

RELIANCE

**COMMERCIAL
FINANCE**

**Annual Report
2016- 17**

Profile

Reliance Commercial Finance Limited is a wholly owned subsidiary of Reliance Capital Limited. The Company is registered with Reserve Bank of India (RBI) as a Non-Banking Financial Company without accepting public deposits, as defined under Section 45-IA of the Reserve Bank of India Act, 1934. The Company is principally engaged in lending activities.

The Company offers a wide range of products which include Small and Medium Enterprises (SME) loans, Infrastructure financing, Agriculture loans and Supply Chain financing, Micro financing and Vehicle loans. The focus in this business continues to be on asset backed lending and productive asset creation.

Mission: Excellence in Financial Services

- To attain global best practices and become a world-class financial services enterprise – guided by its purpose to move towards greater degree of sophistication and maturity.
- To work with vigour, dedication and innovation to achieve excellence in service, quality, reliability, safety and customer care as the ultimate goal.
- To earn the trust and confidence of all stakeholders, exceeding their expectations and make the Company a respected household name.
- To consistently achieve high growth with the highest levels of productivity.
- To be a technology driven, efficient and financially sound organisation.
- To contribute towards community development and nation building.
- To be a responsible corporate citizen nurturing human values and concern for society, the environment and above all the people.
- To promote a work culture that fosters individual growth, team spirit and creativity to overcome challenges and attain goals.
- To encourage ideas, talent and value systems.
- To uphold the guiding principles of trust, integrity and transparency in all aspects of interactions and dealings.

Reliance Commercial Finance Limited

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Company Secretary & Compliance Officer		

Smt. Ekta Thakurel

Auditors

M/s. Chaturvedi & Shah

Registered Office

Reliance Centre,
6th Floor, South Wing, Off Western Express Highway,
Santacruz (East), Mumbai 400 055
CIN : U66010MH2000PLC128301
Tel. : +91 22 3303 6000
Fax : +91 22 3303 6662
E-mail : rcfl.investor@relianceada.com
Website: www.reliancecommercialfinance.com

Registrar and Transfer Agent

Karvy Computershare Private Limited
Karvy Selenium Tower - B,
7th Floor, Plot No. 31 & 32, Survey No. 116/22, 115/24,
115/25, Financial District, Nanakramguda,
Hyderabad 500 032
Tel.:+91 40 6716 1500
Fax: +91 40 6716 1791
E-mail:mis.radag@karvy.com
Website: www.karvy.com

Debenture Trustee(s)

Vistra ITCL (India) Limited
(formerly IL & FS Trust Company Limited)
The IL & FS Financial Centre, Plot C-22, G Block,
Bandra Kurla Complex, Bandra (East), Mumbai 400 051
Tel.: +91 22 2659 3535
Fax: +91 22 2653 3297
E-mail: mumbai@vistra.com
Website: www.vistraitcl.com

Rating Agencies

Credit Analysis & Research Limited
4th Floor, Godrej Coliseum,
Somaiya Hospital Road,
Off Eastern Express Highway, Sion (East), Mumbai 400 022
Tel.: +91 22 6754 3456
Fax: +91 22 6754 3457
Website: www.careratings.com
Email: care@careratings.com

Brickwork Ratings India Private Limited

3rd Floor, Raj Alkaa Park,
29/3 & 32/2, Kalena Agrahara,
Bannerghatta Road, Bangalore 560 076
Tel.: +91 80 4040 9940
Fax: +91 80 4040 9941
Website: www.BrickworkRatings.com
E-mail: kc.holla@brickworkratings.com

ICRA Limited

1105, Kailash Building, 11th Floor,
26, Kasturba Gandhi Marg,
New Delhi 110 001
Tel.:+91 22 6169 3300
Fax:+91 22 2433 1390
Website: www.icra.in
E-mail:mumbai@icraindia.com

Directors' Report

Dear Shareowners,

Your Directors have pleasure in presenting the 17th Annual Report and the audited financial statement for the financial year ended March 31, 2017.

FINANCIAL RESULTS

The performance of the Company for the financial year ended March 31, 2017 is summarised below:

Particulars	(₹ in crore)	
	**March 31, 2017	*March 31, 2016
Revenue from operations	1,927.76	0.05
Other Income	25.58	0.00
Total Revenue	1953.34	0.05
Profit/(loss) before Depreciation & Tax	353.77	0.04
Less: Depreciation and Amortisation	11.09	-
Profit/(loss) before Tax	342.68	0.04
Less: Provision for Income Tax	87.67	0.01
Less: Provision for Deferred Tax	(40.16)	-
Net Profit/(loss) After Tax	295.17	0.03
Add: Profit/(loss) brought forward from previous year	(2.95)	(2.97)
Less: Amount Transferred to General Reserve	-	-
Less: Amount Transferred to Special Reserve	59.03	0.01
Profit/(loss) carried to Balance Sheet	233.19	(2.95)
Earnings per share (Basic & Diluted)	46.04	0.01

* Previous year figures have been regrouped / reclassified wherever necessary.

** The figures for the current year includes figures of Commercial Finance Business demerged from Reliance Capital Limited into the Company and therefore to that extent not strictly comparable to that of previous year's figures.

FINANCIAL PERFORMANCE

During the year under review, your Company has earned Profit Before Tax of ₹ 342.68 crore for the financial year ended March 31, 2017 as against ₹ 0.04 crore in the previous financial year and Profit After Tax of ₹ 295.17 crore for the financial year March 31, 2017 as against ₹ 0.03 crore in the previous financial year.

DIVIDEND

Your Directors have recommended a dividend of ₹ 0.50 (5 percent) per equity share, each of ₹ 10 aggregating to ₹ 7.39 crore (inclusive of dividend tax) for the financial year ended March 31, 2017, subject to the approval of shareholders in the Annual General Meeting.

SCHEME OF ARRANGEMENT

The Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956 (the 'Scheme') for demerger of Commercial Finance Business of Reliance Capital Limited into the Company has been sanctioned by the Hon'ble High Court of Judicature at Bombay. The Scheme has become effective on March 24, 2017 on filing with the Registrar of Companies, Maharashtra at Mumbai with effect from April 1, 2016 i.e. Appointed date.

During the year under review, your Directors had approved the Scheme of Arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder, for transfer and vesting of the Lease Rentals and Financing Business of Reliance MediaWorks Limited into the Company. The Appointed Date for the Scheme is March 31, 2017. The Scheme is subject to requisite approvals, including sanction by National Company Law Tribunal (NCLT).

CAPITAL ADEQUACY RATIO

Your Company's Capital to Risk Asset Ratio (CRAR) calculated in line with Master Direction - Non-Banking Financial Company-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 stood at 17.19%, well above the regulatory minimum of 15%. Your Company's asset size is ₹ 13,654.36 crore. The Company has received a certificate from the Auditors of the Company, M/s Chaturvedi & Shah, Chartered Accountants, pursuant to Master Direction-Non Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 vide RBI/DNBS/2016-17/48 Master Direction DNBS. PPD.03/66.15.001/2016-17 dated September 29, 2016 regarding compliance of requirements as stated in the said directions.

DEPOSITS

The Company has neither accepted nor renewed any fixed deposits during the year. There is no unclaimed deposit, unclaimed / unpaid interest, and refunds due to the deposit holders as on March 31, 2017.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186(11) of the Companies Act, 2013 (the "Act") loans made and acquisition of securities by a Non-Banking Financial Company in the ordinary course of its business are exempted from disclosure in the Annual Report.

SUBSIDIARY AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary or Associate Company.

Directors' Report

CAPITAL STRUCTURE

As on March 31, 2017, the authorized share capital of the Company was ₹ 600,00,00,000/- (Rupees Six Hundred Crore Only) comprising of 20,00,00,000 (Twenty Crore) Equity Shares, each of ₹ 10/- and 40,00,00,000 (Forty Crore) Preference shares, each of ₹ 10/-. The issued, subscribed and paid-up share capital of your Company stood at ₹ 522,82,57,000/- (Five Hundred Twenty Two Crore Eighty Two Lakh and Fifty Seven Thousand Only) comprising of 12,28,25,700 (Twelve Crore Twenty Eight Lakh Twenty Five Thousand and Seven Hundred) Equity shares, each of ₹ 10/- and 40,00,00,000 (Forty Crore) Preference Shares, each of ₹ 10/-. The Company has neither issued shares with differential voting rights nor granted any stock options or sweat equity or bonus shares. Further, the Company has not bought back any of its shares during the year under review.

DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Act.

Shri Devang Mody was appointed as an Additional Director with effect from April 20, 2017. The Company has received a notice in writing from a member proposing his candidature for the office of the Director. It is proposed to appoint him as the Whole-time Executive Director at the ensuing Annual General Meeting of the Company.

In terms of the provisions of the Companies Act, 2013, Shri Lav Chaturvedi, Non-Executive Director of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

Shri V. R. Mohan and Shri Monish Sheth ceased to be Directors with effect from February 9, 2017 and Shri Soumen Ghosh ceased to be Director with effect from March 31, 2017. The Board places on record its deep sense of appreciation for the invaluable contribution made by them during their tenure as Directors of the Company.

KEY MANAGERIAL PERSONNEL

In terms of provisions of Section 203 of the Companies Act, 2013 and rules made thereunder, the appointment and the cessation of the Key Managerial Personnel are as under:

Shri Devang Mody was appointed as Chief Executive Officer (CEO) of the Company by the Board at their Meeting held on March 9, 2017 with effect from April 3, 2017.

Shri Varun Agarwal resigned as the Chief Financial Officer (CFO) of the Company with effect from February 9, 2017. Thereafter, Shri Amrish Shah was appointed on March 9, 2017 as Chief Financial Officer of the Company.

Shri Ravin Tank resigned as the Manager & Company Secretary of the Company with effect from February 9, 2017. Ms. Ekta Thakurel was appointed as the Company Secretary and Compliance Officer of the Company on March 9, 2017.

EVALUATION OF DIRECTORS, BOARD AND COMMITTEES

The Company has devised a policy for performance evaluation of the individual directors, Board and its Committees which include criteria for performance evaluation.

Pursuant to the provisions of the Act and rules made thereunder, the Board has carried out an annual performance evaluation of

its own performance, the Directors individually as well as the evaluation of the working of the Committees of the Board. The Board performance was evaluated based on inputs received from all the Directors after considering criteria such as Board Composition and structure, effectiveness of Board / Committee processes, and information provided to the Board, etc.

The Nomination and Remuneration Committee has also reviewed the performance of the individual directors based on their knowledge, level of preparation and effective participation in meetings, understanding of their roles as Directors, etc.

POLICY ON APPOINTMENT AND REMUNERATION FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT EMPLOYEES

The Nomination and Remuneration Committee of the Board has devised a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Employees and their Remuneration. The Committee has formulated the criteria for determining qualifications, positive attributes and independence of a Director. The policy on the above is attached as "Annexure I".

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(5) of the Act with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (a) In the preparation of the annual financial statement for the financial year ended March 31, 2017, the applicable Accounting Standards had been followed along with proper explanation relating to material departures; if any;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for the year ended on that date;
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the annual financial statement for the financial year ended March 31, 2017 on a 'going concern' basis;
- (e) The Directors had laid down proper internal financial controls to be followed by the Company and such financial controls are adequate and are operating effectively; and
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts /arrangements /transactions entered into /by the Company during the financial year under review with related parties were on arm's length basis and in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons, which may have a potential conflict with the interest of the Company at large.

Directors' Report

All Related Party Transactions were placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee was obtained for transactions which were mainly of repetitive nature. The transactions entered into pursuant to the omnibus approval so granted were reviewed and statements giving details of all related party transactions were placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis. Your Directors draw attention of the members to Note no. 34 to the financial statement which set out related party disclosures.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments affecting the financial position of the Company.

MEETINGS OF THE BOARD

During the year, seven Board Meetings were held, details of which are given in a separate section forming part of this Annual Report.

AUDIT COMMITTEE

The Audit Committee of the Board consists of Independent Directors namely Shri Padmanabh Vora and Smt. Deena Mehta, and Non-Independent and non-executive Director namely Shri Lav Chaturvedi. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

The details of Board and its Committees are given in a separate section forming part of this Annual Report.

AUDITORS AND AUDITOR'S REPORT

M/s. Chaturvedi & Shah, Chartered Accountants, Statutory Auditors of the Company were appointed to hold office of Auditors, till the conclusion of ensuing Annual General Meeting.

Pursuant to the provisions of Section 139 of the Companies Act, 2013 (the "Act") read with Rule 6 of Companies (Audit and Auditors) Rules, 2014 M/s. Chaturvedi & Shah, Chartered Accountants, Statutory Auditors' having completed their term retires from the office of the Statutory Auditors. Price Waterhouse & Co Chartered Accountants LLP, is proposed to be appointed as Statutory Auditors in place of M/s. Chaturvedi & Shah, Chartered Accountants.

The Company has received letter from Price Waterhouse & Co, Chartered Accountants LLP, to the effect that their appointment, if made, is within the prescribed limits under Section 141(3) of the Act and that they are not disqualified from appointment as Statutory Auditors of the Company.

Your Directors have therefore proposed to appoint Price Waterhouse & Co, Chartered Accountants LLP, as Statutory Auditors of the Company, subject to the approval of the members at the ensuing Annual General Meeting.

The observations and comments given by the Auditors in their report read together with notes on financial statements are self-explanatory and hence do not call for any further comments under section 134 of the Act.

REGISTERED OFFICE

The registered office of the Company had been shifted to "Reliance Centre, 6th Floor, South Wing, Off Western Express

Highway, Santacruz (East), Mumbai 400 055" with effect from February 9, 2017. Before February 9, 2017 the registered office of the company was at Reliance Centre, 19, Walchand Hirachand Marg, Mumbai 400 001.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Board of Directors had appointed Bhatt & Associates LLP, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company. There is no qualification, reservation or adverse remark made in their Secretarial Audit Report. The Audit Report of the Secretarial Auditor is attached as "Annexure VI".

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company in Form MGT-9 is attached as "Annexure II".

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURE

In terms of provisions of Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in said rules are provided in Annexure to the Directors' Report. However, having regard to the provisions of Section 136 of the Act, the Annual Report excluding the aforesaid information is being sent to all the Members of the Company and others entitled thereto. The said information is available for inspection at the registered office of the Company on all working days, except Saturdays between 11:00 A.M. and 1:00 P.M. up to the date of the meeting and any member interested in obtaining the same may write to the Company Secretary. Upon receipt of such request, the information shall be furnished.

Disclosure relating to the remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are provided in "Annexure III".

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

The Company is a Non-Banking Financial Company (NBFC) and does not involve in any manufacturing activity, most of the information as required under Section 134(3)(m) of Act read with Rule 8 of the Companies (Accounts) Rules, 2014 are not applicable. However, the information as applicable has been given in "Annexure V" forming part of this Report.

CORPORATE GOVERNANCE

The Company being an NBFC and is also governed by the Corporate Governance norms prescribed by Reserve Bank of India (RBI) vide Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 vide RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016. The Company has complied with the directions and circulars issued by the RBI in this regards.

Directors' Report

VIGIL MECHANISM

In accordance with Section 177 of the Act, the Company has formulated a Vigil Mechanism to address the genuine concerns, if any, of the directors and employees.

