

RELIANCE

**COMMERCIAL
FINANCE**

Annual Report 2017- 18

Profile

The brand Reliance Money is presented by Reliance Commercial Finance Limited, a wholly-owned subsidiary of Reliance Capital Limited.

As a lending arm of Reliance Capital Limited, Reliance Money is amongst the leading SME lenders in the Indian Non-Banking Finance Company (NBFC) space, with a focus on transforming itself into a diversified and new-age finance solutions provider, both in the commercial and consumer finance space.

Reliance Money offers a wide range of products which include SME Loans, Micro-finance, Loans against Property, Infrastructure Finance, Supply Chain Finance, Two-wheeler Loans, Used Car Loans and Personal Loans.

For the past decade, Reliance Money, through its customised and convenient financial solutions, has helped create success stories out of over half a million SMEs and Individuals across the country.

The company has an AUM of ₹ 16,475 crore as at March 31, 2018, and a strong network of over 5,000 distribution partners serving customers in more than 200 locations across India.

By empowering customers and helping them realise their business dreams, Reliance Money hopes to power India's journey towards self-reliance.

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. Price Waterhouse & Co, Chartered Accountants LLP

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.reliancemoney.co.in

Registrar and Transfer Agent

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
E-mail: mis.radag@karvy.com
Website: www.karvy.com

Debenture Trustee(s)

Vistra ITCL (India) 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

Axis Trustee Services Limited

Ground Floor, Wadia International Centre
Pandurang Budhkar Marg,
Worli, Mumbai - 400 025
Phone: +91 22 6226 0054/ 6226 0050
Email: debenturetrustee@axistrustee.com
Website: www.axistrustee.com

Rating Agencies

CARE Ratings 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 18th Annual Report and the audited financial statement for the financial year ended March 31, 2018.

Financial Performance and State of Company's Affairs

The performance of the Company for the financial year ended March 31, 2018 is summarised below:

Particulars	Financial Year Ended	
	March 31, 2018*	March 31, 2017*
Revenue from operations	2 038.90	1 909.74
Other Income	94.71	43.60
Total Revenue	2 133.61	1 953.34
Profit / (loss) before Depreciation & Tax	315.10	353.77
Less: Depreciation and Amortisation	34.03	11.09
Profit / (loss) before Tax	281.07	342.68
Less: Provision for Income Tax	54.50	87.67
Less: Provision for Deferred Tax	18.20	(40.16)
Net Profit / (loss) after Tax	208.37	295.17
Add: Profit / (loss) brought forward from previous year	233.19	(2.95)
Less: Amount Transferred to Special Reserve	41.67	59.03
Less: Dividend paid to Equity Shareholders	6.14	-
Less: Tax on Dividend	1.25	-
Profit / (loss) carried to Balance Sheet	392.50	233.19
Earnings per share (Basic & Diluted)	16.95	46.04

*Figures have been regrouped / reclassified wherever necessary.

Financial Performance

During the year under review, your Company has earned Profit Before Tax of ₹ 281.07 crore for the financial year ended March 31, 2018 as against ₹ 342.68 crore in the previous financial year and Profit After Tax of ₹ 208.37 crore for the financial year March 31, 2018 as against ₹ 295.17 crore in the previous financial year.

Depreciation was at ₹ 34.03 crore as against ₹ 11.09 crore in the previous year. An amount of ₹ 41.67 crore was transferred to the Statutory Reserve Fund pursuant to Section 45-IC of the Reserve Bank of India Act, 1934

Dividend

Your Directors have recommended a dividend of ₹ 0.50 (5 per cent) per equity share of ₹ 10 aggregating to ₹ 8.14 crore (inclusive of dividend tax) and a pro-rata dividend of ₹ 0.10 (10 per cent) per Non-Convertible Non-Cumulative Redeemable Preference Shares of ₹ 1 each aggregating to ₹ 38,938.43 for the financial year 2017-18, subject to the approval of the members of the Company at the 18th Annual General Meeting (AGM), will be paid to (i) all those equity shareholders whose name appears in the Register of Members as on April 23, 2018.

In respect of preference shares, dividend will be paid on pro-rata for the financial year ended March 31, 2018, to those preference shareholders whose names appear in the Register of Members on April 23, 2018 pursuant to the provisions of the Companies Act, 2013 (the Act) and Rules made thereunder.

Scheme of the Arrangement

The Scheme of Arrangement under Sections 230 to 232 the Companies Act, 2013 (the "Scheme") between Reliance

MediaWorks Limited ("RMW" or The Demerged Company") and Reliance Commercial Finance Limited ("RCFL" or "The Resulting Company") for transferring the Lease rental business of RMW to RCFL has been sanctioned by the Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench, on October 18, 2017. The Scheme has become effective on November 16, 2017 on filing with the Registrar of Companies, Maharashtra at Mumbai with effect from March 31, 2017 i.e. Appointed date.

Capital Structure

The Company's Authorised Share Capital was enhanced to ₹ 10,00,20,00,000/- divided into 60,00,00,000 equity shares of ₹ 10/- each, 40,00,00,000 preference shares of ₹ 10/- each and 20,00,000 preference shares of ₹ 1/- each on March 31, 2018.

During the year under review, pursuant to the Scheme of Arrangement, the Company has issued and allotted 13,79,857 10% Non-Convertible Non-Cumulative Redeemable Preference Shares of ₹ 1/- each on December 18, 2017.

The Company has also issued 1,25,00,000 Equity shares of face value of ₹ 10/- each on March 28, 2018.

Accordingly, the issued, subscribed and paid-up Share Capital of your Company stood at ₹ 535.46 crore.

Resources and Liquidity

The Company's Net Worth as on March 31, 2018, stood at ₹ 2617.18 crore. The Company has raised ₹ 8215 crore during the financial year 2017-18 by issuance of Commercial Papers, Non-Convertible Debentures (NCDs) and other money market instruments. The funds were deployed in providing ongoing

Reliance Commercial Finance Limited

Directors' Report

funding requirements of the Company's business activities and refinancing of the existing debt obligations. The Company's debt equity ratio as on March 31, 2018 stood at 4.78:1.

Deposits

The Company has neither accepted nor renewed any fixed deposits during the year.

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.

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 19.30%, well above the regulatory minimum of 15%. Your Company's asset size is ₹ 15,941.52 crore for the year ended March 31, 2018.

The Company has received a certificate from the Auditors of the Company, Price Waterhouse & Co, Chartered Accountants LLP, 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.

Subsidiary and Associate Companies

The Company does not have any Subsidiary or Associate Company.

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.

The details of programme for familiarization of Independent Directors with the Company, nature of the industry in which the Company operates and related matters are put up on the website of the Company at the <https://www.reliancemoney.co.in/investors>

During the year under review, the Company has appointed Shri Arvind Mayaram as an Independent Director of the Company for a term of 5 (five) years commencing from February 26, 2018. The Company has received a notice in writing from a member proposing his candidature for the office of an Independent Director.

In terms of the provisions of the Companies Act, 2013, Shri Devang Mody, Executive Director & CEO of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing AGM.

Shri Padmanabh Vora ceased to be an Independent Director with effect from February 26, 2018. The Board places on record its deep sense of appreciation for the invaluable contribution made by him during his tenure as Director of the Company.

Key Managerial Personnel

During the year under review, Shri Amrish Shah ceased to be the Chief Financial Officer of the Company with effect from March 6, 2018. The Board places on record its deep sense of appreciation for the invaluable contribution made by him during his tenure as Chief Financial Officer of the Company.

Evaluation of Directors, Board and Committees

The Company has devised a policy for performance evaluation of the individual Directors, Board and its Committees, which includes 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. A separate meeting of the Independent Directors was also held during the financial year for the evaluation of the performance of non-independent Directors, performance of the Board as a whole and that of the Chairman of the Board.

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, 2018, 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, 2018 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;

Directors' Report

- (d) The Directors had prepared the annual financial statement for the financial year ended March 31, 2018 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 which could have a potential conflict with the interest of the Company at large.

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

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 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 on quarterly basis.

The policy on Related Party Transaction as approved by the Board is uploaded on the Company's website at the link <https://www.reliancemoney.co.in/investors>. Your Directors draw attention of the members to Note no. 37 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 which have occurred between the end of the financial year and the date of the report.

Meetings of the Board

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, Nine Board Meetings were held.

Audit Committee

The Audit Committee of the Board consists of Independent Directors namely Shri Arvind Mayaram 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.

Auditors and Auditor's Report

M/s. Price Waterhouse & Co Chartered Accountants LLP, were appointed as Auditors of the Company for a term of 5 (five) consecutive years, at the Annual General Meeting of the Company held on July 1, 2017. The Company has received letter from M/s. Price Waterhouse & Co Chartered Accountants LLP that they are not disqualified from continuing as Auditors of the Company.

The Notes on Financial Statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. 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.

Maintenance of Cost Records

The Central government has not specified maintenance of cost records, for any of the products of the Company, under Section 148(1) of the Act.

Secretarial Standards

During the year under review, the Company has complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

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 M/s. Bhatt & Associates Company Secretaries 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 II.

Extract of Annual Return

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

Particulars of Employees and Related Disclosures

In terms of the provisions of Section 197(12) of the Act read with Rule 5(2) and 5(3) 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 the said Rules are provided in the Annual Report, which forms part of this Report.

Disclosures 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 also provided in the Annual Report, which forms part of this Report.

However, having regard to the provisions of first proviso to Section 136(1) 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. Any member interested in obtaining the same may write to the Company Secretary and the same will be furnished on request.

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 IV forming part of this Report.

Directors' 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 regard.

Ombudspersons & Whistle Blower (Vigil Mechanism)

The Company has formulated an Ombudspersons & Whistle Blower (Vigil Mechanism) policy to address the genuine concerns, if any of the directors and employees.

Risk Management Committee

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 manage these risks. A Risk Management Committee periodically reviews the robustness of Risk Management Policy.

Assets Liability Committee (ALCO) consisting of senior management executives, monitors liquidity and interest rate risk of the Company. The functioning of ALCO is reviewed by the Risk Management Committee which meets quarterly and reports to the Board of Directors.

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 policy may be accessed on the Company's website at the link <https://www.reliancemoney.co.in/investors>.

The disclosures with respect to CSR activities are given in Annexure V.

Orders, if any, passed by the Regulators or courts or Tribunals

No orders have been passed by the regulators or courts or tribunals impacting 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 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

Place: Mumbai
Date : August 10, 2018

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.

Form No. MR-3 Secretarial Audit Report

For the financial year ended March 31, 2018

[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 us 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, 2018 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, 2018, 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;
- 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: -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - Not Applicable;
 - (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 - Not Applicable;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not Applicable;
 - (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 - Not Applicable;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable; and
 - (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 - Not Applicable.

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.

Directors' Report

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

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.

