404.69	0.09	-	-	404.77

11.2 Trade Payables Ageing As At 31st March'2021

(₹ in Lakhs)

To Other Parties (incl. Associates & JVs)	Outstanding for following periods from due date of payment				Total
Particulars	< 1 year	1-2 Year	2-3 Year	> 3 Years	
MSME	-	-	-	-	-
Others	752.39	0.05	-	-	752.44
Disputed-MSME	-	-	-	-	-
Disputed-Others	-	-	-	-	-
Total	752.39	0.05	-	-	752.44

Reliance SMSL Limited**Notes on financial statements for the year ended 31st March, 2022**

	As at 31st March, 2022	As at 31st March, 2021
12 OTHER CURRENT LIABILITIES		
Other Payables*	44 768.57	29 230.04
Total	<u>44 768.57</u>	<u>29 230.04</u>

*Includes Salary payable and Statutory Dues.

Reliance SMSL Limited**Notes on financial statements for the year ended 31st March, 2022**

	As at 31st March, 2022	As at 31st March, 2021
13 PROVISIONS - CURRENT		
Provision for Employee Benefits*	8 334.68	5 968.31
Total	<u>8 334.68</u>	<u>5 968.31</u>

* Provision for Gratuity & Leave encashment (Refer Note 16)

Reliance SMSL Limited**Notes on financial statements for the year ended 31st March, 2022**

		(₹. in Lakhs)
	2021-22	2020-21
14 Revenue from Operations		
Sale of Services	419 911.95	284 536.09
	419 911.95	284 536.09
Less: GST Recovered	62 112.58	43 411.32
Total	357 799.37	241 124.77

Reliance SMSL Limited**Notes on financial statements for the year ended 31st March, 2022**

	(₹. in Lakhs)	
	2021-22	2020-21
15 OTHER INCOME		
Interest		
Others	0.01	490.41
Gain on Financial Assets		
Realised Gain	13.39	18.67
Total	<u>13.40</u>	<u>509.07</u>

Reliance SMSL Limited
Notes on financial statements for the year ended 31st March, 2022

	(₹. in Lakhs)	
	2021-22	2020-21
16 EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	278 624.15	193 370.29
Contribution to Provident and Other Funds	29 231.94	18 802.30
Staff Welfare Expenses	22 751.65	11 490.89
Total	330 607.74	223 663.48

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	2021-22	2020-21
Employer's Contribution to Provident Fund	5 315.53	3 060.23
Employer's Contribution to Pension Fund	11 931.47	7 715.92

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	2021-22	2020-21
	Gratuity (Unfunded)	
Defined Benefit Obligations at the beginning of the year	6 787.37	5 842.07
Current Service Cost	2 137.70	1 819.97
Add: on Acquisition/Transfer	-	-
Interest Cost	471.39	399.32
Actuarial (Gain / Loss)	(534.74)	(1 003.48)
Benefits Paid	(432.48)	(270.51)
Defined Benefit Obligations at the end of the year	8 429.24	6 787.37

2. Reconciliation of Fair Value of Assets and Obligations

Particulars	2021-22	2020-21
	Gratuity (Unfunded)	
Fair Value of Plan Assets	-	-
Present Value Obligation	8 429.24	6 787.37
Amount Recognised in Balance sheet (Surplus/Deficit)	8 429.24	6 787.37

Reliance SMSL Limited

Notes on financial statements for the period ended 31st March, 2022

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

Particulars	2021-22	2020-21
	Gratuity (Unfunded)	
In Income Statement	As at 31st March	
Current Service Cost	2 137.70	1 819.97
Interest Cost	471.39	399.32
Expected Return on Plan Assets		
Actuarial (Gain / Loss)		
Net Cost	2 609.09	2 219.29
In Other Comprehensive Income		
Actuarial (Gain / Loss)	(534.74)	(1 003.48)
Return on Plan Assets	-	-
Net (Income)/ Expense For the period Recognised in OCI	(534.74)	(1 003.48)

4. Actuarial Assumptions

Mortality Table (IALM)	2021-22	2020-21
	Gratuity(Funded)	
Discount Rate (Per Annum)	7.09%	6.95%
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 2021-22.

