

Financial Statement

2021-22

Reliance Corporate Advisory Services Limited

Manoj Sethi

B.Com., F.C.A.

Independent Auditors' Report

To The Members of

Reliance Corporate Advisory Services Limited**Opinion**

We have audited the accompanying financial statements of **Reliance Corporate Advisory Services Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the State of affairs of the Company as at March 31, 2022, its Loss (including other comprehensive income), the Changes in Equity and its Cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Material Uncertainty related to Going Concern

We draw attention to Note 32 in the financial statements regarding accumulated loss exceeding the Net Worth of the Company and the Company has prepared the financial statements on a going concern basis. This situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The accounts, however has been prepared by the management on a going concern basis for the reason stated in the aforesaid note.

Our opinion is not modified in this respect;

Emphasis of Matter

We draw attention to Note 33 of the financial statements which refers to the ongoing exercise of valuation of all assets held by the Company at Holding Company level (Reliance Capital Limited) which is under Corporate Insolvency Resolution Process ("CIRP") under the provisions of the Insolvency & Bankruptcy Code, 2016 ("IBC"). As per the provisions of IBC, the fair value and liquidation value of the assets of the company as on the insolvency commencement date is required to be determined. In compliance with the same, the Administrator has appointed 2 registered valuers and the said exercise is currently underway.

We refer Note 29 to the accompanying financial statements for the year ended March 31, 2022 regarding non provision of interest amounting to Rs.166.98 Crore for the year (PY Rs.170.35 Crore) on borrowings from Holding Company. As explained to us, the Company is in the process of meeting its obligation by monetisation of its assets in conjunction with Holding Company.

Our opinion is not modified in this respect.

Responsibility of Management and Those Charged with governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of financial position, financial performance, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Director's report and shareholders' information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is material misstatement therein; we are required to report that fact. We have nothing to report in this regard.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity 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 Indian Accounting Standards prescribed under section 133 of the Act;
 - e) The going concern matter described in Material Uncertainty Related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the Directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a Director in terms of Section 164(2) of the Act;
 - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any managerial remuneration to directors during the year. Hence, the requirement of the Company for compliance under this section is not applicable.
 - i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations on its financial position of the Company.
 - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and protection fund by the Company during the year ended March 31, 2022.
 - (iv) (a) Management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) Management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts no funds have been received by the company from any

person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2) (h) (iv) (a) & (b) contain any material misstatement.

(v) The Company has not declared or paid any dividend during the year.

For M. S. Sethi & Associates

Chartered Accountants
Firm Regn.No.109407W

Manoj Sethi

Proprietor
Membership No.039784

Place: Mumbai

Date : May 07, 2022

UDIN: 22039784AISLNU9308

Reliance Corporate Advisory Services Limited

Standalone Balance Sheet as at March 31, 2022

Amount in Rs.

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial assets			
Cash and cash equivalents	3	3 28 702	4 04 87 061
Loans & Advances	4	655 94 45 725	684 80 00 000
Investments	5	821 89 98 685	841 39 37 655
Other financial assets	6	2 84 91 200	2 84 91 200
Non-financial assets			
Income tax assets (Net)	7	2 10 32 892	1 23 83 205
Other non-financial assets	8	1 70 59 587	1 71 07 588
Investment Property	9	2 43 95 001	-
TOTAL ASSETS		<u>1486 97 51 792</u>	<u>1536 04 06 709</u>
EQUITY AND LIABILITIES			
Liabilities			
Financial liabilities			
Borrowings	10	1391 56 22 233	1419 56 22 233
Other financial liabilities	11	107 38 38 796	107 80 32 984
Non-financial Liabilities			
Other non-financial liabilities	12	85 420	10 800
Equity			
Equity share capital	13	1235 65 00 000	1235 65 00 000
Other equity	14	<u>(1247 62 94 657)</u>	<u>(1226 97 59 308)</u>
Total equity		<u>(11 97 94 657)</u>	<u>8 67 40 692</u>
TOTAL EQUITY AND LIABILITIES		<u>1486 97 51 792</u>	<u>1536 04 06 709</u>

Significant Accounting Policies 2 - -

The accompanying notes are integral part of these financial statements.

As per our Report of even date
For M.S.Sethi & Associates
 Chartered Accountants
 Firm Registration No. : 109407W

For and on behalf of the Board of Directors of
Reliance Corporate Advisory Services Limited

Yogesh Vijay Deshpande
 Director

Madan Mohan Chaturvedi
 Director

Manoj Sethi
 Proprietor
 Membership No : 039784

Rajat Kumar Banthia
 Chief Financial Officer &
 Manager

Company Secretary

Place : Mumbai
 Date: 07 May, 2022

Reliance Corporate Advisory Services Limited

Statement of Standalone Profit and Loss for the year ended March 31, 2022

Amount in Rs.

Particulars	Note No.	Year Ended March 31, 2022	Year Ended March 31, 2021
Revenue			
Other income	15	5 33 08 712	78 59 253
Total revenue		<u>5 33 08 712</u>	<u>78 59 253</u>
Expenses			
Fair value changes	16	(2 38 61 880)	370 27 20 067
Finance costs	17	-	43 57 841
Impairment on financial instruments	18	25 56 00 000	80 13 95 823
Depreciation	9	2 04 999	-
Employee Benefits Expense	19	1 46 17 742	-
Others expenses	20	1 32 83 200	4 97 316
Total expenses		<u>25 98 44 061</u>	<u>450 89 71 047</u>
Profit / (Loss) before tax		(20 65 35 349)	(450 11 11 794)
Income tax expense:			
- Current tax		-	-
- Tax related to earlier year		-	1 52 43 258
- Deferred tax		-	-
Profit / (Loss) for the year		<u>(20 65 35 349)</u>	<u>(451 63 55 052)</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>(20 65 35 349)</u>	<u>(451 63 55 052)</u>
Earnings per share face value of Rs. 10 each fully paid-up			
- Basic & Diluted	22	(0.17)	(3.66)
Significant Accounting Policies	2		

The accompanying notes are integral part of these financial statements.