RISK MANAGEMENT

The Company has laid down a robust Risk Management Policy, defining Risk profiles involving Strategic, Technological, Operational, Financial, Organizational, Legal and Regulatory risk within a well-defined framework. The Risk Management Policy acts as an enabler of growth for the Company by helping its business to identify the inherent risks, assess, evaluate and monitor these risks continuously and undertake effective steps to mitigate and manage these risks.

This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

COMPLIANCE WITH PROVISIONS OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed to uphold and maintain the dignity of woman employees and it has in place a policy which provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints. During the year, no such complaints were received.

CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted Corporate Social Responsibility ("CSR") Committee in compliance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Corporate Social Responsibility Committee has formulated a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company.

The CSR Committee consists of Shri Padmanabh Vora, Smt. Deena Mehta and Shri Lav Chaturvedi as members. The disclosures with respect to CSR activities are given in "Annexure IV".

ORDERS, IF ANY, PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

No orders have been passed by the regulators or courts or tribunals that affect the going concern status and the Company's operations.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Company has in place adequate internal financial controls across the organization. The same is subject to review periodically by the internal audit cell for its effectiveness. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from the shareholders, debenture holders, debenture trustees, bankers, financial institution, regulatory bodies and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance of the Company during the year.

For and on behalf of the Board of Directors

Lav Chaturvedi Director	Devang Mody Executive Director & CEO	Padmanabh Vora Independent Director
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Place: Mumbai
Date : July 1, 2017

Policy on appointment and remuneration for Directors, Key Managerial Personnel and Senior Management Employees

1. Introduction

- 1.1 Reliance Commercial Finance Limited considers human resources as its invaluable assets. This policy aims to harmonise the aspirations of the directors /employees with the goals of the Company.
- 1.2 Human capital is a strategic source of value creation. As part of our progressive HR philosophy, it is necessary to have in place a comprehensive Compensation Policy, which is in line with the industry trend and is employee friendly.

2. Objectives

- 2.1 Ensuring that the quantum and composition of remuneration is reasonable and sufficient to attract, retain and motivate employees to run the Company successfully.
- 2.2 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- 2.3 Ensure that annual compensation review considers industry/business outlook and strategies adopted by industry peers, differentiates employees based on their performance/skill sets and also protects employees, particularly those in junior cadre, against inflationary pressures.
- 2.4 Retention of high performers at all levels and those playing critical roles.

3. Scope

The Board has constituted the "Nomination and Remuneration Committee" in line with the requirements under the provisions of the Companies Act, 2013. This Policy sets out the broad guiding principles for the Committee for recommending to the Board the appointment and remuneration of the directors, key managerial personnel, and senior managerial personnel of the Company.

4. Definitions

- 4.1 "Director" means a director appointed to the Board of the Company.
- 4.2 "Key Managerial Personnel" means
 - (i) the Chief Executive Officer or the Managing Director or the Manager;
 - (ii) the Company Secretary;
 - (iii) the Whole-time Director;
 - (iv) the Chief Financial Officer; and
 - (v) such other officer as may be prescribed under the Companies Act, 2013.
- 4.3 "Senior Management" means personnel of the company who are members of its core management team excluding Board of Directors comprising of all members of management one level below the executive directors, if any.

5. Policy

5.1 Appointment of Directors/Key Managerial/Senior Management personnel

The Nomination and Remuneration Committee, inter alia, considers qualifications, positive attributes, areas of expertise and number of Directorships and Memberships held in various committees of other companies by such persons for selection. The Board considers the recommendation of the Committee's and takes appropriate decisions. The Company also considers the requirement of skills and effectiveness of persons contributing to the Company's business and policy decisions.

5.2 Remuneration to Directors/ Key Managerial Personnel

- 5.2.1 The remuneration of the Directors/Managing Directors / Whole-time Directors and Managers etc. will be governed as per provisions contained in the Companies Act, 2013 and rules made therein from time to time.
- 5.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof as approved by the Board of Directors from time to time. The Non-Executive Directors shall also be entitled to profit related Commission, if approved by the Board, in addition to the sitting fees.
- 5.2.3 The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Directors/Key Managerial Personnel/Senior Management Personnel of the Company within the overall limits, if any, approved by the shareholders.
- 5.2.4 The remuneration structure shall include the following components:
 - (i) Basic Pay
 - (ii) Perquisites and Allowances
 - (iii) Stock Options, if any.
 - (iv) Commission (Applicable in case of Executive Directors/ Directors)
 - (v) Retiral Benefits
 - (vi) Performance Linked Incentives
- 5.2.5 The Annual Plan, Objectives, Financial Results of the Company shall be reviewed by the Nomination and Remuneration Committee and performance incentives, increment, revision in remuneration, etc. will be proposed based on the achievements.

5.3 Remuneration to other employees

Employees shall be assigned grades/bands according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade/bands and shall be based on various factors such as job profile, skill sets, seniority, experience, performance and prevailing remuneration levels for equivalent jobs.

6. Retention Features as part of Compensation Package

Based on the organizational need for retaining performing employees and those in critical roles, certain retention features may be rolled out as part of the overall compensation package. These may take form of Retention Bonuses (RBs); Special Monetary Programs (SMPs), Long-term Incentives (LTIs), Employee Stock Options, etc.

7. Modification and Amendment

The policy is subject to modification, amendment and alterations by the management at any time without assigning any reasons.

Reliance Commercial Finance Limited

Directors' Report

Annexure II

FORM NO. MGT – 9 EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

1) CIN	U66010MH2000PLC128301
2) Registration Date	August 17, 2000
3) Name of the Company	Reliance Commercial Finance Limited
4) Category / Sub-Category of the Company	Public Company / NBFC
5) Address of the Registered Office and contact details	Reliance Centre, 6 th Floor, South Wing, Off Western Express Highway, Santacruz (E), Mumbai 400 055 Tel.: +91 22 3303 6000 Fax: +91 22 3303 6662
6) Whether listed company	No
7) Name, address and contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium, Tower-B, Plot No 31 & 32, Survey No. 116/22, 115/24, 115/25, Financial District, Nanakramguda, Hyderabad 500 032 Tel.: +91 40 6716 1500 Fax: +91 40 6716 1791

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated):

Sl. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1.	Non-Banking Financial Services	649	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Reliance Capital Limited	L65910MH1986PLC165645	Holding	100	2(46)

IV. (A) SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2016)				No. of Shares held at the end of the year (March 31, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	70,00,694	5,63,00,006	6,33,00,700	100	6,33,00,694	5,95,25,006	12,28,25,700	100	Nil
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	70,00,694	5,63,00,006	6,33,00,700	100	6,33,00,694	5,95,25,006	12,28,25,700	100	Nil
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-

Directors' Report

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2016)				No. of Shares held at the end of the year (March 31, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	70,00,694	5,63,00,006	6,33,00,700	100	6,33,00,694	5,95,25,006	12,28,25,700	100	Nil
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):	-	-	-	-	-	-	-	-	-
(2) Non-Institutions									
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i. Individual shareholders holding nominal share capital up to ₹1 lac	-	-	-	-	-	-	-	-	-
ii. Individual shareholders holding nominal share capital in excess of ₹1 lac	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total(B)(2):	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	70,00,694	5,63,00,006	6,33,00,700*	100	6,33,00,694	5,95,25,006	12,28,25,700*	100	Nil

*Out of the above equity shares 6 equity shares (previous year 6 equity shares) are jointly held by Reliance Capital Limited and its Nominees.

ii) Shareholding of Promoters:

Sl. No.	Shareholders Name	Shareholding at the beginning of the year (April 1, 2016)			Shareholding at the end of the year (March 31, 2017)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Reliance Capital Limited	6,33,00,700	100.00	Nil	12,28,25,700	100.00	Nil	Nil
	Total	6,33,00,700	100.00	Nil	12,28,25,700	100.00	Nil	Nil

Reliance Commercial Finance Limited

Directors' Report

iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	At the beginning of the year	6,33,00,700	100.00	6,33,00,700	100.00
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity, etc.)	#	#	#	#
3.	At the end of the year	12,28,25,700	100.00	12,28,25,700	100.00

Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for Increase / Decrease (e.g. allotment /transfer / bonus/ sweat equity, etc.):

Shareholder's Name	Shareholding at the beginning of the year		Date	Increase / (Decrease) in share holding	Reason	Cumulative shareholding during the year	
	No. of Shares	% to total shares of the Company				No. of Shares	% to total shares of the Company
Reliance Capital Limited	6,33,00,700	100.00	01.04.2016	-	-	-	-
Reliance Capital Limited			27.03.2017	5,95,25,000	Allotment	12,28,25,700	100.00

iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% to total shares of the Company	No. of Shares	% to total shares of the Company

At the beginning of the year

Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):

No Change during the year

At the end of the year

v) Shareholding of Directors and Key Managerial Personnel:

Shri Padmanabh Vora, Smt. Deena Mehta, Shri Soumen Ghosh, Shri Lav Chaturvedi, Directors, Shri Amrish Shah, Chief Financial Officer, Smt. Ekta Thakurel, Company Secretary & Compliance Officer of the Company hold nil shares at the beginning and end of the year.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
Additions	9,266.35	1,297.02	-	10,563.37
Reduction	-	-	-	-
Net Change	9,266.35	1,297.02	-	10,563.37
Indebtedness at the end of the financial year				
i. Principal Amount	9,266.22	1,297.02	-	10,563.24
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	0.13	-	-	0.13
Total (i+ii+iii)	9,266.35	1,297.02	-	10,563.37

Directors' Report

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Nil

B. Particulars of Remuneration

i) Independent Directors

Sl. No.	Name of the Independent Director	Fees for attending Board/Committee Meetings (in ₹)	Commission (in ₹)	Total Amount (in ₹)
1	Shri. Padmanabh Vora	6,00,000	-	6,00,000
2	Smt. Deena Mehta	6,00,000	-	6,00,000
Total B (i)		12,00,000	-	12,00,000

ii) Other Non-Executive Directors

Sl. No.	Name of the Non-Executive Director	Fees for attending Board/Committee Meetings (in ₹)	Commission (in ₹)	Total Amount (in ₹)
1	Shri Lav Chaturvedi	-	-	-
2	Shri Soumen Ghosh	-	-	-
Total B (ii)		-	-	-
Total B (i)+B (ii)		12,00,000	-	12,00,000

C. Remuneration to Key Managerial Personnel other than MD /Manager /WTD.

(in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Amrish Shah w.e.f. (March 9, 2017)	Ekta Thakurel w.e.f. (March 9, 2017)	Total
1	Gross Salary			
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,35,758	72,898	4,08,657
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others, please specify	-	-	-
Total		3,35,758	72,898	4,08,657

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding offences to the Company, Directors and other officers of the Company during the year ended March 31, 2017.

Reliance Commercial Finance Limited

Directors' Report

Annexure III

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The Company does not have any Executive Director as on March 31, 2017.

The Company has Chief Financial Officer and Company Secretary as on March 31, 2017.

Non-Executive Directors are paid remuneration only by way of sitting fees for attending the Board / Committee meetings. Hence the ratio and comparison is not provided for Non-Executive Directors.

Sr. No.	Requirement	Disclosure	
1	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.	: Not Applicable	
2	The percentage increase in remuneration of each director, CEO, CFO, Company Secretary, Manager, if any, in the Financial Year.		
	Name of KMPs	Percentage increase in financial year remuneration in the Financial year 2016-2017	Ratio of remuneration of each KMP / To median remuneration of employees
	Shri Amrish Shah, Chief Financial Officer (w.e.f. March 9, 2017)	Not Applicable	8.81
	Smt. Ekta Thakurel, Company Secretary & Compliance Officer (w.e.f. March 9, 2017)	Not Applicable	1.92
	Shri Varun Agarwal, Chief Financial Officer (upto February 9, 2017)	Not Applicable	-
	Shri Ravin Tank, Company Secretary & Manager (upto February 9, 2017)	Not Applicable	-
3	The percentage increase in the median remuneration of employees in the Financial Year.	: Not Applicable	
4	Number of permanent employees on the rolls of Company.	: 877	
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	: Not Applicable	
6	Affirmation that the remuneration is as per the remuneration policy of the Company.	: Yes	

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2016-2017

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

The Company has a robust CSR policy at group level. As per the said policy, all our efforts are focused towards two goals: building a great enterprise for the stakeholders and a great future for our country.

Our approach is to interweave social responsibility into the Company's mainstream business function through translating commitments into policies, which not only drive all employees but influence and mobilize stakeholders, especially partners and suppliers to embrace responsible business practices in their respective spheres of action. The policy affirms business objectives and strategy along with our commitments to preserve natural resources and augment the growth and development of employees and families, the communities we operate in, suppliers/vendors and our investors.

The Board of Directors governs the CSR Policy. Web link to the CSR policy is as follows: <http://www.reliancecommercialfinance.com/corporate-governance>

2. The Composition of the CSR Committee:

Shri Padmanabh Vora – Independent Director

Smt. Deena Mehta – Independent Director

Shri Lav Chaturvedi – Non-Executive Director

3. Average net profit of the company for last three financial year:

Average net profit of ₹ 3,27,651/-.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

The Company is required to spend ₹ 6,553/- towards CSR.

5. Details of CSR spent during the financial year:

a. Total amount spent for the financial year :- ₹ 15,27,313/-

b. Amount unspent, if any :- Nil

c. Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR projects or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) Project or Programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads.	Cumulative Expenditure upto the reporting period.	Amount spent: Direct or through implementing agency (give details of implementing agency)
1.	Workshops and Health Camps	Health Care	Foundation for MSME Cluster: Haryana, Faridabad and Rajkot, Gujarat	4,84,875/-	4,84,875/-	4,84,875/-	Direct
2.	Imparting Education to under privileged Children for Mission Education Programme	Promoting Education	Smile Foundation	8,00,000/-	8,00,000/-	8,00,000/-	Direct
3.	Workshops and Health Camps	Health Care	Foundation for MSME Cluster: Harayna, Faridabad and Rajkot, Gujarat	2,42,438/-	2,42,438/-	2,42,438/-	Direct
	Total			15,27,313/-	15,27,313/-	15,27,313/-	

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Not applicable.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Lav Chaturvedi
Director

Devang Mody
Executive Director & CEO

Padmanabh Vora
Independent Director

Place: Mumbai
Date: July 1, 2017

(a) Conservation of Energy:

The steps taken or impact on conservation of energy	:	The Company requires energy for its operations and the Company is making all efforts to conserve energy by monitoring energy costs and periodically reviews of the consumption of energy. It also takes appropriate steps to reduce the consumption through efficiency in usage and timely maintenance / installation / upgradation of energy saving devices.
The steps taken by the Company for utilizing alternate sources of energy	:	
The capital investment on energy conservation equipments	:	

(b) Technology Absorption, Adoption and Innovation:

(i) The efforts made towards technology absorption	:	The Company uses latest technology and equipments into the business. Further the Company is not engaged in any manufacturing activities.
(ii) The benefits derived like product improvement, cost reduction, product development or import substitution	:	
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	:	
(a) The details of technology imported	:	
(b) The year of import	:	
(c) Whether technology been fully absorbed?	:	
(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof.	:	
(iv) The expenditure incurred on Research and development	:	The Company has not spent any amount towards research and developmental activities and has been active in harnessing and tapping the latest and the best technology in the industry.