- a. Alteration of Memorandum of Association of the Company;
- b. Alteration of Articles of Association of the Company;
- c. Approval for issuance of Equity Shares on Preferential basis;
- d. Increase in Authorized Share Capital of the Company;
- e. Approval for issuance and allotment of Non Convertible Debentures on Private Placements;
- f. Declaration and payment of dividend at 5% of the Face Value;
- g. Appointment and Resignation of Non Executive Directors;
- h. Appointment of Executive Director;
- i. Appointment & Resignation of Key Managerial Personnel(s);
- j. Reconstitution of Committees
- k. Approval of National Company Law Tribunal in the matter of scheme of arrangement between Reliance MediaWorks Limited and the Company;
- l. Obtained membership to the Collateralized Borrowing and lending obligation segment of the Clearing Corporation of India Limited

For Bhatt & Associates Company Secretaries LLP

Aashish Bhatt
Designated Partner

Place: Mumbai
Date: April 20, 2018

ACS No.: 19639
COP No.: 7023

Reliance Commercial Finance Limited

Directors' Report

Annexure III

FORM NO. MGT – 9 EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2018

[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 Email: rcfl.secretarial@relianceada.com Website: www.reliancemoney.co.in
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 Email: mis.radag@karvy.com, Website: www.karvy.com

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, 2017)				No. of Shares held at the end of the year (March 31, 2018)				% 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	6 33 00 694	5 95 25 006	12 28 25 700	100	13 53 25 694	6 13 53 25 700	100	Nil	
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	6 33 00 694	5 95 25 006	12 28 25 700	100	13 53 25 694	6 13 53 25 700	100	Nil	

Directors' Report

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2017)				No. of Shares held at the end of the year (March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
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)	6 33 00 694	5 95 25 006	12 28 25 700	100	13 53 25 694	6 13 53 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)	6 33 00 694	5 95 25 006	12 28 25 700	100	13 53 25 694	6 13 53 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, 2017)			Shareholding at the end of the year (March 31, 2018)			% 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	12 28 25 700	100.00	Nil	13 53 25 700	100.00	Nil	Nil
	Total	12 28 25 700	100.00	Nil	13 53 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	12 28 25 700	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	13 53 25 700	100.00	-	-

Note:

Shareholder's Name	Shareholding at the beginning of the year		Date	Increase / (Decrease) in shareholding	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	12,28,25,700	100.00		-	-	-	-
Reliance Capital Limited			28.03.2018	1 25 00 000	Allotment	13 53 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:

Directors and Key Managerial Personnel 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	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
Change in Indebtedness during the financial year				
Additions	5 882.82	6 206.13	-	12 088.95
Reduction	3708.91	6 780.48	-	10 489.39
Net Change	2333.91	(734.35)	-	1 599.56
Indebtedness at the end of the financial year				
i. Principal Amount	11 542.50	559.05	-	12 101.55
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	57.76	3.62	-	61.38
Total (i+ii+iii)	11 600.26	562.67	-	12 162.93

Directors' Report

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹ in Lakh)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Devang Mody (Executive Director & CEO)	
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		685.63
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-
2	Stock option		-
3	Sweat Equity		-
4	Commission		-
5	Others, please specify		-
	Total		685.63
	Ceiling as per the Act		3 308.33

B. Particulars of Remuneration (₹ in Lakh)

Sr. No.	Particulars of Remuneration	Name of Directors			
		Mr. Padmanabh Vora*	Ms. Deena Mehta	Mr. Arvind Mayaram**	Total
1	Independent Directors				
	Fees for attending Board / Committee Meetings	14.00	9.20	-	23.20
	Commission	-	-	-	-
	Others	-	-	-	-
	Total	14.00	9.20	-	23.20
2	Other Non-Executive Directors	Mr. Lav Chaturvedi			
	Fees for attending Board / Committee Meetings	-	-	-	-
	Commission	-	-	-	-
	Others	-	-	-	-
	Total	-	-	-	23.20
	Overall Ceiling as per the Act				3 308.33

* Ceased w.e.f. February 26, 2018

**Appointed w.e.f. February 26, 2018

C. Remuneration to Key Managerial Personnel other than MD /Manager /WTD. (₹ in Lakh)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Devang Mody (Executive Director & CEO)	Amrish Shah (Chief Financial Officer) (Upto March 6, 2018)	Ekta Thakurel (Company Secretary)
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	685.63	78.23	16.31
	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	685.63	78.23	16.31

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, 2018.

Disclosure under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014.

(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	:	₹ 2.24 Crore

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2017-2018

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: <https://www.reliancemoney.co.in/investors>

2. The Composition of the CSR Committee:

Shri Arvind Mayaram – 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 ₹ 127,63,47,279/-

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

The Company is required to spend ₹ 2,55,26,949/- towards CSR.

5. Details of CSR spent during the financial year:

- a) Total amount spent for the financial year: - ₹ 2,55,55,642/-
- b) Amount unspent, if any: - Nil
- c) Manner in which the amount spent during the financial year is detailed below:

(1) Sr. No.	(2) CSR projects or activity identified	(3) Sector in which the project is covered	(4) Projects or Programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	(5) Amount outlay (budget) Project or Programs wise	(6) Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads.	(7) Cumulative Expenditure upto the reporting period.	(8) Amount spent: Direct or through implementing agency (give details of implementing agency)
1.	Thalassemia Treatment	Health Care	Rotary Club of Chennai Port Charitable Trust	3 23 250/-	3 23 250/-	3 23 250/-	Direct
2.	Imparting Education to under privileged Children for Mission Education Programme	Promoting Education	Smile Foundation	28 75 000/-	28 75 000/-	36 75 000/-	Direct
3.	Imparting Education to under privileged Children for Kalapandhari Project	Promoting Education	CRY(Child rights and You)	18 30 292/-	18 30 292/-	18 30 292/-	Direct
4	Health & Safety	Health care	Mandke Foundation	2 05 27 100/-	2 05 27 100/-	2 05 27 100/-	Direct
	Total			2 55 55 642/-	2 55 55 642/-	2 63 57 642/-	

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

Reliance Commercial Finance Limited

Independent Auditors' Report on the Financial Statement

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

Report on the Financial Statements

1. We have audited the accompanying financial statements of Reliance Commercial Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. 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 to 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 of 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.

Auditors' Responsibility

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

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.

6. 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 auditors' 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.

7. 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

8. 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, 2018, and its profit and its cash flows for the year ended on that date.

Other Matter

9. The financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated April 20, 2017, expressed an unmodified opinion on those financial statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief

Independent Auditors' Report on the Financial Statement

and according to the information and explanations given to us:

- i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its financial statements – Refer Note no. 35(ii);
- ii. The Company has made provision as at March 31, 2018, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts – Refer Note no. 42(o)(1). The Company did not have any derivative contracts as at March 31, 2018.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

- iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants

Firm Registration Number: 304026E / E-300009

Vivek Prasad
Partner

Membership Number: 104941

Mumbai
April 23, 2018

Reliance Commercial Finance Limited

Annexure A to the Independent Auditor's Report

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

1. We have audited the internal financial controls over financial reporting of Reliance Commercial Finance Limited ("the Company") as of March 31, 2018 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

2. 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 Act.

Auditors' Responsibility

3. 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 deemed to be prescribed under section 143(10) of the Act 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 ICAI. 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.
4. 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.
5. 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

6. 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

7. 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

8. 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, 2018, 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 Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

Firm Registration Number: 304026E / E-300009

Vivek Prasad

Partner

Membership Number: 104941

Mumbai

April 23, 2018

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

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 12 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the 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, goods and service tax (with effect from July 1, 2017) and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, and duty of excise or value added tax or goods and service tax which have not been deposited on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained.
- 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 on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. 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. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is required to, and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as an Non-Banking Financial Institution.

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants

Firm Registration Number: 304026E / E-300009

Vivek Prasad
Partner

Membership Number: 104941

Mumbai

April 23, 2018

Reliance Commercial Finance Limited

Balance Sheet as at March 31, 2018

(₹ in crore)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
I EQUITY AND LIABILITIES:			
(1) Shareholders' funds:			
(a) Share capital	3	535.46	522.83
(b) Share suspense account *₹ 994 [Refer Note (38 (ii))]		*	-
(c) Reserves and surplus	4	2 571.37	1 982.89
(2) Non-current liabilities			
(a) Long-term borrowings	5	6 132.35	5 811.95
(b) Other non-current liabilities	6	118.12	102.33
(c) Long-term provisions	7	134.63	167.13
(3) Current liabilities			
(a) Short-term borrowings	8	1 682.61	1 820.52
(b) Trade payables	9		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1.84	15.13
(c) Other current liabilities	10	4 734.88	3 350.65
(d) Short-term provisions	11	30.26	22.00
TOTAL		15 941.52	13 795.43
II ASSETS			
(1) Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		166.30	19.08
(ii) Intangible assets		171.55	10.30
(iii) Intangible assets under development		2.53	-
(b) Non current investments	13	466.63	211.83
(c) Deferred tax Asset (Net)	14	21.96	40.16
(d) Long-term loans and advances	15	8 079.71	7 619.09
(e) Other non-current assets	16	93.22	173.20
(2) Current assets			
(a) Trade receivables	17	6.22	-
(b) Cash & bank balance	18	684.97	410.75
(c) Short-term loans and advances	19	5 836.47	5 055.12
(d) Other current assets	20	411.96	255.90
TOTAL		15 941.52	13 795.43

See accompanying notes to the financial statements 1 to 44

As per our report of even date

For and on behalf of the Board

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants

Firm Registration No. : 304026E/E-300009

Directors

Arvind Mayaram
(DIN: 00080262)

Lav Chaturvedi
(DIN: 02859336)

Vivek Prasad
Partner

Membership No.: 104941

Executive Director & CEO

Devang Mody
(DIN: 07794726)

Company Secretary &
Compliance Officer

Ekta Thakurel

Mumbai
April 23, 2018

Mumbai
April 23, 2018

Reliance Commercial Finance Limited

Statement of Profit and Loss for the year ended March 31, 2018

		(₹ in crore)	
Particulars	Note No.	2017-18	2016-17
REVENUE			
I Revenue from operations	21	2 038.90	1 909.74
II Other Income	22	94.71	43.60
III TOTAL REVENUE (I+II)		<u>2 133.61</u>	<u>1 953.34</u>
EXPENSES			
Employee benefits expense	23	129.98	129.90
Finance cost	24	1 114.67	1 039.87
Depreciation and amortisation	12	34.03	11.09
Other expenses	25	573.86	429.80
IV TOTAL EXPENSES		<u>1 852.54</u>	<u>1 610.66</u>
V PROFIT BEFORE TAX (III-IV)		281.07	342.68
VI TAX EXPENSE :			
a) Current Tax		54.50	87.67
(Net of MAT Credit Entitlement ₹ Nil [Previous year ₹ 59.98 crore])			
b) Income tax for Earlier Year (* Previous year ₹ 17,265)		-	*
c) Deferred Tax/ (Credit)		18.20	(40.16)
VII PROFIT AFTER TAX (V-VI)		<u>208.37</u>	<u>295.17</u>
VIII EARNINGS PER EQUITY SHARE (Face value of ₹ 10 each fully paid up)	30		
Basic & Diluted (In Rupees)		16.95	46.04

See accompanying notes to the financial statements 1 to 44

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
Firm Registration No. : 304026E/E-300009

Vivek Prasad
Partner
Membership No.: 104941

Mumbai
April 23, 2018

For and on behalf of the Board

Directors

Executive Director & CEO

Company Secretary &
Compliance Officer

Mumbai
April 23, 2018

Arvind Mayaram
(DIN: 00080262)

Lav Chaturvedi
(DIN: 02859336)

Devang Mody
(DIN: 07794726)

Ekta Thakurel

Reliance Commercial Finance Limited

Cash Flow Statement for the year ended March 31, 2018

(₹ in crore)