As per our Report of even date

For and on behalf of the Board of Directors of
Reliance Corporate Advisory Services Limited

For M.S.Sethi & Associates

Chartered Accountants

Firm Registration No. : 109407W

Yogesh Vijay Deshpande
Director

Madan Mohan Chaturvedi
Director

Manoj Sethi

Rajat Kumar Banthia
Chief Financial Officer &
Manager

Company Secretary

Proprietor

Membership No : 039784

Place : Mumbai

Date: 07 May, 2022

Reliance Corporate Advisory Services Limited

Cash Flow Statement for the year ended March 31, 2022

Amount in Rs.

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Cash flows from operating activities		
Profit/(Loss) before tax:	(20 65 35 349)	(450 11 11 794)
Adjusted for:		
Interest income	(2 80 52 877)	(58 12 980)
Net gain on fair value changes	(2 38 61 880)	370 27 20 067
Depreciation	2 04 999	-
Impairment on financial instruments	25 56 00 000	80 13 95 823
Interest expense	-	43 57 841
Operating profit before working capital changes	<u>(26 45 107)</u>	<u>15 48 957</u>
Adjusted for:		
Other non-financial assets	48 001	(22 74 30 113)
Other financial assets	(22 75 47 123)	37 60 871
Loans & Advances	28 85 54 275	27 40 14 355
Other financial liabilities	<u>(41 19 568)</u>	<u>(1 55 37 945)</u>
Cash generated in operations	5 42 90 478	3 63 56 125
Taxes paid (net)	<u>(86 49 687)</u>	<u>(16 39 069)</u>
Net Cash inflow / (outflow) used in operating activities (A)	4 56 40 791	3 47 17 056
Cash flows from investing activities		
Purchase of investment	11 68 41 952	-
Interest received	-	3 29 26 028
Sale of Investments	7 73 58 898	14 11 39 413
Net cash inflow / (outflow) from investing activities (B)	<u>19 42 00 850</u>	<u>17 40 65 441</u>
Cash flows from financing activities		
Repayment of borrowings	(28 00 00 000)	(16 49 00 000)
Interest paid	-	(43 57 841)
Net cash from financing activities (C)	<u>(28 00 00 000)</u>	<u>(16 92 57 841)</u>
Net increase / (decrease) in Cash and Bank Balances (A+B+C)	(4 01 58 359)	3 95 24 656
Add : Cash and cash equivalents at beginning of the year	4 04 87 061	9 62 405
Cash and cash equivalents at end of the year	<u><u>3 28 702</u></u>	<u><u>4 04 87 061</u></u>

Significant Accounting Policies

The accompanying notes are integral part of these financial statements.

As per our Report of even date
For M.S.Sethi & Associates
Chartered Accountants
Firm Registration No. : 109407W

Manoj Sethi
Proprietor
Membership No : 039784

Place: Mumbai
Date: 07 May, 2022

For and on behalf of the Board of Directors of
Reliance Corporate Advisory Services Limited

Yogesh Vijay Deshpande
Director

Madan Mohan Chaturvedi
Director

Rajat Kumar Banthia
Chief Financial Officer &
Manager

Company Secretary

Reliance Corporate Advisory Services Limited
Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

Amount in Rs.

Particulars	Year Ended March 31, 2022		Year Ended March 31, 2021	
	Quantity	Amount	Quantity	Amount
Equity share capital (refer note 13)				
Balance at the beginning of the Year	123 56 50 000	1235 65 00 000	123 56 50 000	1235 65 00 000
Issued during the year	-	-	-	-
Balance at the end of the Year	123 56 50 000	1235 65 00 000	123 56 50 000	1235 65 00 000
Other equity (refer note 14)				
		Reserves and surplus	Other	Total other equity
		Securities	comprehensive	
		premium	income	
		Retained		
		Earnings		
Balance as at April 1, 2020		(775 34 04 256)	-	(775 34 04 256)
Surplus/(deficit) in the Statement of Profit and Loss	-	(451 63 55 052)	-	(451 63 55 052)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	(451 63 55 052)	-	(451 63 55 052)
Balance as at March 31, 2021	-	(1226 97 59 308)	-	(1226 97 59 308)
Balance as at April 01, 2021	-	(1226 97 59 308)	-	(1226 97 59 308)
Surplus/(deficit) in the Statement of Profit and Loss	-	(20 65 35 349)	-	(20 65 35 349)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	(20 65 35 349)	-	(20 65 35 349)
Balance as at March 31, 2022	-	(1247 62 94 657)	-	(1247 62 94 657)

Significant Accounting Policies

The accompanying notes are integral part of these financial statements.

As per our Report of even date

For M.S.Sethi & Associates

Chartered Accountants

Firm Registration No. : 109407W

For and on behalf of the Board of Directors of

Reliance Corporate Advisory Services Limited

Yogesh Vijay Deshpande

Director

Madan Mohan Chaturvedi

Director

Manoj Sethi

Proprietor

Membership No : 039784

Rajat Kumar Banthia

Chief Financial Officer & Manager

Company Secretary

Place : Mumbai

Date: 07 May, 2022

Reliance Corporate Advisory Services Limited
Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

Note 1 : Background

Reliance Corporate Advisory Services Limited is incorporated to promote, acquire, purchase or otherwise obtain the membership or trading rights and clearing membership in any Stock Exchange which will be recognised under the applicable laws for the time being in force. The Company also deals in trading of goods, commodities and finance activity.