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, 2022		As at 31st March, 2021	
	Decrease	Increase	Decrease	Increase
Change in rate of discounting (delta effect of +/- 0.5%)	98.30	(96.10)	88.65	(86.33)
Change in rate of salary increase(delta effect of +/- 0.5%)	(97.53)	98.85	(87.50)	89.03
Change in rate of employee turnover (delta effect of +/- 25%)	786.43	(630.05)	603.69	(501.09)
Change in rate of Mortality (delta effect of +/- 10%)	(0.70)	0.70	(0.52)	0.52

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, 2022**

(₹. in Lakhs)

	2021-22	2020-21
17 OTHER EXPENSES		
Insurance	1 987.06	2 255.09
Rates and Taxes	17.02	13.43
Travelling and Conveyance Expenses	9 255.68	5 458.73
Payment to Auditors	12.36	7.50
Professional Fees	6 114.28	3 669.24
Contracted Manpower Expenses	1 767.02	265.13
Communication Expenses	6 599.73	5 296.47
General Expenses	42.86	96.78
Total	25 796.01	17 062.35

17.1 Payment to Auditors as:	2021-22	2020-21
Particulars :		
(a) Statutory Audit Fees	8.00	4.40
(b) Tax Audit Fees	1.60	1.10
(c) Certification and other Fees	2.76	2.00
TOTAL	12.36	7.50

17.2 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 ₹ 8.84 Lakh (Previous Year ₹ 5 Lakhs).

b) Expenditure related to Corporate Social Responsibility is ₹ 8.84 Lakhs (Previous Year ₹ 5 Lakhs).
Details of amount spent towards CSR is given below :

	2021-22	2020-21
Particulars		
Rural Transformation	-	5.00
Promoting Healthcare including preventive Healthcare	8.84	-
	8.84	5.00

c) Out of the b) above, Rs. 8.84 lakhs (Previous Year Rs. 5 Lakhs) is spent through Reliance Foundation, Implementing Agency.

Reliance SMSL Limited

Notes on financial statements for the year ended 31st March, 2022

18 Earning Per Share :

	2021-22	Rs. in Lakhs 2020-21
FACE VALUE PER EQUITY SHARE OF (₹) 10 EACH		
BASIC EARNINGS PER SHARE		
i Net Profit after tax as per statement of profit and loss attributable to Equity Shareholders	2,291.30	1,151.49
ii Weighted Average number of equity shares used as denominator for calculating Basic EPS	50,000	50,000
iii Basic Earnings per share of face value of ₹.10 each (In ₹)	4,582.60	2,302.97
		₹ in Lakhs
	2021-22	2020-21
DILUTED EARNINGS PER SHARE	20.24	10.17
i Net Profit after Tax as per statement of Profit and Loss attributable to Equity Shareholders	2,291.30	1,151.49
ii Weighted Average number of equity shares used as denominator for calculating Diluted EPS	1,13,22,583.00	1,13,22,583.00
Reconciliation of Weighter Average Number of Shares outstanding		
i Weighted Average number of equity shares used as denominator for calculating Basic EPS	50,000	50,000
ii Add: Number of Zero Coupon Unsecured Optionally Fully Convertible Debentures (OFCDs)	1,12,72,583	1,12,72,583
iii Weighted Average number of equity shares used as denominator for calculating Diluted EPS	1,13,22,583	1,13,22,583

Reliance SMSL Limited**Notes on financial statements for the year ended 31st March, 2022****19 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 (formerly known as Reliance Digital Platform & Project Services Limited)	Holding Company
3	Reliance Corporate IT Park Limited	Fellow Subsidiary Company
4	Reliance Retail Limited	
5	Reliance Jio Infocomm Limited	
6	Reliance Brands Limited	
7	Reliance Clothing India Private Limited	
8	Reliance GAS Lifestyle India Private Limited	
9	Reliance-GrandOptical Private Limited	
10	Reliance Brands Luxury Fashion Private Limited (formerly known as Genesis Luxury Fashion Private Limited)	
11	Reliance Lifestyle Products Private Limited (formerly known as V&B Lifestyle India Private Limited)	
12	Genesis La Mode Private Limited	
13	GLF Lifestyle Brands Private Limited	
14	GML India Fashion Private Limited	
15	Genesis Colors Limited	
16	Reliance Paul & Shark Fashions Private Limited	Joint Venture of Fellow Subsidiary
17	Brooks Brothers India Private Limited	
18	Diesel Fashion India Reliance Private limited	
19	Ryohin-Keikaku Reliance India Private Limited	
20	Zegna South Asia Private limited	
21	Reliance Bally India Private Limited	
22	Canali India Private Limited	
23	7-India Convenience Retail Limited	