	2017-18	2016-17
A. Cash Flow from Operating Activities		
Net Profit Before Tax	281.07	342.68
Adjusted for		
Depreciation and Amortisation	34.03	11.09
Contingent Provision against Standard Assets	11.53	8.73
Provision for NPA & Doubtful Debts	(40.35)	53.08
Provision for Diminution In Value of Investments	3.35	12.65
Investments Written Off	4.29	-
Provision for Gratuity	1.76	2.51
Provision for Leave Encashment	(0.21)	1.22
Excess Provision Written Back (* Previous Year ₹ 1,985)	-	*
Bad Debts Written Off	157.14	114.62
Debit Balance Written Off	8.15	
Amortised DSA Commission	96.22	56.84
Amortised Brokerage Commission	0.92	1.07
Interest on Investments	(4.89)	(4.54)
Loss on Sale of Repossessed Assets	17.43	47.69
(Profit)/Loss on Sale of Investments (Net)	(69.30)	(9.38)
(Profit)/Loss on Sale of Fixed assets	(0.05)	0.06
Discount on Commercial Papers	80.93	31.25
Interest Expenses	1 032.77	1 007.50
	1 333.72	1 334.39
Operating Profit/(Loss) before Working Capital Changes	1 614.79	1 677.07
Adjusted for		
Trade Receivable & Loans and advances	(1 486.76)	(1 091.59)
Other non current and current assets	118.33	(386.67)
Other liabilities and provisions	(526.45)	12.40
Trade Payables	(13.29)	9.13
	(1 908.17)	(1 456.73)
Cash Generated from Operation	(293.38)	220.34
Interest Paid	(971.53)	(1 007.37)
Taxes Paid	(8.84)	(25.31)
	(980.37)	(1 032.68)
Net Cash from / (used in) Operating Activities	(1,273.75)	(812.34)

Cash Flow Statement for the year ended March 31, 2018

(₹ in crore)

	2017-18	2016-17
B. Cash Flow from Investing Activities		
Purchase of Fixed Asset	(29.12)	(28.61)
Sale of Fixed Asset	0.14	-
Purchase of Non-Current Investments	(297.71)	(120.82)
Proceeds from Sale of Non-Current Investments	54.50	9.16
(Purchase)/Sale of Current Investments (Net)	69.30	59.38
Interest on Investments	12.64	-
Net Cash from / (used in) Investing Activities	(190.25)	(80.89)
C. Cash Flow from Financing Activities		
Issue of Equity Share Capital including Securities Premium	400.00	1 750.04
Issue of Preference Share Capital	-	400.00
Proceeds/(Repayment) from issue of Commercial Papers (Net)	(858.96)	955.77
Proceeds/(Repayment) from Short term Borrowing (Net)	721.05	(1 990.50)
Proceeds from Long term Borrowing	5 639.51	2 905.00
Repayments of Long term Borrowings	(4 163.28)	(3 251.28)
Net Cash from / (used in) Financing Activities	1,738.32	769.03
Net increase / (decrease) in Cash and Cash Equivalents (A + B + C)	274.32	(124.20)
Opening Balance of Cash and Cash Equivalents	368.86	0.06
Add : Balance Pursuant to Scheme of Arrangement [Refer note 39(i)]	-	493.00
	368.86	493.06
Closing Balance of Cash and Cash Equivalents	643.18	368.86

Notes:

1. The Previous year's figures have been regrouped and reclassified wherever necessary.
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 (Accounts) Rules, 2014.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants

Firm Registration No. : 304026E/E-300009

Vivek Prasad
Partner

Membership No.: 104941

Mumbai
April 23, 2018

For and on behalf of the Board

Directors

Executive Director & CEO

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Mumbai
April 23, 2018

Arvind Mayaram
(DIN: 00080262)

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(DIN: 02859336)

Devang Mody
(DIN: 07794726)

Ekta Thakurel

Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2018

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 and provides loans to small and medium enterprises for working capital and growth, loans to commercial vehicles and two wheelers, loans against property, personal loans and financing of various micro enterprises. The Company is a public limited company and its debt securities are listed on the BSE Limited (BSE).

2 Significant Accounting Policies

a Basis of Preparation of Financial Statements

These financial statements have been prepared and presented in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis of accounting, unless stated otherwise and comply in all material aspects with the accounting standards notified under section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7(1) of the Companies (Accounts) Rules, 2014 and relevant provisions of the Act. These financial statements are presented in Indian rupees rounded off to the nearest crore upto two decimal places 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 the time between the acquisition of assets for processing 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 master 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" ("RBI Master Direction") vide Reserve Bank of India (RBI) Notification No. RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 updated on timely basis (the "RBI Directions") 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 on loan given is recognised as it accrues on a time proportion basis taking into account the loan amount outstanding and the rate applicable except in the case of non performing assets ('NPAs') where it is recognised, upon realisation. Interest income on fixed deposits is recognised as it accrues on a time proportion basis taking into account the amount outstanding.

ii) Loan Processing Fee & Other Operating Income

Loan processing fee income is accounted for upfront as and when it becomes due. Other operating income i.e. Foreclosure & Bounce Charges, Loan Re-schedulement Charges are accounted on cash basis.

iii) 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 on a monthly basis.

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

iv) Income from investments

Profit / (Loss) earned from sale of investments is recognised on trade date basis net off expenses incurred on sale. The cost of investment is computed based on weighted average basis.

v) Dividend Income

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

vi) Rent Income

Rent income is recognised in the Statement of Profit and Loss on accrual basis.

vii) Brokerage Income

Brokerage income is recognized when there is no significant uncertainty as to determination and realization and as per agreement.

d Tangible Assets & Depreciation

Tangible assets are stated at cost of acquisition less accumulated depreciation and Impairment loss, if any, except in case of land which is carried at cost. The Company has used the cost model as measurement bases for determining the gross carrying amount. Cost includes all expenses incidental to the acquisition of the fixed assets

Notes to the Financial Statements for the year ended March 31, 2018

An item of tangible assets is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition is recognised in the Statement of Profit and Loss.

Depreciation on tangible assets is provided in accordance with the provisions of Schedule II of the Act. Tangible assets are depreciated on straight line basis over the useful life of assets, as prescribed in Part C of Schedule II of the Act.

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

e Intangible Assets & amortization

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 and accumulated impairment losses, if any.

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. Goodwill acquired pursuant to scheme of arrangement will be amortised on straight line basis over a period of 10 years.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

f Investments

Investments are classified into current investments and long-term investments. Current investments are carried at lower of cost and fair value and long term investments are carried at cost. However, provision is made to recognize decline other than temporary in the carrying amount of long term investments. 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.

g Repossessed assets

Assets repossessed against the settlement of loans are considered as Non Performing Assets (NPA) and carried in the balance sheet at outstanding loan amount. These assets are disclosed as doubtful loans & advances and provision thereon as Provision for Non Performing Assets (NPA) & Doubtful Debts which is calculated as per prudential norms based on the underlying Days Past Due (DPD) of these loans.

h 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.

i 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 RBI Directions.

j Security of loans given

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.

k Cash & Cash Equivalents

In the cashflow statements, cash and cash equivalents includes cash in hand, balance in banks, fixed deposits with banks (without lien) and other short-term highly liquid investments with original maturities of three months or less

l Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies at the year end are restated at year end rates.

m Employees Benefits

i) Provident fund

Contribution towards recognized provident fund is made to the regulatory authorities, are charged to the Statement of Profit and Loss where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

ii) Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

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.

n Borrowing costs

Borrowing costs include interest, other costs incurred in connection with borrowing, which are directly attributable to the acquisition / construction of qualified 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. All direct cost i.e. Brokerage, Processing fee incurred for the loan origination are expensed over the tenure of the loan borrowed by the Company.

o Discount on Commercial Papers

The difference between the acquisition cost and the redemption value of commercial papers is recognized as discount expense and amortised over the tenure of commercial paper. The liability as at the Balance Sheet date in respect of such commercial paper is recognised at face value net of unamortised discount.

p 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.

q Provision for Current Tax and Deferred Tax

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). 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 recognized 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.

r 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.

Notes to the Financial Statements for the year ended March 31, 2018

s 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.

		(₹ in crore)	
		As at	As at
		March 31, 2018	March 31, 2017
3	Share capital		
	a) Authorised (Refer note below)		
	60,00,00,000 Equity Shares of ₹ 10 each (March 31, 2017 : 20,00,00,000)	600.00	200.00
	40,00,00,000 Preference Shares of ₹ 10 each (March 31, 2017 : 40,00,00,000)	400.00	400.00
	20,00,000 Preference Shares of ₹ 1 each (March 31, 2017: Nil)	0.20	-
		<u>1 000.20</u>	<u>600.00</u>
	b) Issued, subscribed & Fully paid up		
	13,53,25,700 Equity Shares of ₹ 10 each (March 31, 2017: 12,28,25,700)	135.33	122.83
	40,00,00,000 0% Non-Convertible Redeemable Preference Shares of ₹ 10 each (March 31, 2017: 40,00,00,000)	400.00	400.00
	13,79,857 10% Non-Convertible Non-Cumulative Redeemable preference Shares of ₹ 1 each (March 31, 2017: Nil)	0.14	-
		<u>535.46</u>	<u>522.83</u>

Notes :

In terms of the approval of the shareholders obtained at the Extra Ordinary General Meeting of the Company held on October 31, 2017 the Company has increased its Authorised Share Capital from ₹ 600 crore (20,00,00,000 Equity Shares of ₹ 10 each and 40,00,00,000 Preference Shares of ₹ 10 each) to 600.20 crore (20,00,00,000 Equity Shares of ₹ 10 each, 40,00,00,000 Preference Shares of ₹ 10 each and 20,00,000 Preference Shares of ₹ 1 each).

In terms of the approval of the shareholders obtained at the Extra Ordinary General Meeting of the Company held on March 27, 2018 the Company has further increased its Authorised Share Capital from ₹ 600.20 crore (20,00,00,000 Equity Shares of ₹ 10 each, 40,00,00,000 Preference Shares of ₹ 10 each and 20,00,000 Preference Shares of ₹ 1 each) to 1,000.20 crore (60,00,00,000 Equity Shares of ₹ 10 each, 40,00,00,000 Preference Shares of ₹ 10 each and 20,00,000 Preference Shares of ₹ 1 each).

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

	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
Equity Shares				
Opening Balance	122 825 700	122.82	63 300 700	63.30
Addition during the year (Refer note d(ii))	12 500 000	12.50	59 525 000	59.53
Reduction during the year	-	-	-	-
Closing Balance	<u>135 325 700</u>	<u>135.32</u>	<u>122 825 700</u>	<u>122.83</u>

Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2018

	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
0% Non-Cumulative, Non-Participating and Non-Convertible Redeemable Preference Shares of ₹ 10 each				
Opening Balance	400 000 000	400.00	-	-
Addition during the year (Refer note d(iii))	-	-	400 000 000	400.00
Reduction during the year	-	-	-	-
Closing Balance	<u>400 000 000</u>	<u>400.00</u>	<u>400 000 000</u>	<u>400.00</u>
10% p.a. Non-Convertible Non-Cumulative Redeemable preference Shares of ₹ 1 each				
Opening Balance	-	-	-	-
Addition during the year (Refer note d(iv))	1 379 857	0.14	-	-
Reduction during the year	-	-	-	-
Closing Balance	<u>1 379 857</u>	<u>0.14</u>	<u>-</u>	<u>-</u>

d) Rights, Preferences and Restrictions attached to shares:

Voting Rights:

i) 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.

ii) In the Extra - Ordinary General Meeting held on March 27, 2018, the Members of the Company have duly approved Preferential allotment of 1,25,00,000 equity share of ₹ 10 each at a premium of ₹ 310 per share aggregating to ₹ 400 crore to its Holding Company ie. Reliance Capital Limited which were allotted on March 28, 2018.

iii) In case of 0% 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.

iv) In case of 10% Non-Convertible Non-Cumulative Redeemable preference Shares of ₹ 1 each

13,79,857, 10% Non-Convertible Non-Cumulative Redeemable preference Shares of ₹ 1 each (NCRPS) shall be redeemed at any time on or before 18 months from the date of allotment i.e. December 18, 2017. These NCRPS shall be redeemed at the issue price i.e. ₹ 1 each.

v) For the year ended March 31, 2018, the amount of per share dividend recognised as distributable to the equity shareholders is ₹ 0.50 (March 31, 2017 ₹ 0.50). The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.