Note 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

Note 2.01 Basis of preparation

(i) The financial statements have been prepared on a historical cost basis, except for the assets and liabilities that require measurement at fair value in accordance with Ind AS.

(ii) These financial statements are presented in Indian Rupees which is functional currency of the Company. All amounts are rounded off to the nearest rupee, unless stated otherwise.

Note 2.02 Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate affairs pursuant to section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Note 2.03 Use of Estimates

The preparation and presentation 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 is recognised in the period in which the results are known/ materialised. Estimates and underlying assets are reviewed on periodical basis. Revisions to accounting estimates are recognised prospectively.

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. The management also needs to exercise judgement in applying the accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Note 2.04 Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, bank overdraft, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 2.05 Financial Instruments

A. Financial Assets

i) Classification

The company classifies its financial assets in the following measurement categories:

- 1) those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- 2) those measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

ii) Measurement

At initial recognition, the company measures a financial asset at its fair value . Transaction costs of financial assets carried at fair value through the Statement of Profit or Loss are expensed in the Statement of Profit and Loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Reliance Corporate Advisory Services Limited

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

Debt instruments:

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

a) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

b) Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/ (losses) Interest income from these financial assets is included in other income using the effective interest rate method.

c) Fair value through statement of profit or loss: Assets that do not meet the criteria for amortised cost are measured at fair value through Statement of Profit or Loss. Interest income from these financial assets is included in other income.

iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

iv) Derecognition of Financial Assets

A financial asset is derecognized only when

- 1) The company has transferred the rights to receive cash flows from the financial asset; or
- 2) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

B. Financial Liabilities

All financial liabilities are recognised initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Note 2.06 Borrowings

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets upto the commencement of commercial operations. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognised as an expense in the year in which they are incurred.

Note 2.07 Provisions , Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

A contingent asset is disclosed, where an inflow of economic benefits is probable. An entity shall not recognize a contingent asset unless the recovery is virtually certain.

Note 2.08 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivables.

i) Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable and when it is reasonably certain that the ultimate collection will be made.

ii) Income from investments

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

iii) Dividend income

Dividend income is recognised when the right to receive payment is established. average basis.

Note 2.09 Income Taxes

(i) The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

(ii) Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

(iii) Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(iv) Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Note 2.10 Earnings Per Share

In determining Earnings per Share, the Company considers net profit after tax and includes post tax effect of any exceptional item. Number of shares used in computing basic earnings per share is the weighted average number of the shares, outstanding during the period. Dilutive earning per share is computed and disclosed after adjusting effect of all dilutive potential equity shares, if any except when result will be anti - dilutive. Dilutive potential equity Shares are deemed converted as at the beginning of the period, unless issued at a later date.

Reliance Corporate Advisory Services Limited

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

	Amount in Rs.	
	As at March 31, 2022	As at March 31, 2021
3 Cash and cash equivalents		
Balances with banks:		
In current accounts	3 28 702	4 04 87 061
Total	3 28 702	4 04 87 061
4 Loans & Advances		
i) Loan		
At amortised cost		
-Related Parties (refer note 27)	176 75 00 000	177 75 00 000
-Others	1 35 00 000	14 35 00 000
Sub total (i)	178 10 00 000	192 10 00 000
ii) Advances		
At amortised cost		
-Related Parties (refer note 27)	19 83 45 725	19 81 00 000
-Others	538 28 00 000	540 60 00 000
Sub total (ii)	558 11 45 725	560 41 00 000
Total (A) - Gross (i+ii)	736 21 45 725	752 51 00 000
(Less): Impairment loss allowance	80 27 00 000	67 71 00 000
Total (A) - Net	655 94 45 725	684 80 00 000
Unsecured	736 21 45 725	752 51 00 000
Total (B) - Gross	736 21 45 725	752 51 00 000
(Less): Impairment loss allowance	80 27 00 000	67 71 00 000
Total (B) - Net	655 94 45 725	684 80 00 000
Loans in India		
- Public sector	-	-
- Others	736 21 45 725	752 51 00 000
Total (C) - Gross	736 21 45 725	752 51 00 000
(Less): Impairment loss allowance	80 27 00 000	67 71 00 000
Total (C) - Net	655 94 45 725	684 80 00 000

Reliance Corporate Advisory Services Limited
Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

Amount in Rs.