(c) Total foreign exchange earnings and outgo:

a. Total Foreign Exchange earnings	:	Nil
b. Total Foreign Exchange outgo	:	₹ 48 Lakhs (rounded off)

**Form No. MR-3
Secretarial Audit Report**

For the financial year ended March 31, 2017

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To

The Members,

Reliance Commercial Finance Limited

Reliance Centre, 6th Floor, South Wing,
Off. Western Express Highway,
Santacruz (East) Mumbai 400 055

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Reliance Commercial Finance Limited (formerly known as "Reliance Gilts Limited") (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on the verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has followed proper Board - processes and have required compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017, according to the provisions of:

- i. The Companies Act, 2013 (the 'Act') and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder – Not Applicable;
- iii. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder – Not Applicable;
- iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder for compliance in respect of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – Not Applicable;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are Not Applicable: –
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998.

We have examined compliance with applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of the Company Secretaries of India for General Meetings, Board and Committees Meetings (i.e. Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee); and
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreements – Not Applicable.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines mentioned above.

Reliance Commercial Finance Limited

Directors' Report

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- (a) Reserve Bank of India Act, 1934 and its circulars, Master Circulars, notifications and its Directions as prescribed for NBFCs; and
- (b) Prevention of Money Laundering Act, 2002.

We further report that :-

The Board of Directors of the Company is duly constituted with proper balance of Non – Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and few on shorter notice and a system exist for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The decisions at Board Meetings and Committee Meetings are carried out and recorded in the minutes of the Board of Directors and Committee of the Board accordingly.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has undertaken event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

- (i) Change in the name of the Company from Reliance Gilts Limited to Reliance Commercial Finance Limited;
- (ii) Alteration of main object clause of the Memorandum of Association of the Company;
- (iii) Shifting of registered office within city;
- (iv) Alteration of Articles of Association of the Company;
- (v) Issuance of Preference Shares on Private Placement basis;
- (vi) Issuance of Equity Shares on Preferential basis;
- (vii) Increase in Authorised Share Capital of the Company;
- (viii) Approval for:
 - i. Borrowings under section 180(1)(c) of the Act;
 - ii. Creation of charge under section 180(1)(a) of the Act;
 - iii. Invest Funds, grant loans and advances, give guarantees under section 179 of the Act;
- (ix) Resignation of Non-Executive Directors;
- (x) Appointment & Resignation of Key Managerial Personnel(s);
- (xi) Obtained Bombay High Court Order for scheme of arrangement for demerger of commercial finance division from Reliance Capital Limited into the Company;
- (xii) Reconstitution of Committees

For Bhatt & Associates Company Secretaries LLP

Aashish Bhatt
Designated Partner

ACS No.: 19639

COP No.: 7023

Place: Mumbai

Date: June 1, 2017

Details of the Composition, Meetings of the Board of Directors and Committees thereof

Composition of Board:

The Board consists of four Members. The Composition and category of directors on the Board of the Company were as under:

Category	Name of directors and DIN
Non-executive and non-independent Directors	Shri Lav Chaturvedi (DIN:02859336)
Independent Directors	Shri Padmanabh Vora (DIN:00003192) Smt. Deena Mehta (DIN:00168992)
Executive Director & CEO	Shri Devang Mody (DIN:07794726)

Notes:

1. Shri Devang Mody was appointed as an Additional Director on April 20, 2017.
2. Shri Soumen Ghosh ceased to be Director with effect from March 31, 2017.
3. Shri V. R. Mohan and Shri Monish Sheth ceased to be Directors with effect from February 9, 2017.

Meeting of Board of Directors:

The Board held seven meetings during the financial year 2016-2017 on April 21, 2016, August 4, 2016, October 22, 2016, January 20, 2017, February 9, 2017, March 9, 2017 and March 31, 2017.

The Board periodically reviews compliance reports of all laws applicable to the Company.

Attendance of the Directors at the Board meetings held during the financial year 2016-2017 is as under:

Sr. No.	Name of the Member	Number of Meetings attended out of Seven Meetings held
1.	Shri Padmanabh Vora	7
2.	Smt. Deena Mehta	7
3.	Shri Soumen Ghosh*	6
4.	Shri Lav Chaturvedi	6
5.	Shri V. R. Mohan**	5
6.	Shri Monish Sheth**	5

*Shri Soumen Ghosh ceased to be Director with effect from March 31, 2017.

**Shri V.R. Mohan and Shri Monish Sheth ceased to be Directors with effect from February 9, 2017.

Audit Committee:

The Audit Committee held six meetings during the financial year 2016-2017 on April 21, 2016, August 4, 2016, October 22, 2016, January 20, 2017, March 9, 2017 and March 31, 2017.

The Audit Committee was re-constituted on January 20, 2017 comprising of Shri Padmanabh Vora, Smt. Deena Mehta and Shri Lav Chaturvedi as Members.

Attendance of the members at the Meetings of the Committee held during the financial year 2016-2017 is as under:

Sr. No.	Name of the Member	Number of Meetings attended out of Six Meetings held
1.	Shri Padmanabh Vora	6
2.	Smt. Deena Mehta	6
3.	Shri Lav Chaturvedi*	1
4.	Shri Monish Sheth**	4

*Appointed as a member with effect from January 20, 2017.

**Ceased to be member with effect from January 20, 2017.

Reliance Commercial Finance Limited

Directors' Report

Nomination and Remuneration Committee:

The Nomination and Remuneration committee held two meetings during the financial year 2016-2017 on February 9, 2017 and March 9, 2017.

The Nomination and Remuneration Committee was re-constituted on January 20, 2017 comprising of Shri Padmanabh Vora, Smt. Deena Mehta and Shri Lav Chaturvedi as Members.

Attendance of the members at the Meetings of the Committee held during the financial year 2016-2017 is as under:

Sr. No.	Name of the Member	Number of Committee Meetings attended out of Two Meetings held
1.	Shri Padmanabh Vora	2
2.	Smt. Deena Mehta	2
3.	Shri Lav Chaturvedi*	1
4.	Shri Monish Sheth**	0

*Appointed as a member on January 20, 2017

**Ceased to be a member with effect from January 20, 2017

Corporate Social Responsibility Committee:

The Committee presently comprises of Shri Padmanabh Vora, Smt. Deena Mehta and Shri Lav Chaturvedi.

The CSR committee was constituted on January 20, 2017.

Risk Management Committee:

The Risk Management Committee of the Company was constituted on January 20, 2017 and re-constituted on April 20, 2017. The Committee presently comprises of Shri Padmanabh Vora, Smt. Deena Mehta, Shri Lav Chaturvedi and Shri Devang Mody.

Independent Auditor Report

To,
The Members,
Reliance Commercial Finance Limited
(Formerly Reliance Gilts Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of **Reliance Commercial Finance Limited** (Formerly Reliance Gilts Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the

accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. Further to our comments in the Annexure A, and 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 it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations as at March 31, 2017 on its financial position in its financial statements - Refer Note No. 36 (ii) of the financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) The Company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note No. 38 of the financial statements.

For Chaturvedi & Shah
Chartered Accountants
Firm's Registration No.:101720W

Vijay Napawaliya
Partner
Membership No.: 109859

Mumbai
Dated : April 20, 2017

Reliance Commercial Finance Limited

Annexure A to the Independent Auditor's Report

(Referred to in our report of even date)

- (i) In respect of its fixed assets :
- The Company has maintained proper records, showing full particulars including quantitative details and situation of its fixed assets.
 - The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
 - According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any immovable properties, thus, paragraph 3 (i) (c) of the Order is not applicable to the Company.
- (ii) According to the information and explanations given to us, the Company is a Systemically Important Non-deposit taking Non-Banking Financial Company which is primarily engaged in lending activities. Accordingly, Company's business does not involve inventories. Thus, paragraph 3 (ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loan secured/unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of clauses (iii) (a), (iii)(b) and (iii)(c) of paragraph 3 of the Order are not applicable.
- (iv) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, during the year under audit, the Company has not given any loan, guarantee or security to parties covered under Section 185 of the Act. As the Company is registered as a non banking financial Company with the Reserve Bank of India, thus the provision of Section 186 except sub-section (1) of the Act is not applicable to the Company. In our opinion and according to the information and explanations given to us, during the year, the Company has not made any investments through more than two layers of Investment Company as mentioned in sub-section (1) of Section 186 of the Act.
- (v) According to the information and explanations given to us, the Company is a Systemically Important Non-deposit taking Non-Banking Financial Company therefore, paragraph 3 (v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not specified for maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 in respect of activities carried on by the Company. Hence the provisions of clause 3 (vi) of the Order is not applicable to the Company.
- (vii) In respect of statutory dues:
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable except in case of professional tax in which there were few delays in payment of the said dues. Further, there are no undisputed amounts payable outstanding as at March 31, 2017 for a period of more than six months from the date they became payable.
 - According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us, and based on our audit procedures, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government, or dues to debenture holders as at March 31, 2017.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). The Company has raised moneys through term loans during the year. Fund raised through term loans by the Company have been applied for the purpose for which they were raised except in case where term loans amounting to ₹ 300 crore have been taken which were lying in bank accounts at the year end, and were subsequently utilized for the purpose for which loans have been taken.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the Management.
- (xi) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, during the year the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandate by the provisions of Section 197 read with Schedule V of the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company, accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, all transactions with related parties are in accordance with the provisions of Section 177 and Section 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014.
- (xiv) In our opinion and according to the information and explanations given to us, during the year under audit, the Company has not made any preferential allotment of fully or partly convertible debentures. During the year the Company has issued equity shares on preferential allotment basis to its holding company as per requirement of Section 42 of the Companies Act, 2013 and the amount raised have been used for the purposes for which the funds were raised.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered any non-cash transactions with directors and persons connected with him. Hence the provisions of clause 3 (xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company has been registered as required under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Chaturvedi & Shah
Chartered Accountants**
Firm's Registration No.:101720W

**Vijay Napawaliya
Partner**
Membership No.: 109859

Mumbai
Dated : April 20, 2017

Annexure "B" to the Independent Auditor's Report of even date on the financial statements

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Reliance Commercial Finance Limited (Formerly Reliance Gilts Limited) ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Chaturvedi & Shah**
Chartered Accountants
Firm's Registration No.:101720W

Vijay Napawaliya
Partner
Membership No.: 109859

Mumbai
Dated : April 20, 2017

Reliance Commercial Finance Limited

Balance Sheet as at March 31, 2017

(₹ in crore)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
I EQUITY AND LIABILITIES:			
(1) Shareholders' funds:			
(a) Share capital	3	522.83	63.30
(b) Reserves and Surplus	4	1,982.89	(2.78)
(2) Non-current liabilities			
(a) Long-term borrowings	5	5,811.95	-
(b) Other non-current liabilities	6	102.33	-
(c) Long-term provisions	7	26.06	-
(3) Current liabilities			
(a) Short-term borrowings	8	1,820.52	-
(b) Trade payables	9		
- Micro, small and medium enterprises		-	-
- Others		15.13	-
(c) Other current liabilities *Previous Year ₹ 42,938	10	3,350.65	*
(d) Short-term provisions *Previous Year ₹ 38,550	11	22.00	*
TOTAL		13,654.36	60.52
II ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	12		
(i) Tangible assets		19.08	-
(ii) Intangible assets		10.30	-
(b) Non-current investments	13	199.18	9.16
(c) Deferred tax Asset (Net)	14	40.16	-
(d) Long-term loans and advances *Previous Year ₹ 48,471	15	7,421.79	*
(e) Other non-current assets	16	242.08	-
(2) Current assets			
(a) Current investments	17	-	50.00
(b) Cash & bank balances	18	410.75	0.06
(c) Short-term loans and advances	19	5,055.12	1.30
(d) Other current assets	20	255.90	-
TOTAL		13,654.36	60.52

See accompanying notes to the financial statement '1-45'

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No.: 101720W

Vijay Napawaliya
Partner
Membership No.: 109859
Mumbai
Dated: April 20, 2017

For and on behalf of the Board

Directors

Executive Director & CEO
Chief Financial Officer
Company Secretary
Mumbai
Dated: April 20, 2017

{ **Padmanabh Vora (DIN: 00003192)**
Deena Mehta (DIN: 00168992)
Lav Chaturvedi (DIN: 02859336)

Devang Mody (DIN: 07794726)
Amrish Shah
Ekta Thakurel

Reliance Commercial Finance Limited

Statement of Profit and Loss for the year ended March 31, 2017

		(₹ in crore)	
Particulars	Note No.	2016-17	2015-16
REVENUE			
I Revenue from operation	21	1,927.76	0.05
II Other income	22	25.58	*
* Previous Year ₹ 5,618			
III TOTAL REVENUE (I+II)		<u>1,953.34</u>	<u>0.05</u>
EXPENSES			
Employee Benefits expense	23	129.90	-
Finance Cost	24	1,039.87	-
Depreciation and Amortisation	12	11.09	-
Other Expenses	25	429.80	0.01
IV TOTAL EXPENSES		<u>1,610.66</u>	<u>0.01</u>
V PROFIT BEFORE TAX (III-IV)		<u>342.68</u>	<u>0.04</u>
VI TAX EXPENSE			
Current Tax		87.67	0.01
[Net of MAT Credit Entitlement of ₹ 59.98 crore (Previous year ₹ Nil)] (Refer Note No. 43)			
Income tax for Earlier Year		*	*
*₹ 17,265 (Previous year reversal of ₹ 49,265)			
Deferred Tax/ (Credit)		(40.16)	-
VII PROFIT AFTER TAX (V-VI)		<u>295.17</u>	<u>0.03</u>
VIII EARNINGS PER EQUITY SHARE (Face value of ₹ 10 each fully paid up)	35		
Basic & Diluted (In ₹)		46.04	0.01

See accompanying notes to the financial statements '1-45'

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No.: 101720W

Vijay Napawaliya
Partner
Membership No.: 109859
Mumbai
Dated: April 20, 2017

For and on behalf of the Board

Directors

Executive Director & CEO
Chief Financial Officer
Company Secretary
Mumbai
Dated: April 20, 2017

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Reliance Commercial Finance Limited

Cash Flow Statement for the year ended March 31, 2017

(₹ in crore)

	2016-17	2015-16
A. Cash flow from operating activities		
Net Profit Before Tax	342.68	0.03
Adjusted for		
Depreciation and Amortisation	11.09	-
Bad Debts Recovered	(20.74)	
Contingent Provision against Standard Assets *(Previous year ₹ 31,800)	8.73	*
Provision for NPA & Doubtful Debts	46.61	-
Provision for Repossessed Assets	6.47	-
Loss on Sale of Repossessed Assets	47.69	
Provision for Diminution in Value of Investments	12.65	
Provision for Gratuity	2.51	-
Provision for Leave Encashment	1.22	-
Excess Provision Written Back *₹ 1,985 (Previous Year ₹ 5,618)	*	*
Bad Debts Written Off	114.62	-
Loss on Assets Discarded	0.06	
Amortised DSA Commission	56.84	-
Interest on Fixed deposits / investments	(18.02)	(0.05)
(Profit)/Loss on Sale of Current Investments (Net)	(9.38)	-
Amortised Brokerage Commission	1.07	-
Discount on Commercial Papers	31.25	-
Interest Expenses	1,007.50	
	<u>1,300.17</u>	<u>(0.05)</u>
Operating Profit/(Loss) before Working Capital Changes	1,642.85	(0.02)
Adjusted for		
Proceeds from issue of Commercial Papers (Net)	955.77	-
Proceeds from Short term Borrowing (Net)	(1,990.50)	-
Proceeds from Long term Borrowing	2,905.00	-
Repayments of Long term Borrowings	(3,251.28)	-
Trade Receivable & Loans and advances	(1,070.85)	(1.00)
Other non current and current assets	(385.62)	-
Other liabilities and provisions	12.41	(0.02)
Trade Payables	9.13	-
	<u>(2,815.94)</u>	<u>(1.02)</u>
Cash generated from Operation	(1,173.09)	(1.04)
Interest Paid	(1,007.37)	
Taxes Paid	(25.31)	(0.01)
Net cash from / (used in) operating activities	<u>(2,205.77)</u>	<u>(1.05)</u>