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

Equity Shares	As at March 31, 2018			As at March 31, 2017		
	%	No. of Shares	Amount (₹ in crore)	%	No. of Shares	Amount (₹ in crore)
Reliance Capital Limited	100%	135 325 694	135.32	100%	122 825 694	122.83
Reliance Capital Limited and its nominees * ₹ 60 (Previous year ₹ 60)	0%	6	*	0%	6	*
Total	100%	135 325 700	135.32	100%	122 825 700	122.83

(₹ in crore)

	As at March 31, 2018	As at March 31, 2017
4 Reserves and Surplus		
a) Securities Premium Account		
As per Last Balance sheet	1 690.12	-
Add: On Equity Shares Issued during the year	387.50	1 690.51
Less: Transferred to Earmarked for Preference Share Redemption Reserve	(48.00)	(0.39)
	2 029.62	1 690.12

Notes to the Financial Statements for the year ended March 31, 2018

(₹ in crore)

	As at March 31, 2018	As at March 31, 2017
b) Earmarked for Preference Share Redemption Reserve (Refer note 1 below)		
As per Last Balance sheet	0.39	-
Add: Transfer from Securities Premium Account	<u>48.00</u>	<u>0.39</u>
	48.39	0.39
c) Statutory Reserve Fund (Refer note 2 below)		
As per Last Balance sheet	59.19	0.16
Add: Transfer from Surplus in Statement of Profit & Loss	<u>41.67</u>	<u>59.03</u>
	100.86	59.19
d) Surplus in Statement of Profit & Loss		
Balance at the beginning of the year	233.19	(2.95)
Add: Transfer from Statement of Profit & Loss	208.37	295.17
Less : Dividend paid to equity shareholders	(6.14)	-
Less : Tax on dividend	(1.25)	-
Less : Transfer to Statutory Fund	<u>(41.67)</u>	<u>(59.03)</u>
	392.50	233.19
	<u>2 571.37</u>	<u>1 982.89</u>
Notes :		
1 Earmarked for Preference Share Redemption Reserve created pursuant to the terms of allotment of Non-Cumulative, Non-Participating and Non-Convertible redeemable preference shares as effective yield of 12% repayable at the maturity.		
2 Statutory Reserve Fund created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934.		
5 Long-term borrowings		
Secured (Refer note 32 & 33)		
(a) Non Convertible Debentures	1 524.00	-
(b) Term Loan from Banks / Financial Institutions	4 327.35	5 811.95
Unsecured (Refer note 32b)		
(a) Subordinated, Redeemable, Non-Convertible Tier II Debentures	81.00	-
(b) Non Convertible Debentures	<u>200.00</u>	<u>-</u>
	6 132.35	5 811.95
6 Other non-current liabilities		
Collateral deposit from customers	<u>118.12</u>	<u>102.33</u>
	118.12	102.33
7 Long-Term Provisions		
a) Provision for Employees Benefits (Refer note 26)		
- Leave Encashment	0.55	1.18
b) Contingent provision against standard assets	27.38	24.88
c) Provision for NPA & Doubtful Debts	87.84	128.42
d) Provision for Diminution in the value of Investments	16.00	12.65
e) Provision for Doubtful Deposits	<u>2.86</u>	<u>-</u>
	134.63	167.13
8 Short-term borrowings		
(a) From Banks / Financial Institutions		
- Term Loans - Unsecured	150.00	310.00
- Cash Credit facilities - Secured (Refer Note 1 below)	1 404.55	523.50
(b) From Others		
Commercial Papers - Unsecured (Refer Note 2 below)	<u>128.06</u>	<u>987.02</u>
	1 682.61	1 820.52

Notes:

- 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.
- In respect of Commercial Papers referred above, maximum face value amount outstanding during the year was ₹ 2,462.31 crore (Previous year ₹ 987.02 crore).

Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2018

	As at March 31, 2018	(₹ in crore) As at March 31, 2017
9 Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Due to Related Party	-	0.13
- Others	1.84	15.00
	1.84	15.13
Note:		
The management has identified enterprises which has provided goods and services to the Company and which qualify under the definition of Medium, Micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. At any point of time during the year there is no liability due for payment to such micro, small and medium enterprises.		
10 Other Current Liabilities		
a) Current maturities of long term debts		
Secured - (Refer Note No. 32 & 33)		
(a) Non Convertible Debentures	1 300.00	-
(b) Term Loans from Banks / Financial Institutions	2 986.59	2 930.77
b) Interest accrued but not due on borrowings		
(a) Secured	57.76	0.13
(b) Unsecured	3.61	-
	61.37	0.13
c) Advance from Customers	67.47	60.58
d) Payable under Securitisation / Assignment (Net)	215.54	293.82
e) Book Overdraft	11.03	3.86
f) Collateral deposit from customers	18.94	11.28
g) Statutory dues including provident fund and tax deducted at source	8.04	4.21
h) Other liabilities	65.90	46.00
	4 734.88	3 350.65
11 Short Term Provisions		
a) Provision for Employees Benefits (Refer note 26)		
- Leave Encashment	0.03	0.05
- Gratuity	1.76	2.51
b) Contingent provision against standard assets	28.47	19.44
	30.26	22.00

Notes to the Financial Statement for the year ended 31, 2018

12 Fixed Assets

(₹ in crore)

Description	Gross Carrying Amount				Accumulated Depreciation			Net Carrying Amount		
	As at April 1, 2017	Pursuant to Scheme of Arrangement (Refer Note No. 38 & 39)	Addition	Deduction	As at March 31, 2018	As at April 1, 2017	Depreciation	Deduction	As at March 31, 2018	As at March 31, 2017
i) Tangible Assets										
Land	-	84.42	-	-	84.42	-	-	-	-	-
Building	-	63.99	0.12	-	64.11	-	3.31	-	3.31	-
Furniture and Fixtures	12.24	0.49	0.13	0.09	12.77	3.71	1.53	0.03	5.21	8.53
Office equipments	9.82	0.00	0.15	0.16	9.81	5.74	1.44	0.15	7.03	4.08
Computers	30.50	-	3.94	1.67	32.77	24.31	4.23	1.56	26.98	6.19
Plant & machinery	-	4.52	-	-	4.52	-	0.98	-	0.98	-
Vehicles	1.10	-	1.33	0.04	2.39	0.82	0.19	0.03	0.98	0.28
Total	53.66	153.42	5.67	1.96	210.79	34.58	11.68	1.77	44.49	19.08
Previous Year	-	46.80	7.94	1.08	53.66	28.51	7.09	1.02	34.58	19.08
ii) Intangible Assets										
Computer Software	35.37	-	23.45	-	58.82	25.07	6.33	-	31.40	10.30
Goodwill on Demerger	-	160.14	-	-	160.14	-	16.01	-	16.01	-
Total	35.37	160.14	23.45	-	218.96	25.07	22.34	-	47.41	10.30
Previous Year	-	31.27	4.10	-	35.37	21.07	4.00	-	25.07	-
iii) Intangible Assets under development										
Computer Software	-	-	2.53	-	2.53	-	-	-	-	-
Total	-	-	2.53	-	2.53	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-	-	-	-

Note:

- 1 In respect of Intangible Assets :
 - a) It is other than internally generated.
 - b) In case of addition, balance useful life of 4 years.

Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2018

(₹ in crore)

	Face Value / Issue Price	Quantity		Value	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
13. Non current investments					
Non-Trade investments					
(a) Equity Shares valued at cost unless stated otherwise					
Quoted, fully paid-up					
3i Infotech Ltd	10	75 88 632	2 46 80 693	7.59	24.68
				7.59	24.68
Unquoted, fully paid-up					
Adone Hotels & Hospitality Limited* ₹ 10	10	-	1	-	*
GVR Infra Project Ltd	10	3 19 617	-	2.15	-
Share Microfin Limited (Refer note 4 below)	10	67 526	-	0.43	-
SWAWS Credit Corporation India Private Limited (Refer note 6 below)	10	17 20 668	17 20 668	#	#
				2.58	-
(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	5	4 18 39 000	4 18 39 000	20.92	20.92
0.001% Optionally Convertible Cumulative Redeemable Preference share of Asmitha Microfin Limited (Refer note 4 below)	10	2 19 00 238	62 54 000	21.90	6.25
0.001% Optionally Convertible Cumulative Redeemable Preference share of Share Microfin Limited (Refer note 4 below) * ₹ 22,290	10	2 229	88 05 750	*	8.81
				42.82	55.98
(c) Debentures & Bonds valued at cost unless stated otherwise					
Unquoted, fully paid-up					
SWAWS Credit Corporation India Private Limited -OCD-18- March -2018 (Refer note 6 below)	100	57 355	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 (Refer note 6 below)	43	15 00 000	15 00 000	#	4.29
GVR Infra Project Ltd 10% OCD	1	6 46 83 384	-	6.47	-
				6.47	6.29
(d) Security Receipts valued at cost unless stated otherwise					
Unquoted, fully paid-up					
Suraksha ARC Trust 002-22 Dec. 2016	856	1 98 900	1 98 900	17.03	19.89
Suraksha ARC Trust 003 -22 Dec. 2016	1,000	26 350	26 350	2.64	2.64
Suraksha ARC Trust 018 -29 Sep. 2017	778	5 61 000	-	43.62	-
Suraksha ARC Trust 021 -29 Dec. 2017	1,000	13 43 000	-	134.30	-
Suraksha ARC Trust 029 -31 Mar. 2018	1,000	2 20 273	-	22.03	-
Reliance ARC Trust 026 -30 Dec. 2016	964	6 71 834	8 15 924	64.79	77.35
Reliance ARC Trust 048 -28 Mar. 2018	1,000	9 77 585	-	97.76	-
				382.17	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	2 490	25.00	25.00
				25.00	25.00
Total [a+b+c+d+e]				466.63	211.83

Notes to the Financial Statements for the year ended March 31, 2018

Notes:

(₹ in crore)

	As at March 31, 2018		As at March 31, 2017	
	Book Value	Market value	Book Value	Market value
1 The aggregate value of Investments : (Net of provision for diminution in the value of Investments:)				
Quoted	28.83	30.24	37.46	38.72
Unquoted	421.80	-	161.72	-
Total	<u>450.63</u>	<u>30.24</u>	<u>199.18</u>	<u>38.72</u>

(₹ in crore)

	As at March 31, 2018	As at March 31, 2017
2 The aggregate Provision for diminution in the value of Investments:		
Quoted	3.76	12.22
Unquoted	12.24	0.43
Total	<u>16.00</u>	<u>12.65</u>

3 Basis of Valuation	at cost less provision for diminution in the value of Investments	at cost less provision for diminution in the value of Investments
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4 Pursuant to Scheme of Arrangement between the Share Microfin Limited and Asmitha Microfin Limited

a) the Company has been allotted 67,526 equity shares of ₹ 10 each and 2,229, 0.001% Optionally Convertible Cumulative Redeemable Preference share of Share Microfin Limited

b) the Company has been allotted 74,20,000 0.001% Optionally Convertible Cumulative Redeemable Preference share of Asmitha Microfin Limited against the 88,05,750 0.001% Optionally Convertible Cumulative Redeemable Preference share of Share Microfin Limited

5 * for units of Fund net assets value (NAV) is taken as Market Value

6 # Investments written off.