	Face Value Rs.	Quantity		Value	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
5 Investments					
a) Investment in Equity Shares :-					
i) Quoted, fully paid-up at FVTPL					
Kinetic Engineering Limited	10	5 99 700	5 99 700	5 07 34 620	2 40 17 985
Ventura Textiles Limited	10	3 21 875	3 21 875	7 88 594	7 88 594
Total (a)				5 15 23 214	2 48 06 579
ii) Unquoted, fully paid-up at FVTPL					
- Subsidiary Company					
Reliance Underwater Systems Private Limited	10	1 39 999	1 39 999	13 99 990	13 99 990
- Fellow Subsidiary Company					
Reliance Capital Pension Fund Limited	10	42 50 000	42 50 000	4 54 86 501	4 54 86 501
Total (b)				4 68 86 491	4 68 86 491
ii) Unquoted, Fully Paid Up at FVTPL - Others					
All Green Energy India Private Limited	1	10	10	-	-
Awidit Systems Private Limited	10	10	10	1 54 545	1 54 545
BLR Logistics Private Limited	10	15 90 200	15 90 200	18 51 31 084	18 51 31 084
Business Broadcast News Limited	10	14 68 109	14 68 109	-	-
Billionloans Financial Services Private Limited	10	2 63 250	2 63 250	5 21 28 714	5 21 28 714
Fairwinds Asset Managers Limited	10	9 950	9 950	-	-
Gradatim IT Ventures (India) Private Limited	10	64	64	1 849	1 849
Grover Zampa Vineyards Limited	10	15 87 559	15 87 559	7 48 74 032	7 48 74 032
iMonitor Solutions India Private Limited	10	10	10	1 235	1 235
KIt Automotive & Tubular Products Limited	10	5 25 000	5 25 000	10 41 28 500	10 41 28 500
Naffa Innovations Private Limited	10	10	10	8 01 650	8 01 650
Indian Commodity Exchange Limited	5	1 73 06 671	1 73 06 671	1 63 83 337	1 63 83 337
Paytm E-Commerce Private Limited	10	7 924	7 924	79 240	79 240
Reliance Money Infrastructure Limited	10	5 000	5 000	50 000	50 000
Wellspring Healthcare Private Limited	5	10	10	7 243	7 243
Total (c)				43 37 41 429	43 37 41 429
b) Unquoted, fully paid-up Preference Shares at FVTPL					
All Green Energy India Private Limited Compulsorily Convertible Preference Shares Series - A	10	1 60 115	1 60 115	-	-
Awidit Systems Private Limited- Seed fund 1% cumulative participating fully convertible preference shares	10	2 576	2 576	3 98 10 921	3 98 10 921
Gradatim IT Ventures (India) Private Limited 5% Fully Compulsorily Convertible Participating Preference Shares	10	6 37 191	6 37 191	1 84 06 151	1 84 06 151
Grover Zampa Vineyards Limited 0% Convertible Preference Shares	10	6 93 093	6 93 093	5 01 71 481	5 01 71 481
iMonitor Solutions India Private Limited Series A Compulsorily Convertible Participating Preference Shares	10	2 35 990	2 35 990	2 91 42 405	2 91 42 405
Microfirm Capital Private Limited - 10% Series XIV Preference Shares	10	19 300	19 300	3 87 54 400	5 06 87 497
Naffa Innovations Private Limited 1% Series A Preference Shares	10	2 095	2 095	16 79 45 675	16 79 45 675
RBEP Entertainment Private Limited-13% Non Cumulative Redeemable Preference Share (Series II)	1	136 00 00 000	136 00 00 000	-	-
Wellspring Healthcare Private Limited Preference Shares	50	12 215	12 215	88 46 958	88 46 958
Total (d)				35 30 77 991	36 50 11 088

Reliance Corporate Advisory Services Limited
Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

	Amount in Rs.				
	Face Value Rs.	Quantity		Value	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
c) Investments in Debentures or Bonds					
i) Unquoted, fully paid-up at amortised cost					
Fairwinds Asset Managers Limited 0% Optionally-Convertible Debentures	1 000	3 50 259	3 50 259	8 04 27 253	8 04 27 253
Galax Minerals Private Limited - Non Marketable Optionally Convertible Debentures	1 000	5 00 000	5 00 000	16 83 82 648	16 83 82 648
Kartavya Financial Advisory Services Private Limited - 0% Optionally Convertible Debentures	1 00 000	2 500	2 500	13 76 22 984	13 76 22 984
KRG Polychem Private Limited - Non Convertible Debentures	10 00 000	210	210	21 00 00 000	21 00 00 000
Mahima Stock Private Limited 0% Optionally Convertible Debentures	1 00 000	2 500	2 500	13 76 22 984	13 76 22 984
Media Capital Company India Private Limited, 0.001% Optional Convertible Debentures	1 000	14 50 000	14 50 000	91 85 11 625	91 85 11 625
Meru Minerals Private Limited - Non Marketable Optionally Convertible Debentures	1 000	18 50 000	18 50 000	62 30 15 796	62 30 15 796
Monsoon Studios Private Limited, 0.001% - Optionally Convertible Debentures	1 000	1 50 000	1 50 000	4 67 75 337	4 67 75 337
Monsoon Studios Private Limited Secured, 0.001% Redeemable, Optionally Convertible Debentures	1 000	10 90 000	10 90 000	37 04 78 818	37 04 78 818
Paidia Conconnection Private Limited - Non Marketable Optionally Convertible Debentures	1 000	20 00 000	20 00 000	67 35 30 590	67 35 30 590
Reliance Home Finance Limited 14% Non-Convertible Debentures	5 00 000	1 631	1 631	81 55 00 000	81 55 00 000
Shine Star Build-Cap Private Limited 0% Non-Convertible Debentures	200	15 00 000	15 00 000	9 03 46 382	9 03 46 382
ii) Unquoted, fully paid-up at FVTPL					
Reliance Power Limited 8% Non-Convertible Debentures	10 00 000	2 500	2 500	113 50 00 000	113 50 00 000
Reliance Commercial Finance Limited 14% Non-Convertible Debentures	10 00 000	2 000	2 000	173 34 78 173	176 67 47 850
Total (e)				714 06 92 590	717 39 62 267
(d) Investment in units of Seed/Equity fund					
Unquoted, fully paid-up at amortised cost					
Ankur Capital Fund	1 000	2 948	3 000	2 86 15 491	2 91 38 768
Exfinity Technology Fund - Series II	2 00 000	50	50	-	2 95 29 990
Indian Receivable Trust 2019 Series 5	10 00 400	132	132	6 92 28 506	8 32 64 460
Nippon India Liquid Fund - Direct Plan Growth Plan	1 000	-	45 747	-	22 75 96 584
BNP Paribas Liquid Fund Direct Growth	1 000	38 824	-	9 52 32 973	-
Total (f)				19 30 76 970	36 95 29 802
Grand Total (a+b+c+d+e+f)				821 89 98 685	841 39 37 655