Standalone Cash Flow Statement for the year ended March 31, 2017

(₹ in crore)

	2016-17	2015-16
B. Cash flows from investing activities		
Purchase of Fixed Asset	(28.61)	-
Purchase of Non-Current Investments	(120.82)	(50.00)
Sale of Non-Current Investments	9.16	-
(Purchase)/Sale of Current Investments (Net)	59.38	-
Interest on Fixed deposits / investments	7.42	0.05
Net Cash from / (used in) Investing Activities	(73.47)	(49.95)
C. Cash flows from financing activities		
Issue of Equity Share Capital including Securities Premium	1,750.04	51.00
Issue of Preference Share Capital	400.00	-
Net Cash from / (used in) Financing Activities	2,150.04	51.00
Net increase / (decrease) in Cash and Cash Equivalents (A + B + C)	(129.20)	(0.00)
Opening Balance of Cash and Cash Equivalents	0.06	0.06
Add : Balance pursuant to Scheme of Arrangement (Refer Note No. 40)	493.00	-
	493.06	0.06
Closing Balance of Cash and Cash Equivalents	363.86	0.06

Notes:

1. The Previous year's figures have been regrouped and reclassified wherever necessary. The figures for current year includes figures of Commercial Finance Business of Reliance Capital Limited (RCL) which is demerged with the Company with effect from April 1, 2016 i.e. the Appointed Date and therefore to that extent not strictly comparable to that of previous year's figures.
2. The cash flow statement has been prepared in accordance with "Indirect Method" as prescribed in Accounting Standard- 3 (AS-3) on "Cash Flow Statements" notified by the Companies (Accounting Standards) Rules, 2006.

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No.: 101720W

Vijay Napawaliya
Partner
Membership No.: 109859
Mumbai
Dated: April 20, 2017

For and on behalf of the Board

Directors

Executive Director & CEO
Chief Financial Officer
Company Secretary
Mumbai
Dated: April 20, 2017

{ **Padmanabh Vora (DIN: 00003192)**
Deena Mehta (DIN: 00168992)
Lav Chaturvedi (DIN: 02859336)

Devang Mody (DIN: 07794726)
Amrish Shah
Ekta Thakurel

Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2017

1 Background

Reliance Commercial Finance Limited ("the Company") formerly known as Reliance Gilts Limited, was incorporated on August 17, 2000 with the Registrar of Companies (RoC), Maharashtra, Mumbai. Subsequently, as on May 21, 2009 the Company was registered as a Non-Banking Financial Company without accepting public deposits, as defined under Section 45-IA of the Reserve Bank of India Act, 1934. The Company is principally engaged in lending activities.

2 Significant Accounting Policies

a Basis of Preparation of Financial Statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting unless otherwise stated. They are in conformity with the accounting principles generally accepted in India ("GAAP"), and comply with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 as amended by the Companies (Accounting Standards) Amendment Rules, 2016 specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. These financial statements are presented in Indian rupees rounded in crores upto two decimal, except otherwise stated.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Act. Based on the nature of the services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

The Company complies in all material respects, with the prudential norms relating to income recognition, asset classification and provisioning for bad and doubtful debts and other matters, specified in the directions issued by the Reserve Bank of India ("RBI") in terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016, as applicable to the Company.

b Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialised.

c Revenue Recognition

i) Interest Income

Interest income is recognised as it accrues on a time proportion basis taking into account the amount outstanding and the rate applicable except in the case of non performing assets ("NPAs") where it is recognised, upon realisation.

ii) Dividend Income

Dividend Income is recognised when the right to receive payment is established.

iii) Loan Processing Fee Income

Loan processing fee income is accounted for upfront as and when it becomes due.

iv) Income from Assignment / Securitization

In case of assignment / securitization of loans, the assets are derecognized when all the rights, title, future receivables and interest thereof along with all the risks and rewards of ownership are transferred to the purchasers of assigned/ securitised loans. The profit if any, as reduced by the estimated provision for loss/expenses and incidental expenses related to the transaction, is recognised as gain or loss arising on assignment / securitization.

v) Brokerage and Other Income

In other cases, income is recognized when there is no significant uncertainty as to determination and realization.

vi) Income from Investments

Profit / (Loss) earned from sale of securities is recognised on trade date basis. The cost of securities is computed based on weighted average basis.

vii) Servicing Fee Income

Servicing fees received is accounted for based on the underlying deal structure of the transaction as per the agreement.

viii) Foreclosure & Other Operating Charges

Foreclosure & Other Operating Charges i.e. Bounce Charges, Loan Reschedulement Charges are accounted as and when received.

ix) Infrastructure Cost Recovery

Infrastructure Cost Recovery income towards support services is accounted as and when it becomes due on contractual terms with the parties.

d Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition less accumulated depreciation and Impairment loss, if any. The Company has used the cost model as measurement bases for determining the gross carrying amount. Cost includes acquisition cost which is directly attributable to bring the asset to its working condition for its intended use.

Notes to the Financial Statements for the year ended March 31, 2017

e Intangible Assets

Intangible Assets are recognised where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortisation.

f Depreciation/Amortisation

Depreciation on Property, Plant and Equipment is provided in accordance with the provisions of Schedule II of the Companies Act, 2013. Tangible assets are depreciated on straight line basis method over the useful life of assets, as prescribed in Part C of Schedule II of the Companies Act, 2013.

The estimated useful lives for the different types of assets are :

- (i) Furniture and Fixtures - 10 years
- (ii) Office equipments - 5 years
- (iii) Computers - 3 years
- (iv) Vehicles - 8 years

Intangible assets comprise, computer software are amortised on straight line basis over the useful life of the software up to a maximum of five years commencing from the month in which such software is first installed.

g Loan Origination / Acquisition cost

All direct cost incurred for the loan origination is amortised over the tenure of the loan.

h Discount on Commercial Papers

The difference between the acquisition cost and the redemption value of commercial papers is apportioned on time basis and recognized as discount expense.

i Investments

Investments are classified as long term or current based on intention of the management at the time of purchase. Current investments are valued, scrip wise at cost or fair value, whichever is lower. Long-term investments are carried at carrying cost less diminution in value which is other than temporary, determined separately for each individual investment. Unquoted investments in the units of Mutual Funds in nature of current investment are valued at lower of cost or Net Asset Value declared by Mutual Funds in respect of each particular scheme.

j Repossessed assets

Assets repossessed against the settlement of loans are carried in the balance sheet at outstanding loan amount. The classification and provision is based on the underlying Days Past Due (DPD) of these loans.

k Contingent Provision against Standard Assets, Provision for Non Performing Assets (NPA) & Doubtful Debts

Loans and advances, receivables are identified as bad/ doubtful based on the duration of the delinquency. The duration is set at appropriate levels for each product. Contingent Provision against standard assets, Provision for Non-Performing Assets (NPA) & Doubtful Debts are made based on the management's assessment of the degree of impairment and the level of provisioning which meets the NBFC prudential norms prescribed by Reserve Bank of India.

l Securitised Assets

Derecognition of Securitised assets in the books of the Company, recognition of gain or loss arising on Securitisation and accounting for credit enhancement provided by the Company is based on the Guidance Note on Accounting for Securitisation issued by the Institute of Chartered Accountants of India.

m Security of Loans given

Housing loans / loans against property granted are secured by equitable registered mortgage of property and / or undertaking to create a security. Other Secured loans are secured against hypothecation of respective assets.

n Cash & Cash Equivalents

In the cashflow statements, cash and cash equivalents includes cash in hand, balance in banks and fixed deposits without lien with original maturities of three months or less.

o Employee Benefits

i) Provident fund

Contributions payable to the recognized provident fund, which is a defined contribution scheme, are charged to the Statement of Profit and Loss.

ii) Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in the return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such defined benefit plan 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 is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as on the balance sheet date.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

iii) Leave Encashment

Leave encashment which is a defined benefit, is accrued for based on an actuarial valuation at the balance sheet date carried out by an independent actuary.

The employees of the Company are entitled for compensated absence. The employees can carry forward a portion of the unutilised accrued leave balance and utilise it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the service that increases the entitlement. The Company measures the expected cost of compensated absence as the amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

iv) Phantom Shares Stock Option

As a long term incentive plan to employees, the Company has initiated Phantom Stock Option plan which are cash settlement rights where the employees are entitled to get cash compensation based on formula linked to fair market value of shares upon exercise of phantom stock option over notional or hypothetical shares, whereby instead of becoming entitled to buy the actual shares on vesting, they become entitled to cash payment equivalent to appreciation in the value over defined base price of share. The present value of the obligation under such plan is determined based on actuarial valuation at the year end and any actuarial gains/ losses are charged to statement of profit and loss as applicable.

p Borrowing Costs

Borrowing costs, which are directly attributable to the acquisition / construction of fixed assets, till the time such assets are ready for intended use, are capitalised as part of the cost of the assets. Other borrowing costs are recognised as an expense in the year in which they are incurred. Brokerage costs directly attributable to a borrowing are expensed over the tenure of the borrowing.

q Operating Leases

Lease payments for assets taken on an operating lease are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

r Earnings Per Share

The basic earnings per share is computed by dividing the net profit / (loss) attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and also the number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that reduce profit / (loss) per share are included.

s Provision for Current Tax and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit entitlement is recognised where there is convincing evidence that the same can be realised in future.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

t Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

u Provisions, Contingent Liabilities and Contingent Assets

The Company creates a provision when there is a present obligation as a result of past events and it is probable that there will be outflow of resources and a reliable estimate of the obligation can be made of the amount of the obligation. Contingent liabilities are not recognised but are disclosed in the notes to the financial statements. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Contingent assets are not recognised nor disclosed in the financial statements.

Notes to the Financial Statements for the year ended March 31, 2017

(₹ in crore)

	As at March 31, 2017	As at March 31, 2016
3 Share capital		
(a) Authorised:		
20,00,00,000 Equity Shares of ₹ 10 each (March 31, 2016: 20,00,00,000 Equity Shares of ₹ 10 each)	200.00	200.00
40,00,00,000 Preference Shares of ₹ 10 each (March 31, 2016: Nil)	400.00	-
	<u>600.00</u>	<u>200.00</u>

Note :

In terms of the approval of the shareholders obtained at the Extra Ordinary General Meeting of the Company held on March 10, 2017 the Company has increased its Authorised Share Capital from ₹ 2,00,00,00,000 (20,00,00,000 Equity Shares of ₹ 10 each) to 6,00,00,00,000 (20,00,00,000 Equity Shares of ₹ 10 each and 40,00,00,000 Preference Shares of ₹ 10 each).

(₹ in crore)

	As at March 31, 2017	As at March 31, 2016
(b) Issued, Subscribed & Fully Paid-up		
12,28,25,700 Equity Shares of ₹ 10 each (March 31, 2016: 6,33,00,700 Equity Shares of ₹ 10 each)	122.83	63.30
40,00,00,000 0% Non-Cumulative, Non-Participating and Non-Convertible Redeemable Preference Shares of ₹ 10 each (March 31, 2016: Nil)	400.00	-
	<u>522.83</u>	<u>63.30</u>

Note :

In terms of the approval of the shareholders obtained at the Extra Ordinary General Meeting of the Company held on March 10, 2017, the members of the Company have duly approved Preferential allotment of 5,95,25,000 equity share of ₹ 10 each at a premium of ₹ 284 per share aggregating to ₹ 1,750 crore to its Holding Company ie. Reliance Capital Limited, which has been allotted on March 27, 2017.

(c) Par Value per Share	Amount in ₹	Amount in ₹
Equity	10	10
Preference Shares	10	10

(d) Reconciliation of Issued, Subscribed and Fully Paid-up Share Capital

	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
Equity Shares				
Opening Balance	6,33,00,700	63.30	1,23,00,700	12.30
Addition during the year	5,95,25,000	59.53	5,10,00,000	51.00
Reduction during the year	-	-	-	-
Closing Balance	<u>12,28,25,700</u>	<u>122.83</u>	<u>6,33,00,700</u>	<u>63.30</u>

Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2017

	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
0% Non-Cumulative, Non-Participating and Non-Convertible Redeemable Preference Shares				
Opening Balance	-	-	-	-
Addition during the year	40,00,00,000	400.00	-	-
Reduction during the year	-	-	-	-
Closing Balance	40,00,00,000	400.00	-	-

(e) Rights, Preferences and Restrictions:

1 Voting Rights :

In case of equity Shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

For the year ended March 31, 2017, the dividend proposed by the Board of Directors is ₹ 0.50 (March 31, 2016 ₹ Nil), which is subject to the approval of the shareholders in the ensuing Annual General Meeting. (Refer Note No. 44)

In case of 0% Non-Cumulative, Non-Participating and Non-Convertible Redeemable Preference Shares of ₹ 10 each 40,00,00,000. 0% Non-Convertible Redeemable Preference Shares (NCRPS) shall be redeemed at any time on or before 5 years from the date of allotment i.e. March 29, 2017. These NCRPS shall be redeemed at a premium to an amount calculated to yield a return of 12% per annum with effect from date of allotment up to the date of redemption.

(f) Shares held by holding company i.e. Reliance Capital Limited including jointly held

Equity Shares	As at March 31, 2017			As at March 31, 2016	
	%	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
Reliance Capital Limited	100%	12,28,25,694	122.83	6,33,00,694	63.30
Reliance Capital Ltd. and its nominees * ₹ 60 (Previous year ₹ 60)	0%	6	*	6	*
Total	100%	12,28,25,700	122.83	6,33,00,700	63.30

Preference Shares	As at March 31, 2017			As at March 31, 2016	
	%	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
Reliance Capital Limited	100%	40,00,00,000	400.00	-	-
Total	100%	40,00,00,000	400.00	-	-

(₹ in crore)

	As at March 31, 2017	As at March 31, 2016
4 Reserves and surplus		
a) Securities Premium Account		
As per Last Balance sheet	-	-
Add: On Equity Shares Issued during the year	1,690.51	-
Less: Transferred to Earmarked for Preference Share Redemption Reserve [#]	0.39	-
	1,690.12	-
b) Earmarked for Preference Share Redemption Reserve[#]		
As per Last Balance sheet	-	-
Add: Transfer from Securities Premium Account	0.39	-
	0.39	-

Notes to the Financial Statements for the year ended March 31, 2017

	(₹ in crore)	
	As at March 31, 2017	As at March 31, 2016
c) Statutory Reserve Fund*		
As per Last Balance sheet	0.16	0.15
Add: Transfer from Surplus in Statement of Profit & Loss	59.03	0.01
	59.19	0.16
d) Surplus in Statement of Profit & Loss		
As Per Last Balance Sheet	(2.95)	(2.97)
Add: Transfer from Statement of Profit & Loss	295.17	0.03
Less: Transfer to Special Reserve Fund	59.03	0.01
	233.19	(2.94)
	1,982.89	(2.78)
#	Created pursuant to the terms of allotment of 0% Non-Cumulative, Non-Participating and Non-Convertible Redeemable Preference Shares of ₹ 10 each as effective yield of 12% repayable on maturity.	
*	Created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934.	