(ii) Transactions during the year with related parties:

₹ in Lakhs

Sr. No.	Nature of Transactions (Excluding reimbursements)	Holding/ Ultimate Company	Fellow Subsidiary/Joint Venture of Fellow Subsidiary Company	Total
1	Revenue form Operations	2,89,484.76 2,21,138.54	67,781.12 18,659.00	3,57,265.88 2,39,797.53
2	Revenue form Operations(Joint Venture of Fellow Subsidiary)	- -	218.31 160.26	218.31 160.26
3	Professional Fees	5,880.00 3,600.00	- -	5,880.00 3,600.00
4	Service received	17.13 0.68	6844.26 6,207.49	6,861.40 6,208.17
Balance as at 31st March, 2022				
1	Share Capital	5.00 5.00	- -	5.00 5.00
2	ZOFCF	1,127.26 1,127.26	- -	1,127.26 1,127.26
3	Trade Receivable	32,188.71 28,227.79	18,207.11 3,386.60	50,395.83 31,614.39
4	Trade Receivable (Joint Venture of Fellow Subsidiary)		61.92 32.96	61.92 32.96
5	Trade Payable	3,823.20 1,060.58	933.64 1,300.36	4,756.84 2,360.94
Note : Figures in Italic represents Previous Year's amount.				

Reliance SMSL Limited

Notes on financial statements for the year ended 31st March, 2022

iii Disclosure in Respect of Material Related Party Transactions during the year:		₹ in Lakhs	
Particulars	Relationship	2021-22	2020-21
1 Revenue from Operations			
Reliance Projects & Property Management Services Limited (formerly known as Reliance Digital Platform & Project Services Ltd)	Holding Company	2,89,484.76	2,21,139
Reliance Corporate IT Park Limited	Fellow Subsidiary Company	-	-
Reliance Retail Limited	Fellow Subsidiary Company	66,603.27	17,661.26
Reliance Brands Limited	Fellow Subsidiary Company	702.45	602.66
Reliance Clothing India Private Limited	Fellow Subsidiary Company	164.29	200.40
Reliance Gas Lifestyle India Private Limited	Fellow Subsidiary Company	38.10	27.66
Reliance-GrandOptical Private Limited	Fellow Subsidiary Company	0.07	0.06
Reliance Brands Luxury Fashion Private Limited (Formerly known as Genesis Luxury Fashions Private Limited)	Fellow Subsidiary Company	67.89	41.63
Genesis La Mode Private Limited	Fellow Subsidiary Company	78.20	47.20
GLF Lifestyle Brands Private Limited	Fellow Subsidiary Company	61.02	35.80
GML India Fashion Private Limited	Fellow Subsidiary Company	37.67	20.55
Genesis Colors Limited	Fellow Subsidiary Company	15.47	10.80
Reliance Lifestyle Products Private Limited (formerly known as V&B Lifestyle India Private Limited)	Fellow Subsidiary Company	12.68	10.97
Reliance Bally India Private Limited	Joint Venture of Fellow Subsidiary	6.45	5.13
Diesel Fashion India Reliance Private limited	Joint Venture of Fellow Subsidiary	38.75	33.23
Brooks Brothers India Private Limited	Joint Venture of Fellow Subsidiary	62.19	56.66
Reliance Paul & Shark Fashions Private Limited	Joint Venture of Fellow Subsidiary	9.99	9.36
Zegna South Asia Private Limited	Joint Venture of Fellow Subsidiary	15.70	12.93
Ryohin-Keikaku Reliance India Private Limited	Joint Venture of Fellow Subsidiary	19.92	18.24
Canali India Private Limited	Joint Venture of Fellow Subsidiary	29.23	24.71
7-India Convenience Retail Limited	Joint Venture of Fellow Subsidiary	36.08	-
2 Professional Services			
Reliance Corporate IT Park Limited	Subsidiary Company	-	-
Reliance Projects & Property Management Services Limited (formerly known as Reliance Digital Platform & Project Services Ltd)	Holding Company	5,880.00	3,600.00
3 Trade Receivable			
Reliance Projects & Property Management Services Limited (formerly known as Reliance Digital Platform & Project Services Ltd)	Holding Company	32,188.71	28,227.79
Reliance Corporate IT Park Limited	Fellow Subsidiary Company	32.46	-
Reliance Brands Limited	Fellow Subsidiary Company	234.38	111.85
Reliance Clothing India Private Limited	Fellow Subsidiary Company	50.07	29.78
Reliance Retail Limited	Fellow Subsidiary Company	17,783.77	3,202.00
Reliance Brands Luxury Fashion Private Limited (formerly known as Genesis Luxury Fashion Private Limited)	Fellow Subsidiary Company	23.97	10.38
Reliance Gas Lifestyle India Private Limited	Fellow Subsidiary Company	11.53	5.82
Reliance-GrandOptical Private Limited	Fellow Subsidiary Company	-	0.19
Reliance Lifestyle Products Private Limited (formerly known as V&B Lifestyle India Private Limited)	Fellow Subsidiary Company	3.88	2.21
Genesis La Mode Private Limited	Fellow Subsidiary Company	26.82	10.54
GLF Lifestyle Brands Private Limited	Fellow Subsidiary Company	17.57	8.41
GML India Fashion Private Limited	Fellow Subsidiary Company	16.76	3.66
Genesis Colors Limited	Fellow Subsidiary Company	5.89	1.75
Reliance Bally India Private Limited	Joint Venture of Fellow Subsidiary	2.22	0.97
Diesel Fashion India Reliance Private limited	Joint Venture of Fellow Subsidiary	11.32	5.84
Brooks Brothers India Private Limited	Joint Venture of Fellow Subsidiary	17.13	10.80
Reliance Paul & Shark Fashions Private Limited	Joint Venture of Fellow Subsidiary	2.73	1.75
Zegna South Asia Private Limited	Joint Venture of Fellow Subsidiary	5.98	4.73
Ryohin-Keikaku Reliance India Private Limited	Joint Venture of Fellow Subsidiary	6.23	3.56
Canali India Private Limited	Joint Venture of Fellow Subsidiary	9.45	5.31
7-India Convenience Retail Limited	Joint Venture of Fellow Subsidiary	6.87	-