Reliance Corporate Advisory Services Limited

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

	Amount in Rs.	
	As at March 31, 2022	As at March 31, 2021
6 Other financial assets		
Interest accrued on debentures		
- Related Parties (refer note 27)	2 84 64 300	2 84 64 300
- Others	26 900	26 900
Total	<u>2 84 91 200</u>	<u>2 84 91 200</u>
7 Income tax assets (Net)		
Income tax paid in advance	2 10 32 892	1 23 83 205
Total	<u>2 10 32 892</u>	<u>1 23 83 205</u>
8 Other non-financial asset		
Other Receivables	-	72 931
Balance with Goods and Service tax authorities	1 70 59 587	1 70 34 657
Total	<u>1 70 59 587</u>	<u>1 71 07 588</u>
9 Investment property in Buildings		
Gross carrying amount	-	-
Deemed cost	-	-
Addition	<u>2 46 00 000</u>	<u>-</u>
Closing gross carrying amount	<u>2 46 00 000</u>	<u>-</u>
Opening accumulated amortisation	-	-
Amortisation during the year	2 04 999	-
Impairment during the year	-	-
Disposals and transfers	<u>-</u>	<u>-</u>
Closing accumulated amortisation	<u>2 04 999</u>	<u>-</u>
Net carrying amount	<u>2 43 95 001</u>	<u>-</u>

Reliance Corporate Advisory Services Limited**Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022**

	Amount in Rs.	
	As at March 31, 2022	As at March 31, 2021
10 Borrowings		
At amortised cost		
Inter-Corporate Deposits (unsecured)		
- From Related Parties (refer note 27)	1391 56 22 233	1419 56 22 233
Total	<u>1391 56 22 233</u>	<u>1419 56 22 233</u>
11 Other financial liabilities		
Interest on loans (unsecured)		
- Related Parties (refer note 27)	107 36 29 776	107 78 77 484
Other payables	2 09 020	1 55 500
Total	<u>107 38 38 796</u>	<u>107 80 32 984</u>
12 Other non-financial liabilities		
Statutory dues	85 420	10 800
Total	<u>85 420</u>	<u>10 800</u>

Reliance Corporate Advisory Services Limited
Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

Amount in Rs.

	As at March 31, 2022		As at March 31, 2021	
	Quantity	Value	Quantity	Value
13 Equity share capital				
Authorised				
Equity shares of Rs. 10 each	124 30 00 000	1243 00 00 000	124 30 00 000	1243 00 00 000
Issued, subscribed & paid-up				
Equity shares of Rs. 10 each fully paid up	123 56 50 000	1235 65 00 000	123 56 50 000	1235 65 00 000
	123 56 50 000	1235 65 00 000	123 56 50 000	1235 65 00 000

a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year.

	As at March 31, 2022		As at March 31, 2021	
	Qty	Amount	Qty	Amount
Outstanding at the beginning of the year	123 56 50 000	1235 65 00 000	123 56 50 000	1235 65 00 000
Shares issued / bought back during the year	-	-	-	-
Outstanding at the end of the year	123 56 50 000	1235 65 00 000	123 56 50 000	1235 65 00 000

b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

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. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) The details of shareholders, holding more than 5% and shares held by the holding company.

Name of the holder	As at March 31, 2022		As at March 31, 2021	
	Qty	%	Qty	%
Reliance Capital Limited	121 80 00 000	98.57%	121 80 00 000	98.57%

	As at March 31, 2022	As at March 31, 2021
14 Other Equity		
Surplus/(deficit) in the Statement of Profit and Loss		
Opening balance	(1226 97 59 308)	(775 34 04 256)
Net profit for the year / (loss)	(20 65 35 349)	(451 63 55 052)
	<u>(1247 62 94 657)</u>	<u>(1226 97 59 308)</u>
Closing balance	<u>(1247 62 94 657)</u>	<u>(1226 97 59 308)</u>

Reliance Corporate Advisory Services Limited

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

	Amount in Rs.	
	Year Ended March 31, 2022	Year Ended March 31, 2021
15 Other income		
Dividend income	-	3 76 418
Other income from investments	2 52 55 835	16 68 305
Interest income from loans	2 80 52 877	58 12 980
Interest on income tax refund	-	1 550
Total	5 33 08 712	78 59 253
16 Fair value change		
Realised (gain)/ loss - net	(85 45 364)	(4 60 82 969)
Unrealised (gain)/ loss - net	(1 53 16 516)	374 88 03 036
Total	(2 38 61 880)	370 27 20 067
17 Finance cost		
On financial liabilities		
Inter corporate deposits (refer note 28)	-	43 57 841
Total	-	43 57 841
18 Impairment on Financial Instruments		
(Reversal)/ Provision for Impairment of loans and advances	12 56 00 000	67 71 00 000
Bad Debts Written off	13 00 00 000	12 42 95 823
	25 56 00 000	80 13 95 823
19 Employee Benefits Expense	1 46 17 742	-
	1 46 17 742	-
20 Other expenses		
Bank charges	5 017	24
Rates and taxes	47 644	3 23 292
Interest on TDS payment	1 30 50 159	-
Professional Fees	1 30 380	64 000
Directors' sitting fees	-	60 000
Payments to auditors [refer note (a) below]	50 000	50 000
Total	1 32 83 200	4 97 316

a) Breakup of Auditors' remuneration

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Audit fees	50 000	50 000
Total	50 000	50 000

Reliance Corporate Advisory Services Limited
Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

21 Income tax

a) The components of income tax expense

Amount in Rs.

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Current tax	-	-
Adjustment in respect of current income tax of prior years	-	(1 52 43 258)
Deferred tax	-	-
Total	-	(1 52 43 258)

b) Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by domestic tax rate.