	(₹ in crore)	
	As at March 31, 2017	As at March 31, 2016
5 Long-term borrowings		
From Banks / Financial Institutions		
- Term Loans - Secured (Refer Note No. 31)	5,811.95	-
	5,811.95	-
6 Other non-current Liabilities		
Collateral deposit from customers	102.33	-
	102.33	-
7 Long-Term Provisions		
a) Provision for Employees Benefits (Refer Note No. 32)		
- Leave encashment	1.18	-
b) Contingent provision against standard assets	24.88	-
	26.06	-
8 Short-term borrowings		
a) From Banks / Financial Institutions		
- Loans - Unsecured	310.00	-
- Cash Credit facilities - Secured (Refer Note 1 below)	523.50	-
b) From Others		
Commercial Papers - Unsecured (Refer Note 2 below)	987.02	-
	1,820.52	-

Notes:

1. Cash credit referred above are secured by pari-passu first charge on all present and future book debts (performing assets), receivable, bills, claims and loan assets of the Company.
2. In respect of Commercial Papers referred above, maximum face value amount outstanding during the year was ₹ 987.02 crore (Previous year ₹ Nil).

Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2017

	As at March 31, 2017	As at March 31, 2016	(₹ in crore)
9 Trade payables			
Due to Micro, Medium & Small Enterprises	-	-	
Due to Others	15.00	-	
Due to Related Party (Refer Note No. 34)	0.13	-	
	<u>15.13</u>	<u>-</u>	
Note:			
Disclosure of amounts payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.			
10 Other current liabilities			
a) Current maturities of long term debts			
- Term Loans from Banks/ Financial Institutions			
(a) Secured (Refer Note No. 31)	2,930.77	-	
(b) Unsecured	<u>-</u>	<u>-</u>	
	2,930.77	-	
b) Interest accrued and not due on borrowings			
(a) Secured	0.13	-	
(b) Unsecured	<u>-</u>	<u>-</u>	
	0.13	-	
b) Advance from Customers	60.58	-	
c) Payable under Securitisation / Assignment (Net)	293.82	-	
d) Temporary Book Overdraft	3.86	-	
e) Collateral deposit from customers	11.28	-	
f) Other Payables #	50.21	*	
* Previous year ₹ 42,938	<u>3,350.65</u>	<u>-</u>	
Note :			
# Other Payables includes TDS, statutory payments and other liabilities.			
11 Short-term provisions			
a) Provision for Employees Benefits (Refer Note No. 32)			
Leave encashment	0.05	-	
Gratuity	2.51	-	
b) Contingent provision against standard assets	19.44	*	
*Previous Year ₹ 38,550	<u>22.00</u>	<u>-</u>	

Notes to the Financial Statement for the year ended 31, 2017

12 Property, Plant & Equipment

Description	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount				
	As at April 1 2016	Pursuant to Scheme of Arrangement (Refer Note No. 40)	Addition	Deduction	As at March 31, 2017	As at April 1 2016	Pursuant to Scheme of Arrangement (Refer Note No. 40)	Deduction	Upto March 31, 2017	As at March 31, 2017	As at March 31, 2016
i) Tangible Assets											
1 Furniture and Fixtures	-	10.86	1.60	0.22	12.24	-	2.56	1.35	3.71	8.53	-
2 Office Equipments	-	9.19	0.71	0.08	9.82	-	4.47	1.30	5.74	4.08	-
3 Computers	-	25.65	5.63	0.78	30.50	-	20.80	4.30	24.31	6.19	-
4 Vehicles	-	1.10	-	-	1.10	-	0.68	0.14	0.82	0.28	-
Total	-	46.80	7.94	1.08	53.66	-	28.51	7.09	34.58	19.08	-
Previous Year	-	-	-	-	-	-	-	-	-	-	-
ii) Intangible Assets											
1 Computer Software	-	31.27	4.10	-	35.37	-	21.07	4.00	25.07	10.30	-
Total	-	31.27	4.10	-	35.37	-	21.07	4.00	25.07	10.30	-
Previous Year	-	-	-	-	-	-	-	-	-	-	-

Note:

- In respect of Intangible Assets :
 - It is other than internally generated.
 - In case of addition, balance useful life of 4 years (Previous year Nil).

Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2017

(₹ in crore)

	Face Value / Issue Price	Quantity		Value	
		As at	As at	As at	As at
		March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
13. Non-current investments					
Trade Investments					
(a) Equity Shares valued at cost unless stated otherwise					
Quoted, fully paid-up					
3I Infotech Ltd	10	2,46,80,693	-	24.68	-
				24.68	-
Less : Provision for Diminution In Value of Investments				12.22	-
				12.46	-
Unquoted, fully paid-up					
Adone Hotels & Hospitality Limited * ₹ 10 (Previous Year ₹ Nil)	10	1	-	*	-
SWAWS Credit Corporation India Private Limited	10	17,20,668	-	#	-
Unquoted, fully paid-up					
Reliance Capital Pension Fund Limited	10	-	87,50,000	-	9.16
# written off				-	9.16
(b) Preference Shares valued at cost unless stated otherwise					
Unquoted, fully paid-up					
0.001% Cumulative, Compulsory, Redeemable Non-Convertible Preference share of Adone Hotels & Hospitality Limited	10	2,00,00,000	-	20.00	-
0.10% Cumulative, Non Convertible, Redeemable Preference share of 3I Infotech Ltd	10	4,18,39,000	-	20.92	-
0.001% Optionally Convertible Cumulative Redeemable Preference share of Asmitha Microfin Limited	10	62,54,000	-	6.25	-
0.001% Optionally Convertible Cumulative Redeemable Preference share of Share Microfin Microfin Limited	10	88,05,750	-	8.81	-
				55.98	-
Less : Provision for Diminution In Value of Investments				-	-
(c) Debentures & Bonds valued at cost unless stated otherwise					
Unquoted, fully paid-up					
SWAWS Credit Corporation India Private Limited -OCD-18-March -2018	100	57,355	-	#	-
BKS Galaxy Realtors Private Limited-NCD-SR-II 30-Sep-2020	8,000	2,500	-	2.00	-
Shah Group Builders Limited -NCD-SR-II 30-Sep-2016	43	15,00,000	-	4.29	-
				6.29	-
Less : Provision for Diminution In Value of Investments				0.43	-
				5.86	-
# written off					
(d) Security Receipts valued at cost unless stated otherwise					
Unquoted, fully paid-up					
Suraksha ARC Trust 002-22 Dec.2016	1,000	1,98,900	-	19.89	-
Suraksha ARC Trust 003 -22 Dec.2016	1,000	26,350	-	2.64	-
Reliance ARC Trust 026 -30 Dec.2016	948	8,15,924	-	77.35	-
				99.88	-
(e) Others -Unit of AIF valued at cost unless stated otherwise					
Quoted *, fully paid-up					
IFMR Impact Long Term Multi Asset Class Fund	1,00,000	2,490	-	25.00	-
				25.00	-
Total [a+b+c+d+e]				199.18	9.16

Notes to the Financial Statements for the year ended March 31, 2017

Notes:

	As at March 31, 2017		As at March 31, 2016	
	Book Value	Market value	Book Value	Market value
1. The aggregate value of investments:				
Quoted	37.46	38.72	-	-
Unquoted	161.72	-	9.16	-
Total	199.18	38.72	9.16	-
2. The aggregate Provision for diminution in the value of investments:				
Quoted		12.22		-
Unquoted		0.43		-
Total		12.65		-
3. Basis of Valuation	at cost less provision for diminution in the value of Investments		at cost	
4. * for units of Fund net assets value (NAV) is taken as Market Value.				

(₹ in crore)

	As at March 31, 2017	As at March 31, 2016
14 Deferred Tax Assets		
Deferred tax Asset disclosed in the Balance Sheet comprises the following :		
a) Deferred Tax Asset		
Disallowance under the Income Tax Act, 1961	1.28	-
Provision for NPA/diminution in the value of Assets	53.08	-
Total	54.36	-
b) Deferred Tax Liability		
Related to Fixed Assets	2.32	-
Unamortised Expenditure	11.88	-
Total	14.20	-
Net Deferred Tax Asset (a) - (b)	40.16	-
15 Long-term loans and advances		
(a) Capital advances (Unsecured, Considered Good)	16.57	-
(b) Security deposits (Unsecured, Considered Good)	13.62	-
(c) Loans		
i) Secured, Considered Good		
Related Party	-	-
Private Company in which director is a - member/Director	0.92	-
Others	6,006.53	-
	6,007.45	-
(ii) Unsecured, Considered Good	840.14	-
(iii) Secured, Considered Doubtful	327.16	-
Less: Provision for NPA & Doubtful Debts	40.02	-
	287.14	-
(iv) Unsecured, Considered Doubtful	51.60	-
Less: Provision for NPA & Doubtful Debts	21.91	-
	29.69	-
(d) Installments Due (Secured, Considered Doubtful)		
Principal Overdue	232.99	-
Less: Provision for NPA & Doubtful Debts	37.44	-
	195.55	-
(e) Service Tax Credit available	0.08	-
(f) Taxes Paid	31.55	*
(Net of Income Tax Provision ₹ 87.68 crore) * Previous Year ₹ 48,471 (Net of Income Tax Provision ₹ 193,000)		
Total (a+b+c+d+e+f)	7,421.79	-

Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2017

(₹ in crore)

	As at March 31, 2017	As at March 31, 2016
16 Other non-current assets		
(a) Fixed Deposits with banks (Maturity > 3 Months)		
i) Credit enhancement towards Securitisation/ Direct Assignment	128.44	-
ii) Others	2.00	-
	130.44	-
(b) Unamortised expenditures		
i) Unamortised DSA commission		
As per Last Balance sheet	-	-
Add: Pursuant to Scheme of Arrangement	64.43	-
Add: Incurred during the Year	43.20	-
Less: Amortised during the year	56.84	-
	50.79	-
Less: to be amortised over the next one year (Refer Note No. 20 (b))	16.19	-
	34.60	-
ii) Unamortised Brokerage on Borrowing		
As per Last Balance sheet	-	-
Add: Pursuant to Scheme of Arrangement	1.99	-
Add: Incurred during the Year	0.90	-
Less: Amortised during the year	1.07	-
	1.82	-
Less: to be amortised over the next one year (Refer Note No. 20 (b))	0.94	-
	0.88	-
(c) Prepaid Expenses	7.27	-
(d) Repossessed Asset	97.94	-
Less : Provision for Repossessed Asset	29.05	-
Total (a+b+c+d)	242.08	-

(₹ in crore)

	Face Value/ Issue Price	Quantity		Value	
		As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
17 Current investments					
Other investments - Unquoted, fully paid-up					
Reliance Liquid Fund - Treasury Plan-Direct Plan Growth Plan - Growth Options	1,000	-	1,35,909	-	50.00
				-	50.00

(₹ in crore)

	As at March 31, 2017		As at March 31, 2016	
	Book Value	Market Value	Book Value	Market Value
Notes:				
1 The aggregate value of investments:				
Quoted	-	-	-	-
Unquoted	-	-	50.00	50.22
	-	-	50.00	50.22
2 The aggregate Provision for diminution in the value of investments:				
As at March 31, 2017				
As at March 31, 2016				
Quoted		-		-
Unquoted		-		-
		-		-

Notes to the Financial Statements for the year ended March 31, 2017

	As at March 31, 2017	As at March 31, 2016
3 Basis of Valuation	at cost or fair value, whichever is lower	at cost or fair value, whichever is lower
4 The market value mentioned above is based on the NAV provided by the respective mutual funds		(₹ in crore)
	As at March 31, 2017	As at March 31, 2016
18 Cash & bank balances		
a) Cash & Cash equivalents		
Balance with Banks in Current Accounts	363.34	0.06
Cash on hand	0.52	-
Total (a)	363.86	0.06
b) Other Bank Balances		
Fixed Deposits with banks (Maturity < 3 Months)		
i) Credit enhancement towards Securitisation/Direct Assignment	41.89	-
ii) Others	5.00	-
Total (b)	46.89	-
Total (a)+(b)	410.75	0.06
Note :		
In respect of balances with Scheduled Banks in Fixed Deposit accounts ₹ 41.89 crore (Previous Year ₹ Nil) is kept as credit enhancement towards securitisation / assignment transaction.		
19 Short-term loans and advances		
(a) Loans repayments within next 12 months (Considered Good)		
i) Secured		
Loan to Director	-	-
Private Company in which director is a - member/Director	9.68	-
Related Party	-	-
Others	4,497.51	-
ii) Unsecured	4,507.19	-
	403.58	1.30
(b) Installments Due (Considered Good)		
-Secured	141.67	-
-Unsecured	-	-
(c) Sundry Advances (Unsecured, Considered Good)	2.68	-
	5,055.12	1.30
20 Other current assets		
(a) Interest Accrued on		
Fixed Deposits	1.12	-
Other Investments	9.48	-
Loans and advances #	228.17	-
	238.77	-
(b) Unamortised Expenditure		
DSA Commission	16.19	-
Brokerage on Borrowing	0.94	-
	17.13	-
	255.90	-

Interest Accrued on loans & advances includes ₹ 0.13 crore (Previous year ₹ Nil) due by Private Company in which one director is a member & Director.

Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2017

(₹ in crore)

	2016 - 2017	2015 - 2016
21 Revenue from operations		
a) Interest income		
Interest on:		
- Loans	1,681.20	0.05
- Fixed Deposit	13.48	-
- Long term investments	4.54	-
	<u>1,699.22</u>	<u>0.05</u>
b) Other Financial income		
Processing Fee	122.00	-
Servicing Fee on Securitisation/ Assignment	51.75	-
Foreclosure & Other Operating Income	40.10	-
	<u>213.85</u>	<u>-</u>
Less : Service Tax Recovered	27.89	-
	<u>185.96</u>	<u>-</u>
c) Bad Debts Recovered	20.74	-
d) Profit on Loans sold to Asset Reconstruction Company	21.84	-
	<u>1,927.76</u>	<u>0.05</u>
22 Other income		
a) Profit on Sale of Investments (Net)		
- Current	9.38	-
- Long Term	-	-
b) Interest on income tax refund * ₹ 1,159	*	-
c) Brokerage & Commission	14.09	-
Less : Service Tax Recovered	1.84	-
	<u>12.25</u>	<u>-</u>
d) Miscellaneous Income	0.04	-
e) Infrastructure Cost Recovery (Net)	3.91	-
f) Credit Balance / Excess Provision Written Back	*	*
* ₹ 1,985 (Previous Year ₹ 5,618)		
	<u>25.58</u>	<u>-</u>
23 Employee benefit expense		
Payments to and Provision for Employees		
- Salary & Bonus etc.	116.22	-
- Contribution to Provident fund and other Funds	6.60	-
- Staff Welfare & other amenities	7.08	-
	<u>129.90</u>	<u>-</u>
24 Finance cost		
a) Interest expense		
Term Loan From Banks	827.66	-
Cash Credit From Banks	34.38	-
Non Convertible Debentures	54.82	-
Body Corporates	90.64	-
	<u>1,007.50</u>	<u>-</u>
b) Other borrowing costs		
Amortised Brokerage (Refer Note No.16(b)(ii))	1.07	-
Discount on Commercial Papers	31.25	-
Processing Charges	0.05	-
	<u>32.37</u>	<u>-</u>
	<u>1,039.87</u>	<u>-</u>

Notes to the Financial Statements for the year ended March 31, 2017

(₹ in crore)

	2016 - 2017	2015 - 2016
25 Other expenses		
Auditor's Remuneration (Refer Note 27)	0.08	*
* Previous Year ₹ 26,137		
Bank Charges	1.37	*
* Previous Year ₹ 5,606		
Rent	15.72	-
Repairs & Maintenance-Others	21.47	-
Rates and Taxes	0.34	*
* Previous Year ₹ 49,725		
Professional Tax ##	*	*
* ₹ 2,500 (Previous Year ₹ 25,000)		
Interest on Professional Tax	-	*
* Previous Year ₹ 27,925		
Interest on Income Tax	*	*
* ₹ 348 (Previous Year ₹ 5,560)		
Corporate Social Responsibility Expenditures (Refer Note 41)	0.15	-
Directors' Sitting Fees	0.13	-
Legal & Professional Fees	31.06	*
* Previous Year ₹ 17,175		
Loss on Assets Discarded	0.06	-
Amortised DSA Commission (Refer Note No. 16 (b)(i))	56.84	-
Marketing Expenses	13.76	-
Management Expenses	3.00	-
Credit Cost	4.74	-
Collection Cost	22.93	-
Miscellaneous Expenses	4.79	0.01
Printing and Stationary	3.10	-
Postage, Telegram & Telephone	3.86	*
* Previous Year ₹ 31,800		
Travel & Conveyance	9.63	-
Contingent provision against standard assets	8.73	-
Provision for NPA & Doubtful Debts	46.61	-
Bad Debts Written Off	114.62	-
Provision for Repossessed Assets	6.47	-
Loss on Sale of Repossessed Assets	47.69	-
Provision for Diminution In Value of Investments	12.65	-
	<u>429.80</u>	<u>0.01</u>
## Includes Prior Period Expenses ₹ Nil (Previous Year ₹ 22,500)		
26 In the opinion of management, all the Assets other than Non-Current Investments are approximately of the value stated if realised in the ordinary course of business.		
27 Auditor's Remuneration :		
Statutory Audit Fees *previous year ₹ 26,137	0.07	*
Tax Audit Fees	0.01	-
	<u>0.08</u>	<u>-</u>

Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2017

- 28 Disclosure related to Schedule to the balance sheet of the Company, as required by Annex I of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 (the "Notification")

(₹ in crore)

Particulars	Amount Outstanding		Amount Overdue	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Liabilities side:				
(1) Loans and advances availed by the non banking financials company inclusive of interest accrued thereon but not paid :				
(a) Debentures				
i) Secured	-	-	-	-
ii) Unsecured (Other than falling within the meaning of public deposits)	-	-	-	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans (Inclusive of Interest accrued but not due ₹ 0.13 crore)	8,742.85	-	-	-
(d) Inter-corporate Loans and Borrowings	-	-	-	-
(e) Commercial Papers	987.02	-	-	-
(f) Public Deposits	-	-	-	-
(g) Other loans				
- Cash Credit	523.50	-	-	-
- Unsecured loans	310.00	-	-	-
(2) Break up of (1)(f) above (Outstanding Public Deposits inclusive of interest accrued thereon but not paid)				
(a) In the form of unsecured debentures	-	-	-	-
(b) In the form of partly secured debentures	-	-	-	-
(c) Other Public Deposits	-	-	-	-

(₹ in crore)

Particulars	Amount Outstanding	
	As at March 31, 2017	As at March 31, 2016
Assets side:		
(3) Break up of loans and advances including bills receivable other than those included in (4) below (Gross Amount)(Refer Note (b) below)		
(a) Secured	11,216.46	-
(b) Unsecured	1,295.31	1.29
Total	12,511.77	1.29

Notes:

- a) Housing loans / loans against property and construction finance granted are secured by equitable registered mortgage of property and / or undertaking to create a security and other loans and advances are secured by way of hypothecation and/or pledging of the underlying asset.
- b) In case of loans & advances given in para (3) above, Provision for NPA & Doubtful Debts is ₹ 99.37 crore (Previous year ₹ Nil)

(4) Break up of leased assets and stock on hire and other assets counting towards AFC activities:

(i) Lease assets including lease rentals under sundry debtors:		
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including higher charges under sundry debtors:		
(a) Assets on Hire	-	-
(b) Repossessed Assets	-	-
(iii) Other loans counting towards AFC activities:		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-

Notes to the Financial Statements for the year ended March 31, 2017

(₹ in crore)

Particulars	Amount Outstanding	
	As at March 31, 2017	As at March 31, 2016
(5) Break up of investments:		
a) Current Investments:		
1. Quoted		
(i) Shares		
(a) Equity (stock-in trade)	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of Mutual fund	-	-
(iv) Government securities	-	-
(v) Others	-	-
2. Unquoted		
(i) Shares	-	-
a) Equity	-	-
b) Preference	-	-
ii) Debentures and bonds	-	-
iii) Units of Mutual fund	-	50.00
iv) GOI securities	-	-
v) Others	-	-
b) Long Term investments		
1. Quoted		
(i) Shares		
(a) Equity	12.46	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of Mutual fund	-	-
(iv) GOI securities	-	-
(v) Others		
Unit of AIF	25.00	-
2. Unquoted		
(i) Shares		
(a) Equity * ₹ 10	*	9.16
(b) Preference	55.98	-
(ii) Debentures and Bonds	5.86	-
(iii) Units of Mutual funds	-	-
(iv) GOI securities	-	-
(v) Others		
Security Receipts	99.88	-
Total Investments [Net of provisions of ₹ 12.65 crore (Previous Year ₹ Nil)]	<u>199.17</u>	<u>59.16</u>

Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2017

(6) Borrower group-wise classification of assets financed as in (3) and (4) above: (Net off Provision)

(₹ in crore)

Particulars	Secured		Unsecured		Total	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
a. Related parties						
(1) Subsidiaries	-	-	-	-	-	-
(2) Companies in the same group	-	-	-	-	-	-
(3) Other related parties	-	-	-	-	-	-
b. Other than related parties	11,216.46	-	1,295.31	1.29	12,511.77	1.29
Total	11,216.46	-	1,295.31	1.29	12,511.77	1.29

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted excluding stock in trade)

(₹ in crore)

Particulars	Market value / Fair Value or NAV		Book Value (Net of provisions)	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
a. Related parties				
(1) Subsidiaries	-	-	-	-
(2) Companies in the same group	-	-	-	-
(3) Other related parties	-	9.16	-	9.16
b. Other than related parties	200.44	50.22	199.18	50.00
Total	200.44	59.38	199.18	59.16

(8) Other information

(₹ in crore)

Particulars	As at March 31, 2017	As at March 31, 2016
(a) Gross Non-Performing Assets		
(1) Related parties	-	-
(2) Other than related parties	616.03	-
(b) Net Non-Performing Assets		
(1) Related parties	-	-
(2) Other than related parties	516.24	-
(c) Assets Acquired in satisfaction of Debt (Net of Provision of ₹ 29.05 crore) (Refer Note 3 below)	68.89	-

Notes :

- In case of unquoted investments, in the absence of market value book value has been considered.
- Investments are classified between non-current and current investments (including current portion of long term investments) as required under Schedule III to the Companies Act, 2013.
- Assets Acquired in satisfaction of Debt is other than asset acquired but not transferred to the Company under the Scheme of Arrangement and not included in the Gross Non Performing Assets and Net Non Performing Assets given above.
- Related parties as per Accounting Standard of ICAI and Companies in same group means companies under the same management as per Section 370(1B) of the Companies Act, 1956.
- Gross Non-Performing Assets and Net Non-Performing Assets given above includes loans & advances and bonds & debentures.

Notes to the Financial Statements for the year ended March 31, 2017

29 Disclosures as required by Annex XII of the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 (the "Notification")

(₹ in crore)

Particulars	As at March 31, 2017	As at March 31, 2016
1 Capital to Risk Assets Ratio (CRAR)		
i) CRAR (%)	17.19	100.10
ii) CRAR – Tier I capital (%)	14.16	100.09
iii) CRAR – Tier II capital (%)	3.03	0.01
iv) Amount of Subordinated Debt raised as Tier II Capital	-	-
v) Amount raised by issue of Perpetual Debts Instruments	-	-
2 Investments		
1) Value of Investments		
i) Gross Value of Investments		
a) In India	211.83	59.16
b) Outside India	-	-
ii) Provisions for Depreciation		
a) In India	12.65	-
b) Outside India	-	-
iii) Net Value of Investments		
a) In India	199.18	59.16
b) Outside India	-	-
2) Movement of provisions held towards depreciation of investments		
i) Opening Balance	-	-
ii) Add: Provisions made during the year	12.65	-
iii) Less: Write-off / write-back of excess provisions during the year	-	-
iv) Closing balance	12.65	-

3 Derivatives

During the year the Company has not entered into any derivative contract and at the year end there is no outstanding derivative contract.

(₹ in crore)

Sr. No.	Particulars	2016-2017	2015-2016
4. Disclosures relating to Securitisation			
1	No. of SPVs sponsored by the Company for Securitisation Transactions	4	-
2	Total amount of securitised assets as per books of the SPVs sponsored by the Company	291.02	-
3	Total amount of exposures retained by the Company to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	169.30	-
	• Others	-	-

Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2017

(₹ in crore)

Sr. No.	Particulars	2016-2017	2015-2016
4	Amount of exposures to securitisation transactions other than Minimum Retention Requirement (MRR)		
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitizations		
	• First loss	-	-
	• Others	132.48	-
	b) On-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitizations		
	• First loss	-	-
	• Others	-	-

(₹ in crore)

Sr. No.	Particulars	2016-2017	2015-2016
5	Disclosures relating to Assignment		
1	No of Direct Assignments	88	-
2	Total amount of assigned assets as per books of the Assignor	4,394.11	-
3	Total amount of exposures retained by the Company to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	438.60	-
	• Others	-	-
4	Amount of exposures to securitisation transactions other than Minimum Retention Requirement (MRR)		
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitizations		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitizations		
	• First loss	-	-
	• Others	-	-

Notes to the Financial Statements for the year ended March 31, 2017

(₹ in crore)

Sr. No.	Particulars	2016-2017	2015-2016
6	Details of Financial Assets Sold to Securitisation/ Reconstruction Company for Assets Reconstruction		
(i)	No. of accounts	2,743	-
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	96.97	-
(iii)	Aggregate consideration	122.49	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	25.52	-
7	Details of Assignment transactions undertaken by the Company		
(i)	No. of accounts	-	-
(ii)	Aggregate value (net of provisions) of accounts sold	-	-
(iii)	Aggregate consideration	-	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	-
8	(a) Details of Non-Performing Financial Assets Purchased		
1	(i) No. of accounts Purchased During the year	-	-
	(ii) Aggregate Outstanding	-	-
2	(i) Of these, number of accounts restructured during the year (Nos.)	-	-
	(ii) Aggregate outstanding	-	-
	(b) Details of Non-Performing Financial Assets Sold		
(i)	No. of accounts Sold During the year	2,743	-
(ii)	Aggregate Outstanding (net of provisions)	96.97	-
(iii)	Aggregate consideration received	122.49	-
9	Asset Liabilities Management Maturity pattern of certain items of asset and liabilities (At Book Values)		

(₹ in crore)

Particulars	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities									
Borrowings from Banks & Financial Institutions	553.50 (-)	95.83 (-)	880.11 (-)	484.03 (-)	1,750.80 (-)	4,166.94 (-)	1,642.84 (-)	2.17 (-)	9,576.22
Market Borrowings	- (-)	- (-)	987.02 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	987.02 (-)
Assets									
Loans / Advances	1,189.91 (-)	230.51 (-)	235.17 (-)	1,336.33 (-)	2,060.53 (1.29)	3,092.34 (-)	1,831.24 (-)	2,436.38 (-)	12,412.40 (1.29)
Investments	12.46 (50.00)	- (-)	- (-)	- (-)	- (-)	2.00 (-)	25.00 (-)	159.71 (9.16)	199.17 (59.16)

Notes:

- (a) All unquoted equity shares have been included in 'Over 5 years'. The maturity pattern has been prepared in line with various regulations issued by RBI from time to time, best practices and based upon best estimate of the management with regard to the timing of various cashflows.
- (b) The classification of Assets and Liabilities into current and non-current is carried out based on their residual maturity profile as per requirement of Schedule III of the Companies Act, 2013. The above maturity pattern of assets and liabilities has been prepared by the Company after taking into consideration guidelines for assets-liabilities management (ALM) system in non-banking financial companies issued by RBI, best practices and best estimate of the ALM with regard to the timing of various cash flows, which has been relied upon by the auditors.

Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2017

(₹ in crore)

Category	As at March 31, 2017	As at March 31, 2016
10 Exposures		
(a) Exposure to Real Estate		
a) Direct Exposure		
i) Residential Mortgage		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	3.01	-
ii) Commercial Real Estate	2,022.05	-
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits		
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a) Residential	16.87	-
b) Commercial Real Estate	78.63	-
Total Exposure to Real Estate Sector	2,120.55	-

Notes :

- i) For the exposure to real estate only loans secured by way of mortgage/hypothecation of housing properties, commercial properties and land are considered.
- ii) In case of investments in Mortgage Backed Securities (MBS), the Security Receipts (SRs) issued are towards a pool of assets. The Mortgage value is arrived at based on the percentage of Mortgage loans outstanding in the Pool.
- iii) In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.

(b) Exposure to Capital Market

- | | | |
|---|--------------|---|
| i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt; | 27.52 | - |
| ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds; | - | - |
| iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security; | - | - |
| iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances; | - | - |
| v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers; | - | - |
| vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources; | - | - |

Notes to the Financial Statements for the year ended March 31, 2017

(₹ in crore)

Category	As at March 31, 2017	As at March 31, 2016
vii) Bridge loans to companies against expected equity flows / issues;	-	-
viii) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	27.52	-

(₹ in crore)

2016-2017 2015-2016

11 Details of Financing of the Parent Company Product

There are no parent Company products which are financed by the Company during the year.

- -

(₹ in crore)

	As at March 31, 2017			As at March 31, 2016		
	Exposure	Limit	Excess	Exposure	Limit	Excess

12 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company

Sistema Shyam Teleservices Limited	390.00	293.81	96.19	-	-	-
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Note : The Commercial Finance division has demerged from Reliance Capital Limited and merged with the Company w.e.f. March 24, 2017. Hence all the sanctions were benchmarked with the net worth of Reliance Capital Limited. Post demerger, the Company is in the process of downsizing the sanction limits and collecting repayments from customers to ensure compliance with the Prudential norms of RBI. As on the date the above exposure has been brought within the exposure limit.