Reliance SMSL Limited

Notes on financial statements for the year ended 31st March, 2022

4

Trade Payable			
Reliance Projects & Property Management Services Limited (formerly known as Reliance Digital Platform & Project Services Ltd)	Holding Co.	3,823.20	1,060.21
Reliance Industries Limited	Ultimate Holding Co.		0.37
Reliance Corporate IT Park Limited	Fellow Subsidiary Company	2.76	76.58
Reliance Retail Limited	Fellow Subsidiary Company	611.81	0
Reliance Jio Infocomm Limited	Fellow Subsidiary Company	319.01	1,223.78
Reliance-GrandOptical Private Limited	Fellow Subsidiary Company	0.00	-
7-India Convenience Retail Limited	Joint Venture of Fellow Subsidiary		-
		0.05	
Services Received			
Reliance Industries Limited	Ultimate Holding Co.	17.13	0.68
Reliance Retail Limited	Fellow Subsidiary Company	-	0.00
Reliance Corporate IT Park Limited	Fellow Subsidiary Company	1.64	91.66
Reliance Jio Infocomm Limited	Fellow Subsidiary Company	6,842.62	6,115.82

Reliance SMSL Limited**Notes on financial statements for the year ended 31st March, 2022****20 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.

The capital structure of the company consists of net debt and total equity of the company.

20.1 Gearing ratio

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

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
Debt	-	-
Cash and bank balance	22.06	3324.73
Net debt	(22.06)	(3 324.73)
Total Equity	3740.45	1,048.97
Net debt to equity ratio	-	-

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

21 Financial Instruments**A) Fair valuation measurement hierarchy**

₹ in Lakhs

Particulars	As at 31st March, 2022				As at 31st March, 2021			
	Carrying Amount	Level of input used in			Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets								
At Amortised Cost								
Trade Receivables	131 05.59	-	-	-	75 43.87	-	-	-
Cash and Cash Equivalents	22.06	-	-	-	33 24.73	-	-	-
Other Financial Assets	384 51.68	-	-	-	248 95.45	-	-	-
At FVTPL								
Investments	-	-	-	-	-	-	-	-
Financial Liabilities								
At Amortised Cost								
Borrowings	-	-	-	-	-	-	-	-
Trade Payables	58 38.84	-	-	-	36 45.2	-	-	-
Other Financial Liabilities	-	-	-	-	-	-	-	-