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Accounting profit before tax	(20 65 35 349)	(450 11 11 794)
Statutory income tax rate	26.00%	26.00%
Tax at India's statutory income tax rate	(5 36 99 191)	(117 02 89 066)
Tax effect of the amount which are not taxable in calculating taxable income :		
- Expenses/ (receipts) not allowable / (offered) for tax purpose	2 64 51 911	113 87 53 217
- Income exempt for tax	-	(97 869)
- Tax Losses on which no deferred tax has been created	2 72 47 280	3 16 33 718
Income tax expense at effective tax rate	-	-
Effective tax rate	0%	0%

c) Deferred tax assets/liabilities

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities / assets:

Particulars	As at March 31, 2022	As at March 31, 2020
Deferred tax liability :	-	-
Deferred tax asset :		
Tax losses and unabsorbed depreciation	73 67 74 310	73 67 74 310
Net deferred tax (asset) / liability	(73 67 74 310)	(73 67 74 310)

Deferred Tax assets on account of brought forward losses has not been accounted as a matter of prudence.

22 Earnings per share (EPS)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Net profit after tax available for equity shareholders	(20 65 35 349)	(451 63 55 052)
Weighted average number of equity shares	123 56 50 000	123 56 50 000
Face Value is Rs 10 each		
Earnings per equity share (Basic and Diluted) as restated	(0.17)	(3.66)

Note: Since there are no Potential Anti Dilutive Equity Shares, the Basic EPS and Diluted EPS are same.

Reliance Corporate Advisory Services Limited

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

23 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Amount in Rs.

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	3 28 702	-	3 28 702	4 04 87 061	-	4 04 87 061
Loans	501 94 45 725	154 00 00 000	655 94 45 725	530 80 00 000	154 00 00 000	684 80 00 000
Investments	378 69 89 798	443 20 08 887	821 89 98 685	409 55 05 443	409 08 35 628	818 63 41 071
Other financial assets	2 84 91 200	-	2 84 91 200	2 84 91 200	-	2 84 91 200
Non-financial assets						
Income tax assets (Net)	2 10 32 892	-	2 10 32 892	1 23 83 205	-	1 23 83 205
Other non-financial assets	1 70 59 587	-	1 70 59 587	24 47 04 172	-	24 47 04 172
Total assets	887 33 47 904	597 20 08 887	1484 53 56 791	972 95 71 081	563 08 35 628	1536 04 06 709
LIABILITIES						
Financial liabilities						
Borrowings	-	1391 56 22 233	1391 56 22 233	-	1419 56 22 233	1419 56 22 233
Other financial liabilities	107 38 38 796	-	107 38 38 796	107 80 32 984	-	107 80 32 984
Non-financial Liabilities						
Other non-financial liabilities	85 420	-	85 420	10 800	-	10 800
Total liabilities	107 39 24 216	1391 56 22 233	1498 95 46 449	107 80 43 784	1419 56 22 233	1527 36 66 017

Reliance Corporate Advisory Services Limited

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

24 Fair value measurement

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in current transaction between the willing parties, other than in a forced or liquidation sale.

The following methods and assumptions have been used to estimate the fair values:

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short term maturities of these instruments.

Financial Instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rate and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

Fair value hierarchy:

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurement) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Reliance Corporate Advisory Services Limited

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

Amount in Rs.

Financial instruments by category	March 31, 2022				
Particulars	Level 1	Level 2	Level 3	Amortised cost	Total
Financial assets at FVTPL					
Investment	5 15 23 214	-	370 21 84 084	-	375 37 07 298
Financial assets at FVOCI	-	-	-	-	-
Financial assets at Deemed cost					
Investment	-	-	-	446 52 91 387	446 52 91 387
Loans & Advances	-	-	-	655 94 45 725	655 94 45 725
Other financial assets	-	-	-	2 84 91 200	2 84 91 200
Financial assets at Amortised cost					
Cash and cash equivalents	-	-	-	3 28 702	3 28 702
	5 15 23 214	-	370 21 84 084	1105 35 57 014	1480 72 64 312
Financial liabilities					
Financial liabilities at Amortised cost					
Borrowings	-	-	-	1391 56 22 233	1391 56 22 233
Other Financial Liabilities	-	-	-	107 38 38 796	107 38 38 796
	-	-	-	1498 94 61 029	1498 94 61 029

Financial instruments by category	March 31, 2021				
Particulars	Level 1	Level 2	Level 3	Amortised cost	Total
Financial assets at FVTPL					
Investment	2 48 06 579	-	374 73 86 858	-	377 21 93 437
Financial assets at FVOCI	-	-	-	-	-
Financial assets at Deemed cost					
Investment	-	-	-	464 17 44 218	464 17 44 218
Loans & Advances	-	-	-	684 80 00 000	684 80 00 000
Other financial assets	-	-	-	2 84 91 200	2 84 91 200
Financial assets at Amortised cost					
- Cash and cash equivalents	-	-	-	4 04 87 061	4 04 87 061
	2 48 06 579	-	374 73 86 858	1155 87 22 479	1533 09 15 916
Financial liabilities					
Financial liabilities at Amortised cost					
Borrowings	-	-	-	1419 56 22 233	1419 56 22 233
Other Financial Liabilities	-	-	-	107 80 32 984	107 80 32 984
	-	-	-	1527 36 55 217	1527 36 55 217

25 Financial Risk Management

The Company's business activities expose it to financial risks, namely liquidity risk, credit risks and Market risk. The Company's management identifies and analyses the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The activities are designed to protect the Company's financial investments, while maximising returns.

Credit risk management:

The Company is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from cash and cash equivalents, carried at amortised cost or fair value through profit & loss, as well as credit exposures to trade/non-trade customers including outstanding receivables.

The Company manages credit risk from cash and cash equivalents by ensuring only high rated banks/financial institutions are accepted for banking relationships.