(₹ in crore)

	As at March 31, 2017	As at March 31, 2016
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13 Unsecured Advances

Advances against Securities of Intangible Assets	-	-
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Total Advances against Securities of Intangible Assets	-	-
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14 Miscellaneous Disclosures

1. Registration obtained from other financial sector regulators

Items	Type	Number reference
a) Reserve Bank of India	Registration No.	N-13.01933
b) Ministry of Corporate Affairs	Ministry of Corporate Affairs	U66010MH2000PLC128301

2. Disclosure of Penalties imposed by RBI and other regulators

During the year there is no penalties were levied by Reserve Bank of India or any other regulator upon the Company .

3. Related Party Transactions

a) Details of all material transactions with related parties has been given in Notes No 34 of the financial statements.

b) Policy on dealing with Related Party Transactions

The transactions between the Company and related parties shall be entered with prior approval of the Audit Committee of the Board of Directors into, in compliance with the applicable provisions of the Companies Act, 2013 and other applicable laws.

Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2017

4. Ratings assigned by rating agencies and migration of ratings during the year

Rating agency	Borrowings type	Rating	Dated
i) ICRA Limited	Short Term Debt [CP] of ₹ 3,000 Crore	[ICRA] A1+	March 2, 2017
ii) ICRA Limited	Short Term Debt [TL] of ₹ 1,000 Crore	[ICRA] A1+	January 2, 2017
iii) Credit Analysis & Research Limited (CARE)	Long Term Bank Borrowings of ₹ 10,000 Crore	CARE AA+	March 16, 2017
iv) Credit Analysis & Research Limited (CARE)	Non-Convertible Debentures of ₹ 1,000 Crore	CARE AA+	March 31, 2017
v) Credit Analysis & Research Limited (CARE)	Subordinate Debt - Tier II Unsecured Debt of ₹ 500 Crore	CARE AA+	March 31, 2017
vi) Credit Analysis & Research Limited (CARE)	Market Linked Debentures of ₹ 200 Crore	CARE PP - MLD AA+	March 31, 2017

5. Remuneration of Directors

Particulars	(₹ in crore)	
	2016-17	2015-16
Transactions with the Non-Executive Directors		
Director Sitting Fees Non-Executive Directors	0.13	-
Total	0.13	-

6. Net Profit or Loss for the period, prior period items and changes in accounting policies

	(₹ in crore)	
	2016-17	2015-16
During the year there is no changes in the accounting policies and no prior period items	-	-

15 Additional Disclosures

Particulars	(₹ in crore)	
	As at March 31, 2017	As at March 31, 2016
1. Provisions and Contingencies		
a) Provision for depreciation on Investments	12.65	-
b) Provision for NPA & Doubtful Debts	46.61	-
c) Provision made towards Income tax	87.67	*
* Previous Years ₹ 83,735		
d) Other Provisions and Contingencies (with details)		
i) Provision for Repossessed assets	6.47	-
e) Contingent provision against standard assets	8.73	*
* Previous Years ₹ 38,550		
2. Concentration of Advances		
Total Advances to twenty largest borrowers	3,558.00	1.29
Percentage of Advances to twenty largest borrowers to Total Advances of the Company	28.44%	100%
3. Concentration of Exposures		
Total Exposure to twenty largest borrowers	3,558.00	1.29
Percentage of Exposures to twenty largest borrowers to Total Exposure of the Company	27.96%	100%
4. Concentration of NPAs		
Total Exposure to top four NPA accounts	131.15	-

Notes to the Financial Statements for the year ended March 31, 2017

Particulars	Percentage of NPAs to total advances in that sector	
	2016-2017	2015-2016
5. Sector-wise NPAs		
Agriculture & allied activities	3.51	-
MSME	3.42	-
Corporate borrowers	9.83	-
Services	4.02	-
Unsecured personal loans	-	-
Auto loans	7.55	-
Other personal loans	7.86	-

(₹ in crore)

Particulars	As at	As
	March 31, 2017	at March, 2017
6. Movement of NPAs		
Net NPAs to Net Advances (%)	4.13	-
Movement of NPAs (Gross)		
(a) Opening Balance	-	-
(b) Additions during the year/ Pursuant to Scheme of Arrangement	982.94	-
(c) Reductions during the year	371.20	-
(d) Closing balance	611.74	-
Movement of Net NPAs		
(a) Opening Balance	-	-
(b) Additions during the year/ Pursuant to Scheme of Arrangement	825.94	-
(c) Reductions during the year	313.56	-
(d) Closing balance	512.38	-
Movement of provisions for NPAs		
(a) Opening Balance	-	-
(b) Additions during the year/ Pursuant to Scheme of Arrangement	157.01	-
(c) Write-off	57.64	-
(d) Closing balance	99.37	-

Gross Non Performing Assets and Net Non Performing Assets given above excluding bonds & debentures.

7. Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

There are no Overseas Assets.

8. Off- balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

There are no Off-Balance Sheet SPVs sponsored by the Company which are required to be consolidated as per accounting norms.

Particulars	As at	As at
	March 31, 2017	March 31, 2016
9. Customer Complaints (as certified by the management)		
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year/ Pursuant to Scheme of Arrangement	961	-
(c) No. of complaints redressed during the year	940	-
(d) No. of complaints pending at the end of the year	21	-

(₹ in crore)

Particulars	As at	As at
	March 31, 2017	March 31, 2016
10. Other information		
Area, country of operation	India	India
Joint venture partners with regard to Joint ventures and Overseas subsidiaries	None	None

Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2017

30 Disclosures of Restructured Accounts as required by Annex IV of the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India (“RBI”) vide their Notification No. RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 (the “Notification”)

Sr. No.	Type of Restructuring	Under CDR Mechanism				Under SME Debt Restructuring Mechanism				Others				Total					
		Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss	Total	
1	Restructured Accounts as on April 1 of the FY 2016-17																		
	No. of borrowers	2	-	-	2	-	-	-	-	1	-	-	-	1	-	-	-	-	3
	Amount outstanding	21.17	-	-	21.17	-	-	-	-	39.94	-	-	-	39.94	-	-	-	-	61.11
	Provision thereon	0.06	-	-	0.06	-	-	-	-	2.00	-	-	-	2.00	-	-	-	-	2.06
2	Fresh restructuring during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	2	-	2	-	-	-	-	-	-	-	-	-	2	-	-	-	2
	Amount outstanding	-	74.82	-	74.82	-	-	-	-	-	-	-	-	-	74.82	-	-	-	74.82
	Provision thereon	-	14.51	-	14.51	-	-	-	-	-	-	-	-	-	14.51	-	-	-	14.51
3	Upgradations to restructured standard category																		
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY																		
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	(1.63)	-	-	(1.63)	-	-	-	-	-	-	-	-	-	(1.63)	-	-	-	(1.63)
	Provision thereon	0.02	-	-	0.02	-	-	-	-	-	-	-	-	-	0.02	-	-	-	0.02
5	Downgradations of restructured accounts during the FY																		
	No. of borrowers	1	-	-	1	-	-	-	-	1	-	-	-	1	-	-	-	-	2
	Amount outstanding	8.77	-	-	8.77	-	-	-	-	39.94	-	-	-	39.94	-	-	-	-	48.71
	Provision thereon	0.03	-	-	0.03	-	-	-	-	2.00	-	-	-	2.00	-	-	-	-	2.02
6	Write-offs of restructured accounts during the FY																		
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31 of the FY 2016-17																		
	No. of borrowers	1	2	-	3	-	-	-	-	-	-	-	-	-	1	2	-	-	3
	Amount outstanding	14.03	74.82	-	88.85	-	-	-	-	14.03	74.82	-	-	14.03	74.82	-	-	-	88.85
	Provision thereon	0.02	14.51	-	14.53	-	-	-	-	0.02	14.51	-	-	0.02	14.51	-	-	-	14.53

Notes to the Financial Statements for the year ended March 31, 2017

31 Security clause in respect to Secured Loans from banks

- (a) Term loans from banks includes ₹ 8,742.72 (Previous year ₹ Nil) which are secured by pari passu first charge on all present and future book debts, receivables, bills, claims and loan assets of the Company.
- (b) **Maturity profile of Term loans from banks are as set out below:**

	2017-18	2018-19	2019-20	2020-21	2021-22	2022- 23	Total
Term Loan from Banks	2,930.77	2,194.91	1,972.03	1,173.33	465.68	6.00	8,742.72

(₹ in crore)

32 Employee benefits

a) Defined contribution plan

Contribution to defined contribution plans, recognised as expense for the year is as under:

Particulars	2016-17	2015-16
Employer's contribution to provident fund	2.90	-
Employer's contribution to superannuation fund	0.10	-
Employer's contribution to pension scheme	1.26	-
	4.27	-

(₹ in crore)

b) Defined benefit plans

The following tables summarise the components of the net employee benefit expenses recognised in the Statement of Profit and Loss, the fund status and amount recognised in the balance sheet for the gratuity benefit plan and leave encashment plan.

Particulars	Gratuity benefit funded		Leave Encashment Benefit Unfunded	
	2016-17	2015-16	2016-17	2015-16
I. Table showing change in				
Liability at the beginning of the period	10.13	-	1.11	-
Interest Cost	0.82	-	0.08	-
Current Service Cost	1.33	-	0.44	-
Liability Transferred out / Divestments	(1.44)	-	-	-
Benefit Paid	(2.72)	-	(0.15)	-
Actuarial (gain)/loss on obligations - Due to change in Financial Assumptions	0.83	-	(0.26)	-
Actuarial (gain)/loss on obligations -Due to Experience	2.54	-	-	-
Liability at the end of the period	11.49	-	1.22	-
II. Changes in the fair Value of Plan Assets and the reconciliation thereof:				
Fair Value of Plan Assets at the beginning of the period	9.28	-	-	-
Expected return on Plan Assets	0.75	-	-	-
Contributions	1.51	-	0.15	-
Liability Transferred out / Divestments	(1.44)	-	-	-
Benefit paid	(2.72)	-	(0.15)	-
Actuarial gain/(loss) on Plan Assets - Due to Experience	0.16	-	-	-
Fair value of Plan Assets at the end of the period	7.54	-	-	-
Total Actuarial gain/(loss) to be recognized	(3.20)	-	0.26	-
III. Actual return on Plan Assets				
Expected return on Plan Assets	0.75	-	-	-
Actuarial gain/(loss) on Plan Assets	0.16	-	(0.26)	-
Actual return on Plan Assets	0.91	-	(0.26)	-
IV. Amount recognised in the Balance Sheet				
Liability at the end of the period	11.49	-	1.22	-
Fair Value of Plan Assets at the end of the period	7.54	-	-	-

(₹ in crore)

Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2017

(₹ in crore)

Particulars	Gratuity benefit funded		Leave Encashment Benefit Unfunded	
	2016-17	2015-16	2016-17	2015-16
Difference Funded status [Surplus/(Deficit)]	(3.95)	-	(1.22)	-
Unrecognised Actual Gain / (Loss)	-	-	-	-
Amount recognised in the Balance Sheet (liability)	(3.95)	-	(1.22)	-
V. Expenses recognised in the Profit and Loss Account				
Current Service Cost	1.33	-	0.44	-
Interest Cost	0.07	-	0.08	-
Net Actuarial (gain)/loss to be recognized	3.20	-	(0.26)	-
Expense relating to Holding Company	2.27	-	-	-
Expense recognised in Profit and Loss Account	2.33	-	0.26	-
VI. Amount recognised in the Balance Sheet				
Opening Net Liability	0.85	-	1.11	-
Expense as above	4.60	-	0.26	-
Employers Contribution paid	(1.51)	-	(0.15)	-
Liability relating to Holding Company	1.43	-	-	-
Closing Net Liability/(Assets)	2.51	-	1.22	-
VII. Experience Adjustment				
Experience adjustment on Plan Assets Gain/(Loss)	0.16	-	-	-
Experience adjustment on Plan Liabilities (Gain)/Loss	2.54	-	-	-
VIII. Assumptions				
Discount Rate	7.34%	-	7.45%	-
Rate of return on Plan Assets	7.34%	-	-	-
Salary Escalation Rate	6.00%	-	6.00%	-

Notes:

- i) Till March 31, 2017, all employees of the Commercial Finance division were on the payrolls of Reliance Capital Limited and the Gratuity for these employees was held in the Gratuity Trust of Reliance Capital Limited. The actuarial valuation of the Gratuity liabilities as on March 31, 2017 has been taken by Reliance Capital Limited on group level and gratuity liabilities and expenses has been allocated between the Company and Reliance Capital Limited on estimated basis.
- ii) The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.
- iii) General Descriptions of significant defined plans:
 - a) Gratuity plan
Gratuity is payable to all eligible employees of the Company on superannuation, death and permanent disablement, in terms of the provisions of the Payment of Gratuity Act 1972 or as per the Company's Scheme whichever is more beneficial.
 - b) Leave plan
Encashment of leave can be availed by the employee for balance in the earned account as on January 1, 2009. All carry forward earned leaves with a maximum limit of 10 Days, are available for availment but not for encashment.

Other Employee Benefits – Phantom Stock

I. Details of Option granted, forfeited and exercised

Particulars	2016-2017	2015-2016
Outstanding as at April 1, 2016	-	-
Granted	11,07,700	-
Exercised	-	-
Lapsed/ Forfeited/ Surrendered	-	-
Outstanding as at March 31, 2017	11,07,700	-
Exercisable as at March 31, 2017	-	-

Notes to the Financial Statements for the year ended March 31, 2017

II. Terms and conditions of the scheme

Date of grant

Details of vesting schedule and condition	Phantom stock granted under the scheme would vest within not less than 1 year and not more than 5 years from the last date of vesting of such Phantom stock option. Vesting of Phantom stock option would be subject to continued employment with the company and the Phantom stock option would vest on passage of time
Appreciation as per Phantom stock option	Excess of fair market of share on the date of exercise determined in terms of Phantom stock option scheme over the base price.
Exercise Period	In case of continuation of employment : Vested Phantom stock option can be exercised any time upto 3 years from the date of last vesting of Phantom stock options and In case of cessation of employment : Different periods depending on kind of cessation as per provision of the Phantom stock option scheme
Settlement of Phantom stock option	Within 90 days from the date of exercise by cash

III. Fair value of the Option granted was estimated on the date of grant based on the following assumptions

Discount rate	6.77%
Expected life	5 years

IV. The Company's liability toward the Phantom stock option is accounted for on the basis of an independent actuarial valuation done at the year end. As per the valuation the liability for the year is ₹ 0.52 crore which is debited to Statement of profit and loss account and the liability is shown in the Balance sheet under the head Other current liabilities and clubbed under Other payables.

33 Segment reporting

The Company is mainly engaged in the commercial finance business, all other activities revolve around the main business of the Company, as such there is no separate reportable segment and Company's all operations are conducted within India, hence there is no separate reportable geographical segment, under Accounting Standard -17 (AS-17), on "Segment Reporting" notified by the Companies (Accounts) Rules, 2014.