(₹ in crore)

	As at March 31, 2018	As at March 31, 2017
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14 Deferred Tax Assets

Deferred Tax Asset disclosed in the Balance Sheet comprises the following:

a) Deferred Tax Liability

(i) Related to Fixed Assets	21.16	2.32
(ii) Unamortised Expenditure	14.23	11.88
Total	<u>35.39</u>	<u>14.20</u>

b) Deferred Tax Asset

(i) Disallowance under the Income Tax Act, 1961	(1.11)	(1.28)
(ii) Provision for NPA & Doubtful Debts and Provision for diminution in the value of Investments	(56.24)	(53.08)

Total	<u>(57.35)</u>	<u>(54.36)</u>
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Net Deferred Tax Liabilities/(Asset) (a) - (b)	<u>(21.96)</u>	<u>(40.16)</u>
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Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2018

	(₹ in crore)	
	As at March 31, 2018	As at March 31, 2017
15 Long Term Loans and Advances		
a) Capital Advances – Unsecured, considered good	-	16.57
b) Security Deposits – Unsecured, considered good	13.64	13.62
c) Loans		
(i) Secured		
– Considered Good		
Private Company in which director is a – member/Director	-	0.92
Others	7 015.50	<u>6 006.53</u>
	7 015.50	<u>6 007.45</u>
– Considered Doubtful	274.25	<u>425.10</u>
	7 289.75	6 432.55
(ii) Unsecured		
– Considered Good	546.24	840.14
– Considered Doubtful	5.44	<u>51.59</u>
	551.68	891.73
d) Installments Due		
– Considered Doubtful	142.13	<u>232.99</u>
	142.13	232.99
Unsecured, considered good		
– Balance with Service Tax Authorities	-	0.08
– Balance with GST Authorities	2.71	-
– Taxes paid	79.80	31.55
(Net of Income Tax Provision ₹ 142.17 crore [Previous Year ₹ 87.68 crore])		
	8 079.71	<u>7 619.09</u>
16 Other Non Current Assets		
Secured, considered good unless stated otherwise		
a) Fixed Deposits with banks (Maturity > 3 Months)		
i) Credit enhancement towards Securitisation/Direct Assignment	53.65	128.44
ii) Others (Refer note 1 below)	3.29	<u>2.00</u>
	56.94	130.44
b) Unamortised Expenditures – Unsecured		
(i) Unamortised DSA Commission		
As per Last Balance sheet	50.79	-
Add: Pursuant to Scheme of Arrangement	-	64.43
Add: Incurred during the Year	84.52	43.20
Less: Amortised during the year	96.22	<u>56.84</u>
	39.09	50.79
Less: to be amortised over the next one year (Refer Note 20 (b))	12.52	<u>16.19</u>
	26.57	34.60
(ii) Unamortised Brokerage on Borrowing		
As per Last Balance sheet	1.82	-
Add: Pursuant to Scheme of Arrangement	-	1.99
Add: Incurred during the Year	1.13	0.90
Less: Amortised during the year	0.92	<u>1.07</u>
	2.03	1.82
Less: to be amortised over the next one year (Refer Note 20 (b))	1.50	<u>0.94</u>
	0.53	0.88
c) Prepaid Expenses – unsecured	9.18	7.27
	93.22	<u>173.19</u>

Note:

- In respect of Fixed Deposit with banks – Others includes ₹ 2 crore (Previous Year ₹ 2 crore) is lien marked against borrowing taken from banks & Financial Institutions, ₹ 0.27 crore (Previous year ₹ Nil) is kept as deposit with bank for issuing of Bank Guarantee for third party.

Notes to the Financial Statements for the year ended March 31, 2018

(₹ in crore)

	As at March 31, 2018	As at March 31, 2017
17 Trade receivables		
Unsecured, considered good unless stated otherwise		
a) Debts outstanding for a period exceeding six months	-	-
b) Other debts	<u>6.22</u>	<u>-</u>
	<u>6.22</u>	<u>-</u>
18 Cash & Bank Balance		
a) Cash & Cash equivalents		
Balance with Banks		
- in Current Accounts	642.56	363.34
- in Fixed Deposits	0.05	5.00
Cash on hand	<u>0.57</u>	<u>0.52</u>
	<u>643.18</u>	<u>368.86</u>
b) Other Bank Balances		
Fixed Deposits with banks	41.79	41.89
(Credit enhancement towards Securitisation/Direct Assignment)		
	<u>684.97</u>	<u>410.75</u>
19 Short-term loans and advances		
Secured, considered good unless stated otherwise		
a) Loans repayments within next 12 months		
i) Secured		
Private Company in which director is a member/Director	-	9.68
Others	<u>5 627.97</u>	<u>4 497.51</u>
	<u>5 627.97</u>	<u>4 507.19</u>
ii) Unsecured	<u>8.36</u>	<u>403.58</u>
	<u>5 636.33</u>	<u>4 910.77</u>
b) Installments Due (Considered Good)		
- Secured	138.13	141.67
c) Sundry Advances (Unsecured, Considered Good)		
- Others	44.25	2.68
d) Receivable against sale of fixed assets		
- Related Party	0.06	-
e) Prepaid expenses	<u>17.70</u>	<u>-</u>
	<u>5 836.47</u>	<u>5 055.12</u>
20 Other Current Assets		
a) Interest Accrued on		
- Fixed Deposits	1.36	1.12
- Other Investments	1.49	9.48
- Loans and advances #	<u>395.09</u>	<u>228.17</u>
	<u>397.94</u>	<u>238.77</u>
b) Unamortised Expenditure		
- DSA Commission	12.52	16.19
- Brokerage on Borrowing	<u>1.50</u>	<u>0.94</u>
	<u>14.02</u>	<u>17.13</u>
	<u>411.96</u>	<u>255.90</u>

Interest Accrued on loans & advances includes ₹ Nil (Previous year ₹ 0.13 crore) 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, 2018

(₹ in crore)

	2017 - 18	2016 - 17
21 Revenue from operations		
a) Interest income		
Interest on Loans	1 848.77	1 681.20
b) Other Financial income		
Processing Fee income	154.93	122.00
Servicing Fee income	20.27	51.75
Foreclosure & Other Operating Charges	45.79	40.10
	<u>220.99</u>	<u>213.85</u>
Less : GST/Service Tax Recovered	<u>33.71</u>	<u>27.89</u>
	187.28	185.96
c) Other operating income		
Bad Debts Recovered	2.85	20.74
Profit on Loans sold to Asset-Reconstruction Company	-	21.84
	<u>2.85</u>	<u>42.58</u>
	<u>2 038.90</u>	<u>1 909.74</u>
22 Other Income		
a) Profit/(Loss) on Sale of Investments (Net)		
- Current	69.30	9.38
- Long Term	<u>(8.28)</u>	-
b) Interest on	61.02	9.38
- Fixed Deposits	13.80	13.48
- Investments	4.89	4.54
- Income Tax Refund (* Previous year ₹ 1,159)	-	*
	<u>18.69</u>	18.02
c) Brokerage & Commission	10.35	14.09
Less : GST Recovered	<u>1.58</u>	<u>1.84</u>
	8.77	12.25
d) Rent Income	5.97	-
e) Infrastructure Cost Recovery	-	3.91
f) Credit Balance / Excess Provision Written Back (* Previous year ₹ 1,985)	-	*
g) Profit on Sale of Fixed Assets	0.05	-
h) Miscellaneous Income	<u>0.21</u>	<u>0.04</u>
	<u>94.71</u>	<u>43.60</u>
23 Employee Benefits Expense		
Payments to and Provision for Employees		
- Salary, allowances & bonus etc	117.87	116.22
- Contribution to Provident fund and other Funds	5.96	6.60
- Staff Welfare & other amenities	6.15	7.08
	<u>129.98</u>	<u>129.90</u>
24 Finance Cost		
a) Interest Expense		
- Loan from Banks & Financial Institutions	884.32	862.04
- Non Convertible Debentures	97.92	54.82
- Body Corporates	<u>50.53</u>	<u>90.64</u>
	1 032.77	1 007.50
b) Other Borrowing Cost		
- Amortised Brokerage (Refer Note 16 (b)(ii))	0.92	1.07
- Discount on Commercial Papers	80.93	31.25
- Processing Charges	<u>0.05</u>	<u>0.05</u>
	81.90	32.37
	<u>1 114.67</u>	<u>1 039.87</u>

Notes to the Financial Statements for the year ended March 31, 2018

	(₹ in crore)	
	2017-18	2016-17
25 Other Expenses		
Auditor's Remuneration (Refer note 29)	0.12	0.08
Bank Charges	1.47	1.37
Corporate Social Responsibility Expenditures (Refer Note No. 40)	2.56	0.15
Directors' Sitting Fees	0.25	0.13
Interest on Income Tax (*Previous year ₹ 348)	-	*
Legal & Professional Fees	45.24	31.06
Loss on Assets Discarded	-	0.06
Management Expenses	6.52	3.00
Miscellaneous Expenses	3.77	4.79
Postage, Telegram & Telephone	2.17	3.86
Printing and Stationary	3.14	3.10
Rent	17.96	15.72
Rates and Taxes	2.93	0.34
Repairs & Maintenance - Others	26.51	21.47
Travel & Conveyance	7.39	9.63
Amortised DSA Commission (Refer Note 16 (b)(i))	96.22	56.84
Marketing Expenses	12.50	13.76
Credit Cost	0.81	4.74
Collection Cost	20.04	22.93
Bad Debts Written Off	157.14	114.62
Debit Balance Written Off	8.15	-
Investments Written Off	4.29	-
Loss on Loans sold to Asset Reconstruction Company	162.72	-
Loss on Sale of Repossessed Assets	17.43	47.69
Provision/(Reversal) for NPA & Doubtful Debts	(40.35)	53.08
Provision for Diminution in the Value of Investments	3.35	12.65
Contingent provision against standard assets	11.53	8.73
	573.86	429.80

26 Employee benefits

a) Defined contribution plan

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

	(₹ in crore)	
Particulars	2017-18	2016-17
Employer's contribution to provident fund	2.96	2.91
Employer's contribution to superannuation fund	0.04	0.10
Employer's contribution to pension scheme	1.20	1.26
Employer's contribution to Gratuity Fund	1.76	2.33
	5.96	6.60

Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2018

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.