Liquidity risk management:

Liquidity risk is the risk that the Company will face difficulty in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due. For doing this, the Company maintained a cautious funding strategy, with a positive cash balance throughout the year.

Market Risk Management :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of price risk and interest rate risk. Financial instruments affected by market risk include FVTPL investments. The price risk arises due to uncertainties about the future market values of these investments. To manage its price risk arising from investments in equity securities, the Company invests only in accordance with the limits set by the Company.

Sensitivity analysis

As an estimation of the approximate impact of price risk and interest rate risk exposure, with respect to equity instruments and borrowings

respectively, the company has calculated the impact as follows :

Amount in Rs.

Particulars	Impact on other components of equity	
	As at 31 March, 2022	As at 31 March, 2021
For equity instruments		
Price increase by 5%	2 65 37 557	2 52 01 725
Price decrease by 5%	(2 65 37 557)	(2 52 01 725)
For Loans		
Price increase by 5%	8 90 50 000	28 02 05 000
Price decrease by 5%	(8 90 50 000)	(28 02 05 000)
For borrowings instruments		
Price increase by 5%	69 57 81 112	70 97 81 112
Price decrease by 5%	(69 57 81 112)	(70 97 81 112)

26 Capital management

Capital of the Company, for the purpose of capital management, includes issued capital, securities premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to maximise shareholders value and ensure that the minimum capital requirement as per the statutory requirements are adequately met.

Reliance Corporate Advisory Services Limited

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

27 Related party transactions

As per Ind AS 24 Related Party Disclosure, the Companies' related parties and transactions with them in the ordinary course of business are below.

A. List of Related Parties and their relationship:

- i) Holding Company
Reliance Capital Limited (RCL)
- ii) Key managerial personnel
Mr. Rajat Kumar Banthia - Chief Financial Officer & Manager
- iii) Holding Company's Chairman having significant influence (ceased w.e.f. November 29, 2021)
Reliance Power Limited (RPower)
Reliance Infrastructure Limited (RInfra)

B. Subsidiary

Reliance Underwater Systems Private Limited (RUSPL)

Fellow Subsidiaries

Reliance Capital Pension Fund Limited (RCPFL)
Reliance General Insurance Company Limited (RGICL)
Reliance Nippon Life Insurance Company Limited (RNLICL)
Reliance Health Insurance Limited (RHIL)
Reliance Commercial Finance Limited (RCFL)
Reliance Securities Limited (RSL)
Reliance Commodities Limited (RCoL)
Reliance Financial Limited (RFL)
Reliance Wealth Management Limited (RWML)
Reliance Money Services Private Limited (RMSPL)
Reliance Money Precious Metals Private Limited (RMPMPL)
Reliance ExchangeNext Limited (REL)
Quant Capital Private Limited (QCPL)
Quant Broking Private Limited (QBPL)
Quant Securities Private Limited (QSPL)
Quant Investment Services Private Limited (QISPL)
Gulfoss Enterprises Private Limited (GEPL)
Reliance ARC-SBI-Maan Sarovar Trust Security Receipt (RASMST)

Associates of Holding company

Ammolite Holdings Limited (AHL)
Reliance Asset Reconstruction Company Limited (RARCL)
Global Wind Power Limited (GWPL)
Reinplast Advanced Composites Private Limited (RACPL)
Reliance Home Finance Limited (RHFL)

Reliance Corporate Advisory Services Limited
Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

C. Transactions during the year and closing

1 00 280

100337

100049

Amount in Rs.

Particulars	Reliance Capital Limited	Reliance Capital Pension Fund Limited	Reliance Exchange next Limited	Reliance Asset Reconstruction Company Limited	Reliance Commercial Finance Limited	Reliance Underwater Systems Private Limited	Reliance Home Finance Limited	Reliance Infrastructure Limited (ceased w.e.f. November 29, 2021)	Reliance Power Limited (ceased w.e.f. November 29, 2021)	Total
Balance of Equity Shares held as at										
March 31,2022	1218 00 00 000	-	17 65 00 000	-	-	-	-	-	-	1235 65 00 000
March 31 2021	(1218 00 00 000)	(-)	(17 65 00 000)	(-)	(-)	(-)	(-)	(-)	(-)	(1235 65 00 000)
Unsecured Loans (Received)										
Repaid during										
March 31,2022	28 00 00 000	-	-	-	-	-	-	-	-	28 00 00 000
March 31 2021	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-
Balance as at										
Repaid during	1391 56 22 235	-	-	-	-	-	-	-	-	1391 56 22 235
March 31,2022	(1419 56 22 235)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1419 56 22 235)
Other financial liabilities										
Interest on payable loans										
Repaid during										
2021-22	42 47 708	-	-	-	-	-	-	-	-	42 47 708
2020-21	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-
Balance as at										
March 31,2022	107 36 29 776	-	-	-	-	-	-	-	-	107 36 29 776
March 31 2021	(107 78 77 484)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(107 78 77 484)
Investments										
Redemption Received										
2021-22	-	-	-	-	3 32 69 677	-	-	-	-	3 32 69 677
2020-21	(-)	(-)	(-)	(-)	(23 32 52 150)	(-)	(-)	(-)	(-)	(23 32 52 150)
Balance as at (Net of provision)										
March 31,2022	-	4 54 86 501	-	-	173 34 78 173	13 99 990	81 55 00 000	-	113 50 00 000	373 08 64 664
March 31 2021	(-)	(4 54 86 501)	(-)	(-)	(176 67 47 850)	(13 99 990)	(81 55 00 000)	(-)	(113 50 00 000)	(376 41 34 341)
Other financial assets										
Interest accrued on debentures										
March 31,2022	-	-	-	-	-	-	-	-	-	-
March 31 2021	(-)	(-)	(-)	(-)	(-)	(-)	(2 84 64 300)	(-)	(-)	(2 84 64 300)

Reliance Corporate Advisory Services Limited
Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

C. Transactions during the year and closing balance.

Amount in Rs.