34 Related party disclosures

A. List of Related Parties and their relationship:

i) Holding Company

Reliance Capital Limited

ii) Subsidiaries of Holding Company / Fellow Subsidiaries

1	Reliance Nippon Life Asset Management Limited (formerly Reliance Capital Asset Management Limited)	14	Reliance Nippon Life Insurance Company Limited (formerly Reliance Life Insurance Company Limited)
2	Reliance Asset Management (Singapore) Pte. Limited	15	Reliance Money Express Limited (ceased from February 7, 2017)
3	Reliance Asset Management (Mauritius) Limited	16	Reliance Money Precious Metals Private Limited
4	Reliance Capital Asset Management (UK) Limited (ceased from June 14, 2016)	17	Reliance Money Solutions Private Limited
5	Reliance Capital Pension Fund Limited	18	Reliance Securities Limited
6	Reliance AIF Management Company Limited	19	Reliance Corporate Advisory Services Limited (Formerly known as Reliance Spot Exchange Infrastructure Limited)
7	Reliance Capital AIF Trustee Company Private Limited	20	Reliance Wealth Management Limited
8	Reliance Capital Trustee Company Limited	21	Quant Capital Private Limited
9	Reliance Commodities Limited	22	Quant Broking Private Limited
10	Reliance Exchangenext Limited	23	Quant Securities Private Limited
11	Reliance Financial Limited	24	Quant Commodity Broking Private Limited (ceased from August 18, 2016)
12	Reliance General Insurance Company Limited	25	Quant Capital Finance and Investments Private Limited (ceased from July 7, 2016)
13	Reliance Home Finance Limited	26	Quant Investments Services Private Limited

Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2017

iii) Parties under common control

Reliance Communications Limited
Reliance Infrastructure Limited

iv) Key management personnel

Shri Amrish Shah Chief Financial Officer (w.e.f. March 9, 2017)
Shri Varun Agrawal Chief Financial Officer (upto February 9, 2017)
Smt. Ekta Thakurel Company Secretary (w.e.f. March 9, 2017)
Shri Ravin Tank Company Secretary (up to February 9, 2017)

B. List of related parties with whom transactions have taken place during the year:

Reliance Capital Limited
Reliance Communications Limited
Reliance Infrastructure Limited
Reliance General Insurance Company Limited
Reliance Home Finance Limited

C. Transactions during the year with related parties:

(₹ in crore)

Particulars	Holding Company	Fellow Subsidiary	Parties under common control	Key Management Personnel	Total
Equity Share Capital					
a) Issued during the year	59.53	-	-	-	59.53
	(51.00)	(-)	(-)	(-)	(51.00)
b) Matured /Redeemed during the year	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
c) Balance as at March 31, 2017	122.83	-	-	-	122.83
	(63.30)	(-)	(-)	(-)	(63.30)
Preference Share Capital					
a) Issued during the year	400.00	-	-	-	400.00
	(-)	(-)	(-)	(-)	(-)
b) Balance as at March 31, 2017	400.00	-	-	-	400.00
	(-)	(-)	(-)	(-)	(-)
Security Premium Received on Issue of Equity Share					
a) Received on Issued during the year	1,690.51	-	-	-	1,690.51
	(-)	(-)	(-)	(-)	(-)
b) Balance as at March 31, 2017	1,690.51	-	-	-	1,690.51
	(-)	(-)	(-)	(-)	(-)
Reimbursement of Expenses given					
Reimbursement of Expenses paid	0.68	-	-	-	0.68
	(-)	(-)	(-)	(-)	(-)
Trade Payable as on March 31, 2017					
Reliance Communications Limited	-	-	0.05	-	0.05
	(-)	(-)	(-)	(-)	(-)
Reliance Infrastructure Limited	-	-	0.09	-	0.09
	(-)	(-)	(-)	(-)	(-)
With Reliance Home Finance Limited					
Income					
Reimbursement of Expenses Received	-	26.23	-	-	26.23
	(-)	(-)	(-)	(-)	(-)
Expenses					
Reimbursement of Expenses paid	-	3.54	-	-	3.54
	(-)	(-)	(-)	(-)	(-)

Notes to the Financial Statements for the year ended March 31, 2017

(₹ in crore)

Particulars	Holding Company	Fellow Subsidiary	Parties under common control	Key Management Personnel	Total
Valuation Expenses paid	-	0.22	-	-	0.22
	(-)	(-)	(-)	(-)	(-)
With Reliance General Insurance Co. Ltd.					
Income					
Reimbursement of Expenses Received	-	0.92	-	-	0.92
	(-)	(-)	(-)	(-)	(-)
Expenses					
Insurance Premium paid	-	2.20	-	-	2.20
	(-)	(-)	(-)	(-)	(-)
Rent Expenses	-	0.28	-	-	0.28
	(-)	(-)	(-)	(-)	(-)
Reimbursement of Expenses paid	-	1.19	-	-	1.19
	(-)	(-)	(-)	(-)	(-)
With Reliance Nippon Life Asset Management Limited					
Sale of Investments	-	9.16	-	-	9.16
	(-)	(-)	(-)	(-)	(-)
With Reliance Capital Pension Fund Limited					
Investments as on March 31, 2017	-	-	-	-	-
	(-)	(9.16)	(-)	(-)	(9.16)
With Reliance Nippon Life Assets Management Company Limited					
Income					
Reimbursement of Expenses Received	-	0.04	-	-	0.04
	(-)	(-)	(-)	(-)	(-)
With Reliance Nippon Life Insurance Company Limited					
Income					
Reimbursement of Expenses Received	-	0.20	-	-	0.20
	(-)	(-)	(-)	(-)	(-)
Expenses					
Insurance Expenses	-	0.44	-	-	0.44
	(-)	(-)	(-)	(-)	(-)
With Reliance Securities Limited					
Income					
Reimbursement of Expenses Received	-	0.13	-	-	0.13
	(-)	(-)	(-)	(-)	(-)
Expenses					
Brokerage Expenses * ₹ 32687	-	*	-	-	*
	(-)	(-)	(-)	(-)	(-)
With Reliance Communications Limited					
Expenses					
IT & Communication Expenses	-	-	1.75	-	1.75
	(-)	(-)	(-)	(-)	(-)
Rent Expenses	-	-	0.86	-	0.86
	(-)	(-)	(-)	(-)	(-)
Income					
Interest on loan	-	-	58.92	-	58.92
	(-)	(-)	(-)	(-)	(-)
Loan given during the year	-	-	1,565.70	-	1,565.70
	(-)	(-)	(-)	(-)	(-)
Loan Repaid during the year	-	-	1,821.20	-	1,821.20
	(-)	(-)	(-)	(-)	(-)

Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2017

Particulars	(₹ in crore)				
	Holding Company	Fellow Subsidiary	Parties under common control	Key Management Personnel	Total
With Reliance Big Entertainment Private Limited					
Income					
Interest on loan	-	-	19.16	-	19.16
	(-)	(-)	(-)	(-)	(-)
Loan given during the year	-	-	140.14	-	140.14
	(-)	(-)	(-)	(-)	(-)
Loan Repaid during the year	-	-	280.28	-	280.28
	(-)	(-)	(-)	(-)	(-)
With Reliance Infratel Limited					
Income					
Interest on loan	-	-	22.91	-	22.91
	(-)	(-)	(-)	(-)	(-)
Loan given during the year	-	-	876.20	-	876.20
	(-)	(-)	(-)	(-)	(-)
Loan Repaid during the year	-	-	876.20	-	876.20
	(-)	(-)	(-)	(-)	(-)
Employee Benefit Expenses					
Mr. Amrish Shah	-	-	-	0.03	0.03
	(-)	(-)	(-)	(-)	(-)
Ms. Ekta Thakurel * ₹ 72,898	-	-	-	*	-
	(-)	(-)	(-)	(-)	(-)

Notes :

- The above disclosed transactions entered during the period of existence of related party relationship. The balances and transactions are not disclosed before existence of related party relationship and after cessation of related party relationship.
- The current year figures are excluding service tax.
- Expenses incurred towards public utilities services such as telephone and electricity charges have not been considered for related party transaction.
- For transactions prior to demerger please refer note 40 (iv) below.

35 Basic and diluted earnings per share

The computation of earnings per share is set out below:

Particulars	(₹ in crore)	
	2016-17	2015-16
Amounts used as the numerators:		
Net Profit after tax	295.17	0.03
Net Profit attributable to equity shareholders	295.17	0.03
Weighted average number of equity shares (Nos.)	6,41,16,111	1,85,93,050
Basic earnings per share of face value ₹ 10 each (In Rupees)	46.04	0.01
Diluted earnings per share of face value ₹ 10 each (In Rupees)	46.04	0.01

36 Contingent Liabilities and Commitments (As Certified by the Management)

Particulars	(₹ in crore)	
	As at March 31, 2017	As at March 31, 2016
Contingent Liabilities		
i) Guarantees to Banks and Financial Institutions on behalf of third parties	338.47	-
ii) Claims against the Company not acknowledge as debt	5.38	-
Commitments		
iii) Estimated amount of contracts remaining to be executed on capital account (net of advances)	5.31	-
iv) Undrawn Committed Credit lines	554.36	-

Notes to the Financial Statements for the year ended March 31, 2017

37 Expenditure in foreign currency

		(₹ in crore)	
Particulars	2016-17	2015-16	
i) Legal & Professional Fees	0.15	-	
ii) Software Maintenance and Others	0.33	-	
iii) Subscription Fees *₹ 27 440	*	-	
iv) Repairs & Maintenance *₹ 14 888	*	-	
	0.48	-	

38 Details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016

		(₹ in crore)		
Particulars	Specified Bank Notes	Other Notes	Total	
Closing cash in hand as on 08.11.2016	1.20	0.24	1.44	
Add : Permitted Receipts	-	6.85	6.85	
Less : Permitted Payments	-	-	-	
Less : Amount deposited in Bank	1.20	7.03	8.23	
Closing cash in hand as on 30.12.2016	-	0.06	0.06	

39 Scheme of Arrangement between Company and Reliance MediaWorks Limited (RMW)

The Board of Directors at its meeting held on March 31, 2017 approved a Scheme of Arrangement for demerger of Lease Rental Business of Reliance MediaWorks Limited (RMW) into the Company pursuant to Section 230 - 232 of the Companies Act, 2013. The Company has filed the Scheme with National Company Law Tribunal ("NCLT") on March 31, 2017. As per the Scheme, leasing business of the demerged company would be transferred to the Company from the Appointed Date. Appointed date for the Scheme is March 31, 2017, subject to requisite approvals, including the sanction of National Company Law Tribunal, Mumbai Bench. For the year ended March 31, 2017 there is no impact on the financial statements of the Company on account of above Scheme.

40 Scheme of Arrangement between Company and Reliance Capital Limited (RCL)

The Scheme of Arrangement ("the Scheme") under Sections 391 to 394 of the Companies Act, 1956 between the Company and Reliance Capital Limited and their respective shareholders and creditors was sanctioned by the Hon'ble High Court of Judicature at Bombay vide Order dated December 9, 2016. The Scheme became effective on March 24, 2017 on filing with the Registrar of Companies (RoC) with effect from April 1, 2016 i.e. Appointed Date.

Persuant to the Scheme, the Commercial Finance Business (CF) undertaking of Reliance Capital Limited (RCL) has been transferred to the Company. Hence, in accordance with the Scheme:-

- i. On Scheme becoming effective with effect from Appointed Date, the Company has recorded all the assets aggregating to ₹ 12,473 crore and liabilities aggregating to ₹ 12,473 crore as appearing in the books of RCL related to commercial finance business at their respective book value as on Appointed Date. The assets & liabilities taken over include:

Assets / Liabilities Taken Over	(₹ in crore)
Assets	
Property, Plant and Equipment (Net of accumulated Depreciation ₹ 49.58 crore)	28.50
Investments	91.00
Loans & Advances	11,351.00
Cash and Cash Equivalents	493.00
Other Bank	156.00
Other Current Assets	353.50
Total Assets	12,473.00
Liabilities	
Bank Borrowings	7,927.00
Provisions	38.00
Trade payables	6.00
Other current liabilities	516.00
Short term borrowings	2,824.00
Current maturities of Non Convertible Debentures	1,162.00
Total	12,473.00

Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2017

- ii There is no difference between value of assets and liabilities of the RCL's commercial finance business as recorded by the Company, accordingly there is no capital reserve or goodwill.
- iii With effect from the Appointed Date and upto and including the effective date, RCL shall be deemed to have been carrying on and to be carrying on all business and activities relating to Commercial Finance Business for and on account of and in trust of the Company. As per the scheme approved by the Hon'ble High Court of Bombay, all profits accruing to RCL or losses arising or incurred by RCL in relation to the Commercial Finance Business for the period commencing from the Appointed Date to the Effective Date shall, for all purposes, be treated as the profits or losses, as the case may be, of the Company. Accordingly Statement of Profit & Loss has been prepared for the year ended March 31, 2017.
- iv During the period from the Appointed Date to the Effective Date the Company has paid interest amounting to ₹ 90.64 crore on inter divisional balance, reimbursement of expenses amounting to ₹ 2.50 crore and management fees amounting to ₹ 3 crore to Reliance Capital Limited. Outstanding inter division balance amounting to ₹ 2,874 crore as on March 24, 2017 has been paid by the Company subsequently.

41 Corporate Social Responsibility Expenditures

As per Section 135 of the Companies Act, 2013 the Company is under obligation to incur Corporate Social Expenditures (CSR) amounting to ₹ 6,553 (Previous year ₹ Nil), being 2% of the average net profit during the three immediately preceding financial years towards CSR, calculated in the manner as stated in the Act. During the year, the Company has made a contribution of ₹ 0.15 crore (Previous year ₹ Nil) by contributing for health camps and support for education.

42 The Company has taken approval of the shareholders at Annual General Meeting held on May 30, 2016 for changing its name from Reliance Gilts Limited to Reliance Commercial Finance Limited. Consequent to fresh Certificates of Incorporation dated June 7, 2016 received from the Registrar of Companies (RoC), Maharashtra, Mumbai, the name of the Company has been changed from Reliance Gilts Limited to Reliance Commercial Finance Limited.

43 Pursuant to the Scheme of Arrangement between the Company and Reliance Capital Limited, the Company has received MAT Credit Entitlement under Section 115 JAA of the Income Tax Act, 1961. Based on judicial decisions and pursuant to Scheme of Arrangement, the Company has been made income tax provision for the year ended March 31, 2017 based on availability of MAT credit entitlement. Accordingly income tax provision for the year ended March 31, 2017 is under normal tax and the Company has utilized the MAT Credit amounting to ₹ 59.98 crore.

44 The Board of Directors have recommended a dividend of ₹ 0.50 per equity share for the year subject to the approval of the members of the Company at the ensuing Annual General Meeting. In terms of revised Accounting Standard (AS-4) 'Contingencies and Events Occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through Amendments to the Companies (Accounting Standards) Amendment, Rules 2016 dated March 30, 2016, Company has not accounted for proposed dividend as a liabilities as at March 31, 2017. Accordingly the proposed dividend of ₹ 6.14 crore and tax thereon ₹ 1.25 crore are not recognised as liability in the financial statements for the year ended March 31, 2017.

45 Previous year figures has been regrouped /reclassified wherever necessary.

The figures for current year includes figures of Commercial Finance Business of Reliance Capital Limited (RCL) which is demerged with the Company with effect from April 1, 2016 i.e. the Appointed Date and therefore to that extent not strictly comparable to that of previous year's figures.

As per our report of even date

For and on behalf of the Board

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No.: 101720W

Directors

Padmanabh Vora (DIN: 00003192)
Deena Mehta (DIN: 00168992)
Lav Chaturvedi (DIN: 02859336)

Vijay Napawaliya
Partner
Membership No.: 109859
Mumbai
Dated: April 20, 2017

Executive Director & CEO
Chief Financial Officer
Company Secretary
Mumbai
Dated: April 20, 2017

Devang Mody (DIN: 07794726)
Amrish Shah
Ekta Thakurel