(₹ in crore)

Particulars	Gratuity benefit (funded)		Leave Encashment Benefit (Unfunded)	
	2017-18	2016-17	2017-18	2016-17
I. Table showing change in				
Liability at the beginning of the period	-	10.13	1.22	1.11
Interest Cost	-	0.82	0.07	0.08
Current Service Cost	0.78	1.33	0.46	0.44
Liability Transferred out / Divestments	5.37	(1.44)	-	-
Benefit Paid	(2.62)	(2.72)	(0.43)	(0.15)
Actuarial (gain)/loss on obligations - Due to change in Financial Assumptions	(0.34)	0.83	(0.74)	(0.26)
Actuarial (gain)/loss on obligations -Due to Experience	1.42	2.54	-	-
Liability at the end of the period	4.61	11.49	0.58	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	0.43	0.15
Liability Transferred out / Divestments	5.37	(1.44)	-	-
Benefit paid	(2.62)	(2.72)	(0.43)	(0.15)
Actuarial gain/(loss) on Plan Assets - Due to Experience	0.10	0.16	-	-
Fair value of Plan Assets at the end of the period	2.85	7.54	-	-
Total Actuarial gain/(loss) to be recognized	(0.98)	(3.20)	0.74	0.26
III. Actual return on Plan Assets				
Expected return on Plan Assets	-	0.75	-	-
Actuarial gain/(loss) on Plan Assets	0.10	0.16	-	(0.26)
Actual return on Plan Assets	0.10	0.91	-	(0.26)
IV. Amount recognised in the Balance Sheet				
Liability at the end of the period	4.61	11.49	0.58	1.22
Fair Value of Plan Assets at the end of the period	2.85	7.54	-	-
Difference Funded status [Surplus/(Deficit)]	(1.76)	(3.95)	(0.58)	(1.22)
Unrecognised Actual Gain / (Loss)	-	-	-	-
Amount recognised in the Balance Sheet (liability)	(1.76)	(3.95)	(0.58)	(1.22)
V. Expenses recognised in the Profit and Loss Account				
Current Service Cost	0.78	1.33	0.46	0.44
Interest Cost	-	0.07	0.07	0.08
Net Actuarial (gain)/loss to be recognized	0.98	3.20	(0.74)	(0.26)
Expense relating to Holding Company	-	2.27	-	-
Expense recognised in Profit and Loss Account	1.76	2.33	(0.21)	0.26
VI. Amount recognised in the Balance Sheet				
Opening Net Liability	-	0.85	1.22	1.11
Expense as above	1.76	4.60	(0.21)	0.26
Employers Contribution paid	-	(1.51)	(0.43)	(0.15)
Liability relating to Holding Company	-	1.43	-	-
Closing Net Liability/(Assets)	1.76	2.51	0.58	1.22

Notes to the Financial Statements for the year ended March 31, 2018

(₹ in crore)

Particulars	Gratuity benefit (funded)		Leave Encashment Benefit (Unfunded)	
	2017-18	2016-17	2017-18	2016-17
VII. Experience Adjustment				
Experience adjustment on Plan Assets Gain/(Loss)	0.10	0.16	-	-
Experience adjustment on Plan Liabilities (Gain)/Loss	1.42	2.54	-	-
VIII Assumptions				
Discount Rate	7.86%	7.34%	7.74%	7.45%
Rate of return on Plan Assets	7.86%	7.34%	-	-
Salary Escalation Rate	6.00%	6.00%	6.00%	6.00%

Notes:

- i) The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.
- ii) 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	2017-18	2016-17
Outstanding as at April 1, (Nos)	1 107 700	-
Granted (Nos)	-	1 107 700
Exercised (Nos)	-	-
Lapses/Forfeited /Surrendered (Nos)	233 746	-
Exercisable as at March 31, (Nos)	873 954	1 107 700

II. Terms and conditions of the scheme

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

Excess of fair market of share on the date of exercise determined in terms of Phantom stock option scheme over the base price.

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

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	7.35%
Expected life	4 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 ₹ 0.33 crore (Previous year ₹ 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.

Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2018

27 Segment reporting:

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

28 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 (ceased w.e.f. July 3, 2017)	13	Reliance Health Insurance Limited (w.e.f. May 4, 2017)
2	Reliance Asset Management (Singapore) Pte. Limited (ceased w.e.f. July 3, 2017)	14	Reliance Nippon Life Insurance Company Limited
3	Reliance Asset Management (Mauritius) Limited (ceased w.e.f. July 3, 2017)	15	Reliance Money Precious Metals Private Limited
4	Reliance Capital Pension Fund Limited	16	Reliance Money Solutions Private Limited
5	Reliance AIF Management Company Limited (ceased w.e.f. July 3, 2017)	17	Reliance Securities Limited
6	Reliance Capital AIF Trustee Company Private Limited	18	Reliance Corporate Advisory Services Limited
7	Reliance Capital Trustee Company Limited	19	Reliance Wealth Management Limited
8	Reliance Commodities Limited	20	Quant Capital Private Limited
9	Reliance Exchangenext Limited	21	Quant Broking Private Limited
10	Reliance Financial Limited	22	Quant Securities Private Limited
11	Reliance General Insurance Company Limited	23	Quant Investment Services Private Limited
12	Reliance Home Finance Limited		

iii) Key management personnel

Shri Devang Mody	Chief Executive Officer (w.e.f. April 3, 2017) & Executive Director (w.e.f. April 20, 2017)
Shri Amrish Shah	Chief Financial Officer (up to March 6, 2018)
Smt. Ekta Thakurel	Company Secretary

iv) Parties under common control (Ceased w.e.f. October 3, 2017)

Reliance Communications Limited
Reliance IDC Limited
Reliance Big Entertainment Limited
Reliance Infratel Limited

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

Reliance Capital Limited
Reliance Communications Limited
Reliance Infrastructure Limited
Reliance Health Insurance Limited
Reliance Nippon Life Insurance Company Limited
Reliance Securities Limited
Reliance General Insurance Company Limited
Reliance Home Finance Limited

Notes to the Financial Statements for the year ended March 31, 2018

C. Transactions during the year with related parties:

(₹ in crore)

Particulars	Holding Company	Fellow Subsidiary	Parties under common control	Key Management Personnel	Total
With Reliance Capital Limited					
Equity Share Capital					
a) Issued during the year	12.50	-	-	-	12.50
	(59.53)	(-)	(-)	(-)	(59.53)
b) Balance as at March 31, 2018	135.32	-	-	-	135.32
	(122.83)	(-)	(-)	(-)	(122.83)
Preference Share Capital					
a) Issued during the year	-	-	-	-	-
	(400.00)	(-)	(-)	(-)	(400.00)
b) Balance as at March 31, 2018	400.00	-	-	-	400.00
	(400.00)	(-)	(-)	(-)	(400.00)
Security Premium Received on Issue of Equity Share					
a) Received on Issued during the year	387.50	-	-	-	387.50
	(1 690.51)	(-)	(-)	(-)	(1 690.51)
b) Balance as at March 31, 2018	2 078.01	-	-	-	2 078.01
	(1 690.51)	(-)	(-)	(-)	(1 690.51)
Dividend					
Dividend Paid	6.14	-	-	-	6.14
	(-)	(-)	(-)	(-)	(-)
Fixed Assets					
Sale of Assets	0.06	-	-	-	0.06
	(-)	(-)	(-)	(-)	(-)
Purchase of Assets (*₹ 1,515)	*	-	-	-	*
	(-)	(-)	(-)	(-)	(-)
Loans Repaid					
Loan Repaid (Received pursuant to RMW demerger)	107.00	-	-	-	107.00
	(-)	(-)	(-)	(-)	(-)
Expenses					
Management Fees	6.00	-	-	-	6.00
	(3.00)	(-)	(-)	(-)	(3.00)
Interest Paid on ICD's	12.70	-	-	-	12.70
	(-)	(-)	(-)	(-)	(-)
Reimbursement of Expenses paid	3.09	-	-	-	3.09
	(0.68)	(-)	(-)	(-)	(0.68)
Income					
Reimbursement of Expenses Received	0.04	-	-	-	0.04
	(-)	(-)	(-)	(-)	(-)
Trade Payable as on March 31, 2018					
Reliance Communications Limited	-	-	-	-	-
	(-)	(-)	(0.05)	(-)	(0.05)
Reliance Infrastructure Limited	-	-	-	-	-
	(-)	(-)	(0.08)	(-)	(0.08)
With Reliance Home Finance Limited					
Income					
Reimbursement of Expenses Received	-	0.01	-	-	0.01
	(-)	(26.23)	(-)	(-)	(26.23)
Expenses					
Reimbursement of Expenses paid	-	-	-	-	-
	(-)	(3.54)	(-)	(-)	(3.54)
Valuation Expenses paid (*₹ 27,600)	-	*	-	-	*
	(-)	(0.22)	(-)	(-)	(0.22)
Brokerage Expenses paid (*₹ 89,956)	-	*	-	-	*

Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2018

(₹ in crore)

Particulars	Holding Company	Fellow Subsidiary	Parties under common control	Key Management Personnel	Total
	(-)	(-)	(-)	(-)	(-)
With Reliance General Insurance Co. Ltd.					
Income					
Reimbursement of Expenses Received	-	1.06	-	-	1.06
	(-)	(0.92)	(-)	(-)	(0.92)
Expenses					
Insurance Premium paid	-	1.92	-	-	1.92
	(-)	(2.20)	(-)	(-)	(2.20)
Rent Expenses	(-)	0.32	-	-	0.32
	(-)	(0.28)	(-)	(-)	(0.28)
With Reliance IDC Limited					
IT & Communication Expenses	(-)	-	0.24	-	0.24
	(-)	(-)	(1.19)	(-)	(1.19)
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	-	0.16	-	-	0.16
	(-)	(0.20)	(-)	(-)	(0.20)
Expenses					
Insurance Expenses	-	0.40	-	-	0.40
	(-)	(0.44)	(-)	(-)	(0.44)
With Reliance Securities Limited					
Income					
Reimbursement of Expenses Received	-	0.16	-	-	0.16
	(-)	(0.13)	(-)	(-)	(0.13)
Expenses					
Brokerage Expenses paid	-	*	-	-	*
* ₹ 15,127 (Previous year ₹ 32,687)	(-)	(*)	(-)	(-)	(*)
With Reliance Communications Limited					
Expenses					
Reimbursement of Expenses paid	-	-	0.01	-	0.01
	(-)	(-)	(-)	(-)	(-)
Electricity Expenses	-	-	-	-	-
	(-)	(-)	(0.03)	(-)	(0.03)
IT & Communication Expenses	-	-	0.47	-	0.47
	(-)	(-)	(1.75)	(-)	(1.75)
Rent Expenses	-	-	0.15	-	0.15
	(-)	(-)	(0.86)	(-)	(0.86)
Income					
Interest on loan	-	-	-	-	-
	(-)	(-)	(58.92)	(-)	(58.92)
Loan given	-	-	-	-	-
	(-)	(-)	(1,565.70)	(-)	(1,565.70)
Loan Repaid	-	-	-	-	-
	(-)	(-)	(1,821.20)	(-)	(1,821.20)

Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2018

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	-	-	-	-	-
	(-)	(-)	(340.14)	(-)	(340.14)
Loan Repaid during the year	-	-	-	-	-
	(-)	(-)	(280.28)	(-)	(280.28)
Outstanding Loan Balance	-	-	-	-	-
	(-)	(-)	(200.00)	(-)	(200.00)
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. Devang Mody	-	-	-	6.95	6.95
	(-)	(-)	(-)	(-)	(-)
Mr. Amrish Shah	-	-	-	0.82	0.82
	(-)	(-)	(-)	(0.03)	(0.03)
Ms. Ekta Thakurel	-	-	-	0.17	0.17
(*Previous year – ₹ 72,898)	(-)	(-)	(-)	(*)	(*)

(₹ in crore)

Particulars	2017-18	2016-17
29 Auditor's Remuneration :		
Statutory Audit Fees	0.12	0.07
Tax Audit Fees	-	0.01
	0.12	0.08

30 Basic and diluted earnings per share:

The computation of earnings per share is set out below

Particulars	2017-18	2016-17
Amounts used as the numerators		
Net Profit after tax	208.37	295.17
Net Profit attributable to equity shareholders	208.37	295.17
Weighted average number of equity shares (Nos.)	12 29 62 686	6 41 16 111
Basic earnings per share of face value ₹ 10 each (In Rupees)	16.95	46.04
Diluted earnings per share of face value ₹ 10 each (In Rupees)	16.95	46.04

31 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.

Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2018

32 Security clause, Maturity profile & Rate of interest in respect of Non convertible Debentures

- a Rated, Listed, Secured, Redeemable, Non-convertible Debentures ("Secured NCDs") amounting to ₹ 2,824 crore (Previous year: Nil) are secured by way of a first charge & mortgage over the Company's Gujarat Immovable Property and first pari-passu charge on all present and future book debts, business receivables, current assets, investments and all other assets of the Company.
- b Maturity profile of Non convertible Debentures are as set out below;

(₹ in crore)

Interest Rate	2019-20	2020-21	2022-23	2024-25	2025-26	2027-28	Total
NCD	-	-	-	-	-	-	
8.52%	-	-	-	54.00	-	-	54.00
8.66%	-	-	-	-	-	35.00	35.00
8.69%	-	-	-	-	-	32.00	32.00
8.70%	-	-	-	-	5.00	-	5.00
9.03%	-	-	400.00	-	-	-	400.00
9.07%	-	-	-	-	-	6.00	6.00
9.15%	535.00	-	-	-	-	-	535.00
9.23%	-	-	-	-	-	500.00	500.00
9.40%	-	-	-	-	-	38.00	38.00
9.50%	-	200.00	-	-	-	-	200.00
Total	535.00	200.00	400.00	54.00	5.00	611.00	1 805.00

33 Security clause & Maturity profile in respect to secured loans from banks / financial institutions

- (a) (i) Term loans from banks / financial institutions includes ₹ 6,813.94 crore (Previous year ₹ 9,052.72 crore) which are secured by pari-passu first charge on all present and future book debts, receivables, bills, claims and loan assets of the Company.
- (ii) Loan facility of ₹ 500 crore availed from the National Bank for Agriculture and Rural Development (NABARD), is secured by way of first charge on book debts and receivables of the Company to the extent of ₹ 588 Crore.
- (b) Maturity profile of Term loans from banks / financial institutions are as set out below:

(₹ in crore)

	2019-20	2020-21	2021-22	2022- 23	Total
Term Loan from Banks / financial institutions	2 188.68	1 364.99	652.01	121.67	4 327.35

34 Disclosure of loans / advances and investments in its own shares by the listed companies, in its subsidiaries, associate etc. (as certified by the management) in terms of Regulation 53 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (As certified by the Management)

(₹ in crore)

Particulars	Outstanding Balance		Maximum Balance outstanding	
	March 31, 2018	March 31, 2017	2017-18	2016-17
i) Loans and advances in the nature of loans to subsidiaries	-	-	-	-
ii) Loans and advances in the nature of loans to associates	-	-	-	-
iii) Loans and advances in nature of loans to firms/companies in which directors are interest	-	-	-	-
iv) Loans and advances in nature of loans to firms / companies in which directors are interested.	-	-	-	-
	Outstanding Balance			
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	No. of shares		Amount ₹ in crore	
v) Investments by loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.	-	-	-	-

Notes to the Financial Statements for the year ended March 31, 2018

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

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Contingent Liabilities		
i) Guarantees to Banks and Financial Institutions on behalf of third parties	70.71	338.47
ii) Claims against the Company not acknowledge as debt	3.94	5.38
Commitments		
iii) Estimated amount of contracts remaining to be executed on capital account (net of advances)	3.56	5.31
iv) Undrawn Committed Credit lines	340.51	554.36

36 Expenditure in foreign currency

(₹ in crore)

Particulars	2017-18	2016-17
i) Legal & Professional Fees	1.19	0.15
ii) Software Maintenance and Others	0.06	0.33
iii) Subscription Fees * ₹ 27 440	-	*
iv) Repairs & Maintenance * ₹ 14 888	0.99	*
	2.24	0.48

37 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

The above disclosure related to Specified Bank Notes (SBN) is not applicable for the year ended March 31, 2018.

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

The Scheme of Arrangement ("the Scheme") under Sections 230 - 232 of the Companies Act, 2013 between the Company and Reliance MediaWorks Limited (RMW) and their respective shareholders and creditors was sanctioned by the National Company Law Tribunal ('NCLT') vide Order dated October 10, 2017. The Scheme became effective on November 16, 2017 on filing with the Registrar of Companies (RoC) with effect from March 31, 2017 i.e. Appointed Date. Pursuant to the Scheme, the Lease Rental Business (LR) of Reliance MediaWorks Limited (RMW) 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 ₹ 484.97 crore and liabilities aggregating to ₹ 644.97 crore as appearing in the books of RMW related to Lease Rental 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 ₹ 131.14 crore)	153.42
Loans & Advances	312.51
Other Current Assets	19.04
Total Assets	484.97
Liabilities	
Borrowings	642.00
Other current liabilities	2.97
Total Liabilities	644.97

Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2018

- (ii) On Scheme becoming effective with effect from Appointed Date, the Company has recorded all the assets aggregating to ₹ 484.97 crore and liabilities aggregating to ₹ 644.97 crore as appearing in the books of RMW related to Lease Rental Business at their respective book value as on Appointed Date. The difference between value of assets and liabilities of RMW's lease rental business and the value of the shares allotted to the shareholders of RMW's, amounting to ₹ 160.14 crore has been recorded as goodwill.
- The Company has on December 18, 2017 issued and allotted 13,79,857 10% Non-Convertible Non-Cumulative Redeemable Preference Shares of ₹ 1/- each fully paid-up ('Preference Shares') and 994 Preference Shares shall be allotted post receipt of requisite regulatory approvals.
- (iii) There are no inter-company balances and transactions between the Company and RMW on appointed date.
- (iv) Pursuant to the Scheme approved by National Company Law Tribunal, the difference between value of assets and liabilities of RMW's entire lease rental business and the value of the shares allotted to the shareholders of RMW, amounting to ₹ 160.14 crore has been recorded as goodwill.
- (v) As the financial statements for previous year ended March 31, 2017 have been already approved by the shareholders of the Company, the previous year accounts have not been reopened and all the relevant accounting entries with respect to the Scheme have been accounted during the current financial year.

39 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.

Pursuant 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 net assets taken over include:

Assets / Liabilities Taken Over	(₹ in crore)
Assets	
Fixed Assets	29
Investments	91
Loans & Advances	11 348
Cash on Hand & Bank Balance with Banks	650
Other Current Assets	355
Total Assets	12 473
Liabilities	
Borrowings	11 975
Provisions	38
Trade payables	6
Other current liabilities	454
Total Liabilities	12 473

- (ii) The difference between value of assets and liabilities of the RCL's commercial finance business as recorded by the Company shall be deemed to comprise and be recorded, in case of excess as its capital reserve or in case of deficit as 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. All profits accruing to the RCL or losses including tax losses, arising or incurred by the 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.
- (iv) During the period from the Appointed Date to the Effective Date the Company was repaid interest of ₹ 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 were paid by the Company subsequently.

Notes to the Financial Statements for the year ended March 31, 2018

40 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 ₹ 2.56 crore (Previous year ₹ 6.553), 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 ₹ 2.56 crore (Previous year ₹ Nil) by contributing for health camps and support for education.

41 Disclosure related to Schedule to the balance sheet of the Company, as required by Annex I of the RBI Directions.

Particulars	(₹ in crore)			
	Amount Outstanding		Amount Overdue	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
(1) Loans and advances availed by the non banking financial company inclusive of interest accrued thereon but not paid :				
(a) Debentures				
i) Secured (Inclusive of Interest accrued but not due ₹ 51 crore)	2 875.00	-	-	-
ii) Unsecured (Inclusive of Interest accrued but not due ₹ 3.62 crore) (Other than falling within the meaning of public deposits)	284.61	-	-	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans (Inclusive of Interest accrued but not due ₹ 6.76 crore)	7 320.71	8 742.85	-	-
(d) Inter-corporate Loans and Borrowing	-	-	-	-
(e) Commercial Paper	128.06	987.02	-	-
(f) Other Loans -				
- Cash Credit	1 404.55	523.50	-	-
- Unsecured loans	150.00	310.00	-	-

Particulars	Amount Outstanding	
	As at March 31, 2018	As at March 31, 2017
	(2) Break up of loans and advances including bills receivable other than those included in (3) below (Gross Amount)(Refer Note (b) below)	
(a) Secured	13 197.98	11 314.40
(b) Unsecured	560.04	1 295.31
Total	13 758.02	12 609.71

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 (2) above, Provision for NPA & Doubtful Debts is ₹ 87.83 crore (Previous year ₹ 128.42 crore) is not considered.

(3) 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	-	-

Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2018

(₹ in crore)

Particulars	Amount Outstanding	
	As at March 31, 2018	As at March 31, 2017
(4) 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	-	-
(iv) GOI securities	-	-
(v) Others	-	-
b) Long term investments*		
1. Quoted		
(i) Shares		
(a) Equity	7.59	24.68
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of Mutual fund	-	-
(iv) GOI securities	-	-
(v) Others		
Unit of AIF	25.00	25.00
2. Unquoted		
(i) Shares		
(a) Equity * ₹ 10	2.58	*
(b) Preference	42.82	55.98
(ii) Debentures and bonds	6.47	6.29
(iii) Units of Mutual funds	-	-
(iv) GOI securities	-	-
(v) Others		
Security Receipts	382.17	99.88
	466.63	211.82

*(Gross value without netting off Provision for Diminution in the value of Investments ₹16 crore [Previous Year ₹ 12.65 crore])

Notes to the Financial Statements for the year ended March 31, 2018

(5) Borrower group-wise classification of assets financed as in (2) and (3) above:

(₹ in crore)

Particulars	Secured		Unsecured		Total	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
a. Related parties						
(1) Subsidiaries	-	-	-	-	-	-
(2) Companies in the same group	-	-	-	-	-	-
(3) Other related parties	-	-	-	-	-	-
b. Other than related parties	13 197.98	11 314.40	560.04	1 295.31	13 758.02	12 609.71
Total	13 197.98	11 314.40	560.04	1 295.31	13 758.02	12 609.71

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted excluding stock in trade) after netting of provision for diminution in the value of investment ₹ 16 crore (Previous Year ₹ 12.65 crore)

(₹ in crore)

Particulars	Market value / Fair Value or NAV		Book Value (Net of provisions)	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
a. Related parties				
(1) Subsidiaries	-	-	-	-
(2) Companies in the same group	-	-	-	-
(3) Other related parties	-	-	-	-
b. Other than related parties	452.04	200.45	450.63	199.18
Total	452.04	200.45	450.63	199.18

(7) Other

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Gross Non-Performing Assets		
(1) Related Parties	-	-
(2) Other than Related Parties	421.82	616.03
(b) Net Non-Performing Assets		
(1) Related Parties	-	-
(2) Other than Related Parties	333.98	516.24

Notes :

- 1 In case of unquoted investments, in the absence of market value book value has been considered.
- 2 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.
- 3 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.
- 4 Gross Non Performing Assets and Net Non Performing Assets given above includes loans & advances and bonds & debentures.

Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2018

42 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, 2018	As at March 31, 2017	
a Capital to Risk Assets Ratio (CRAR)			
i) CRAR (%)	19.30	17.19	
ii) CRAR – Tier I capital (%)	15.82	14.16	
iii) CRAR – Tier II capital (%)	3.48	3.03	
iv) Amount of Subordinated Debt raised as Tier II Capital	81.00	-	
v) Amount raised by issue of Perpetual Debts Instruments	-	-	
b Investments			
1) Value of Investments			
i) Gross Value of Investments			
a) In India	466.63	211.83	
b) Outside India	-	-	
ii) Provisions for Depreciation			
a) In India	16.00	12.65	
b) Outside India	-	-	
iii) Net Value of Investments			
a) In India	450.63	199.19	
b) Outside India	-	-	
2) Movement of provisions held towards depreciation of investments			
i) Opening Balance	12.65	-	
ii) Add: Provisions made during the year	16.00	12.65	
iii) Less: Write-off / write-back of excess provisions during the year	12.65	-	
iv) Closing balance	16.00	12.65	
c Derivatives			
During the year the Company has not entered into any derivative contract and at the year end there is no outstanding derivative contract. Therefore disclosures pertaining to derivatives are not applicable.	-	-	

		(₹ in crore)	
Sr. No.	Particulars	2017-18	2016-17
d	Disclosures relating to Securitisation		
1	No. of SPVs sponsored by the Company for Securitisation Transactions (Nos.)	3	4
2	Total amount of securitised assets as per books of the SPVs sponsored by the Company	66.56	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	95.45	169.30
	• Others	-	-

Notes to the Financial Statements for the year ended March 31, 2018

(₹ in crore)

Sr. No.	Particulars	2017-18	2016-17
4	Amount of exposures to securitisation transactions other than Minimum Retention Requirement (MRR)		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitisations		
	• First loss	-	-
	• Others	45.46	132.48
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-
e	Disclosures relating to Assignment		
1	No of Direct Assignments (Nos.)	76	88
2	Total amount of assigned assets as per books of the Assignor (Rupees)	2 869.23	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	286.92	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 securitisations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-
f	Details of Financial Assets Sold to Securitisation/ Reconstruction Company for Assets Reconstruction		
i)	No. of accounts	3 047	2 743
ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	403.76	96.97
iii)	Aggregate consideration	364.92	122.49
iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v)	Aggregate gain / loss over net book value	(38.84)	25.52

Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2018

(₹ in crore)

Sr. No.	Particulars	2017-18	2016-17
g	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	-	-
h (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	-	-
(ii)	Aggregate outstanding	-	-
(b)	Details of Non Performing Financial Assets Sold		
(i)	No. of accounts Sold During the year	3,047	2,743
(ii)	Aggregate Outstanding (net of provisions)	403.76	96.97
(iii)	Aggregate consideration received	364.92	122.49

i Asset Liabilities Management Maturity pattern of certain items of asset and liabilities (At Book Values) [As certified by Management]

(₹ 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	1 458.72 (553.50)	25.83 (95.83)	884.00 (880.11)	298.75 (484.03)	1 873.84 (1 750.80)	3 553.66 (4 166.94)	773.69 (1 642.84)	- (2.17)	8 868.49 (9 576.22)
Market Borrowings	- (-)	29.74 (-)	98.31 (987.02)	- (-)	1 300.00 (-)	735.00 (-)	400.00 (-)	670.00 (-)	3 233.06 (987.02)
Assets									
Loans / Advances	777.05 (1 189.91)	279.21 (230.51)	609.28 (235.17)	956.94 (1 336.33)	3 129.98 (2 060.53)	4 112.03 (3 092.34)	1 649.13 (1 831.24)	2 156.59 (2 436.38)	13 670.20 (12 412.40)
Investments	3.83 (12.46)	- (-)	- (-)	- (-)	- (-)	- (2.00)	25.00 (25.00)	421.80 (159.71)	450.63 (199.17)

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 to 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.

Notes to the Financial Statements for the year ended March 31, 2018

(₹ in crore)

Category	As at March 31, 2018	As at March 31, 2017
j 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	3.76	3.01
ii) Commercial Real Estate	1 436.15	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	1 439.91	2 120.55
(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; (Net of Provision)	22.54	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;	-	-
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	22.54	27.52

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 computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.

Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2018

(₹ in crore)

	2017-18	2016-17
k 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, 2018			As at March 31, 2017		
	Exposure	Limit	Excess	Exposure	Limit	Excess
l Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company						
Sistema Shyam Teleservices Limited	-	-	-	390.00	293.81	96.19

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 to ensure compliance with the Prudential norms of RBI.

(₹ in crore)

	As at March 31, 2018	As at March 31, 2017
m Unsecured Advances		
Advances against Securities of Intangible Assets	-	-
Total Advances against Securities of Intangible Assets	-	-

n Miscellaneous Disclosures

1. Registration obtained from other financial sector regulators

Items	Type	Number reference
a) Reserve Bank of India	Registration No.	N-13.01933

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

- Details of all material transactions with related parties has been given in Notes No 28 of the financial statements.
- Policy on dealing with Related Party Transactions.

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 26, 2018
ii) Brickwork Ratings India Pvt Ltd	Short Term Debt [CP] of ₹ 3,000 Crore	[BWR] A1+	March 05, 2018
iii) ICRA Limited	Short Term Debt [TL] of ₹ 1,000 Crore	[ICRA] A1+	January 29, 2018
iv) Credit Analysis & Research Limited (CARE)	Long Term Bank Borrowings of ₹ 12,500 Crore	CARE AA+	December 19, 2017
v) Credit Analysis & Research Limited (CARE)	Long Tem Debt of ₹ 1,000 Crore	CARE AA+	January 17, 2018
vi) Credit Analysis & Research Limited (CARE)	Non-Convertible Debentures of ₹ 2,500 Crore	CARE AA+	March 09, 2018
vii) Brickwork Ratings India Pvt Ltd	Long Term NCD of ₹ 1,500 Crore	BWR AA+	March 22, 2018
viii) Credit Analysis & Research Limited (CARE)	Subordinate Debt - Tier II Unsecured Debt of ₹ 500 Crore	CARE AA+	March 09, 2018
ix) Brickwork Ratings India Pvt Ltd	Subordinate Debt - Tier II Unsecured Debt of ₹ 500 Crore	BWR AA+	March 09, 2018
x) Credit Analysis & Research Limited (CARE)	Market Linked Debentures of ₹ 200 Crore	CARE PP - MLD AA+	March 09, 2018

Note : The above credit ratings are based on the Credit Ratings obtained from Credit Rating Agencies upto March 31, 2018.

Notes to the Financial Statements for the year ended March 31, 2018

5. Remuneration of Directors

Particulars	(₹ in crore)	
	2017-18	2016-17
Transactions with the Non-Executive Directors		
Director Sitting Fees Non-Executive Directors	0.25	0.13
Total	0.25	0.13

6. During the year there is no changes in the accounting policies and no prior period items

o Additional Disclosures

Particulars	(₹ in crore)	
	As at March 31, 2018	As at March 31, 2017
1. Provisions and Contingencies		
a) Provision for depreciation on Investments	16.00	12.65
b) Provision for NPA & Doubtful Debts	87.84	128.42
c) Provision made towards Income tax	54.50	87.67
d) Other Provisions and Contingencies (with details)		
e) Contingent provision against standard assets	55.85	44.33
2. Concentration of Advances		
Total Advances to twenty largest borrowers	4 977.98	3 558.00
Percentage of Advances to twenty largest borrowers to Total Advances of the Company	36.18%	28.44%
3. Concentration of Exposures		
Total Exposure to twenty largest borrowers	4 977.98	3 558.00
Percentage of Exposures to twenty largest borrowers to Total Exposure of the Company	35.00%	27.96%
4. Concentration of NPAs		
Total Exposure to top four NPA accounts	128.67	131.15
Particulars	Percentage of NPAs to total advances in that sector	
	2017-18	2016-17
5. Sector-wise NPAs		
Agriculture & allied activities	2.51	3.51
MSME	1.96	3.42
Corporate borrowers	7.41	9.83
Services	4.11	4.02
Unsecured personal loans	-	-
Auto loans	0.71	7.55
Other personal loans	-	7.86
6. Movement of NPAs		
Net NPAs to Net Advances (%)	2.44%	4.94%
Movement of NPAs (Gross)		
(a) Opening Balance	709.69	-
(b) Additions during the year/ Pursuant to Scheme of Arrangement	204.77	1 045.38
(c) Reductions during the year	(492.64)	(335.69)
(d) Closing balance	421.82	709.69

Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2018

Particulars	Percentage of NPAs to total advances in that sector	
	2017-18	2016-17
Movement of Net NPAs		
(a) Opening Balance	581.26	-
(b) Additions during the year/ Pursuant to Scheme of Arrangement	179.26	874.63
(c) Reductions during the year	(426.55)	(293.37)
(d) Closing balance	333.97	581.26
Movement of provisions for NPAs		
(a) Opening Balance	128.42	-
(b) Additions during the year/ Pursuant to Scheme of Arrangement	25.51	170.75
(c) Write-off	(66.09)	(42.33)
(d) Closing balance	87.84	128.42

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

(₹ in crore)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
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.		
9. Customer Complaints (as certified by the management)		
(a) No. of complaints pending at the beginning of the year	21	-
(b) No. of complaints received during the year/ Pursuant to Scheme of Arrangement	500	961
(c) No. of complaints redressed during the year	518	940
(d) No. of complaints pending at the end of the year	3	21

(₹ in crore)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
10. Other information		
Area, country of operation	India	India
Joint venture partners with regard to Joint ventures and Overseas subsidiaries	None	None

Notes to the Financial Statements for the year ended March 31, 2018

43 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”)

₹ in crore

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 2017-18																		
	No. of borrowers	1	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3
	Amount outstanding	14.03	74.82	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	88.85
	Provision thereon	0.02	14.51	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14.53
2	Fresh restructuring during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
	Amount outstanding	-	16.95	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16.95
	Provision thereon	-	2.96	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.96
3	Upgradations to restructured standard category																		
	No. of borrowers	2	-2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	74.82	(74.82)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	14.51	(14.51)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0)
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY																		
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	23.07	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23.07
	Provision thereon	(0.23)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.23)
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 2018-19																		
	No. of borrowers	3	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4
	Amount outstanding	65.78	16.95	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	82.73
	Provision thereon	14.77	2.96	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17.73

Reliance Commercial Finance Limited

Notes to the Financial Statements for the year ended March 31, 2018

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

The figures for current year includes figures of Lease Rental Business of Reliance MediaWorks Limited (RMW) which is demerged with the Company with effect from March 31, 2017 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 Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants**

Firm Registration No. : 304026E/E-300009

**Vivek Prasad
Partner**

Membership No.: 104941

Mumbai
April 23, 2018

For and on behalf of the Board

Directors

Executive Director & CEO

Company Secretary &
Compliance Officer

Mumbai
April 23, 2018

**Arvind Mayaram
(DIN: 00080262)**

**Lav Chaturvedi
(DIN: 02859336)**

**Devang Mody
(DIN: 07794726)**

Ekta Thakurel

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