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; 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 from	Measurement	Mitigation
Credit risk	Cash and cash equivalents, trade receivables, derivative financial assets and other financial assets	Ageing analysis, Credit ratings	Dealing with highly rated counterparties as a policy along with pre-defined credit limits, concentration limits and derivative notional 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, 2022**

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.

- 22** Details of Loan given, investments made, guarantees given and securities provided covered us 186 (4) of the Companies Act 2013.

i) Loan given Rs. NIL (Previous Year Rs. NIL).

ii) Investments made Rs. NIL (Previous Year Rs. NIL).

iii) Guarantees given and Securities provided by the Company in respect of Loan Rs. NIL (Previous Year Rs. NIL).

- 23** 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, obtaining financial information.

Revenue from two Customers contributed 10% or more to the Company's revenue for 2021-22 and revenue from one Customer contributed 10% or more to the Company's revenue for 2020-21.

24 Other Statutory Information

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

ii) The Company do not have any Capital-work-in progress or intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

iii) 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 Intermediaries 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.

iv) 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.

v) 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.

Reliance SMSL Limited**Notes on financial statements for the year ended 31st March, 2022****25 Ratio Analysis :-**

1	Current Ratio	1.12	1.12	-0.09%
2	Debt-Equity Ratio	N.A.	N.A.	
3	Debt Service Coverage Ratio	N.A.	N.A.	
4	Return on Equity Ratio*	0.96	11.78	-91.88%
5	Inventory Turnover Ratio	N.A.	N.A.	
6	Trade Receivables Turnover Ratio @	34.65	60.99	-43.18%
7	Trade Payables Turnover Ratio @	69.72	28.98	140.54%
8	Net Capital Turnover Ratio @	63.39	202.04	-68.62%
9	Net Profit Ratio @	0.01	0.00	34.10%
10	Return on Capital Employed (Excluding Working Capital Financing) @	1.93	-0.21	-1016.74%
11	Return on Investment #	0.01	0.30	-97.37%

* Change in Return on Equity is due to increase in profit as compared to losses in the previous years.

@ Due to increase in Operations of the Company in Current Financial Year as compared to Previous Financial Year.

Change in Return on Investment is due to NIL Investment in Current Financial Year as compared to Previous Financial Year.

25.1 Formulae of computation of ratios are as follows :

Sr. no.	Particulars	Formula
1	Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
2	Debt-Equity Ratio	Not Applicable
3	Debt Service Coverage Ratio	Not Applicable
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	$\frac{\text{Revenue from Operations}}{\text{Average Trade Receivables}}$
7	Trade Payables Turnover Ratio	$\frac{\text{Employee Benefit Expenses}}{\text{Average Trade Payables}}$
8	Net Capital Turnover Ratio	$\frac{\text{Revenue from Operations}}{\text{Average Working Capital (Current Assets - Current Liabilities)}}$
9	Net Profit Ratio	$\frac{\text{Profit After Tax (after exceptional items)}}{\text{Revenue from Operations}}$
10	Return on Capital Employed (Excluding Working Capital Financing)	$\frac{\text{Net Profit After Tax + Deferred Tax Expense/(Income) - Other Income}}{\text{Average Capital Employed**}}$
11	Return on Investment	$\frac{\text{Other Income}}{\text{Average Cash, Cash Equivalents \& Other Marketable Securities}}$

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

Notes on financial statements for the year ended 31st March, 2022

26 EVENTS AFTER THE REPORTING PERIOD :

There is no major subsequent events after the reporting period for FY 21-22.

27 The Figures of Corresponding previous years have been regrouped/reclassified wherever necessary, to make them comparable.**28 Approval of financial statements**

The financial statements were approved for issue by the board of directors on 12th April, 2022

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

Vitesh D. Gandhi

Partner

Membership No. - 110248

Pramod Bhawalkar

Director

Mumbai

April 12, 2022

Gulur Venkatesh

Director

Jayashri Rajesh

Director