Particulars	Reliance Capital Limited	Reliance Capital Pension Fund Limited	Reliance Exchangenext Limited	Reliance Asset Reconstruction Company Limited	Reliance Commercial Finance Limited	Reliance Underwater Systems Private Limited	Reliance Home Finance Limited	Reliance Infrastructure Limited (ceased w.e.f. November 29, 2021)	Reliance Power Limited (ceased w.e.f. November 29, 2021)	Total
Loans & Advances (Given)										
Fair value change (Expense)										
2021-22	-	-	-	-	-	-	-	-	-	-
2020-21	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(77 99 50 000)	(80 00 00 000)	(157 99 50 000)
Received during										
2021-22	-	-	-	1 00 00 000	-	-	-	-	-	1 00 00 000
2020-21	(-)	(-)	(-)	(21 25 00 000)	(-)	(-)	(-)	(-)	(-)	(21 25 00 000)
Given during										
2021-22	-	-	2 45 725	-	-	-	-	-	-	2 45 725
2020-21	(-)	(-)	(17 22 00 000)	(-)	(-)	(-)	(-)	(-)	(-)	(17 22 00 000)
Balance as at										
March 31,2022	-	-	19 83 45 725	22 75 00 000	-	-	-	84 00 00 000	70 00 00 000	196 58 45 725
March 31 2021	(-)	(-)	(19 81 00 000)	(23 75 00 000)	(-)	(-)	(-)	(84 00 00 000)	(70 00 00 000)	(197 56 00 000)
Income from operations										
Income										
Interest on ICD										
2021-22	-	-	-	2 80 52 877	-	-	-	-	-	2 80 52 877
2020-21	(-)	(-)	(-)	(3 29 26 028)	(-)	(-)	(-)	(-)	(-)	(3 29 26 028)
Expenses										
Impairment on Financial Instruments										
2021-22	-	-	-	-	-	-	-	-	-	-
2020-21	(-)	(-)	(-)	(-)	(12 42 73 973)	(-)	(-)	(-)	(151 01 53 688)	(163 44 27 661)

Notes :

1. Figures in Bracket represent previous year figures.
2. The above discloses transactions entered during the period of existence of related party relationship. The balances and transactions are not disclosed before existence of related party relationship and after cessation of related party relationship.

Reliance Corporate Advisory Services Limited

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

28 Based on the information and records available with the Company, there are no suppliers which fall under categories defined under Micro , Small and Medium Enterprises Development Act , 2006. This has been relied upon by the auditors.

29 The Company is facing liquidity issues in repaying it's borrowings and interest thereon. The Company has also defaulted on repayment of principal Rs. 1391.56 Crore (Previous Year Rs. 1419.56 Crore) and interest Rs. 168.98 Crore (Previous year Rs. 107.79 Crore) for 180 days and 549 days respectively till March 31, 2022 payable to Reliance Capital Limited (its Holding Company). The Holding Company (Reliance Capital limited) is undergoing Corporate Insolvency Resolution Process ("CIRP") under the provisions of the Insolvency & Bankruptcy Code 2016 ("IBC"). As per the provisions of the IBC, the fair value and liquidation value of the assets of the company as on the insolvency commencement date is required to be determined. In compliance with the same, the Administrator has appointed 2 registered valuers and the said exercise is currently underway. Post CIRP the amount will be settled. Accordingly, the interest payable to Holding Company amounted to Rs. 275.34 Crore has not been accounted for F.Y. 2021-22 and considered as contingent liabilities.

30 Segment information

The Company's reportable business segments are as under:

Amount in Rs.

Particulars	Trading Activity	Financing & Investment Activity	Unallocated	Total
Segment Revenue				
Income	(-)	2 80 52 877	-	2 80 52 877
Previous year	-	(78 57 703)	(1 550)	(78 59 253)
Segment Expenses				
Direct	(-)	(1 05 78 680)	-	(1 05 78 680)
Previous year	-	(450 84 73 731)	(4 97 316)	(450 89 71 047)
Segment Results	(-)	3 86 31 557	-	3 86 31 557
Previous year	-	(450 06 16 028)	(4 95 766)	(450 11 11 794)
Income Tax	-	-	-	-
Previous year	(-)	(-)	(1 52 43 258)	(1 52 43 258)
Net Profit/(Loss)	-	3 86 31 557	-	3 86 31 557
Previous year	-	(450 06 16 028)	(1 57 39 024)	(451 63 55 052)
Other information				
Carrying amount of segment assets	-	1483 16 59 313	3 80 92 479	1486 97 51 792
Previous year	-	(1510 33 19 332)	(25 70 87 377)	(1536 04 06 709)
Segment Liabilities	-	1486 97 51 792	-	1486 97 51 792
Previous year	-	(1527 36 55 217)	(8 67 51 492)	(1536 04 06 709)

31 Details of loan given , investment made , Guarantee given and security provided covered u/s 186 (4) of the Companies Act , 2013 .

Details of Loans outstanding as on March 31,2022

Sr. No.	Name of Parties #	Amount in Rs.
1	Reliance Asset Reconstruction Company Limited	22 75 00 000
2	Reliance Infrastructure Limited	84 00 00 000
3	Reliance Power Limited	70 00 00 000
	Total	176 75 00 000

Parties (those net exposure is nil) has not been considered

There were no guarantee given by the Company, however the Company has given security on behalf of loan obtained by Reliance Capital Limited (its holding Company) from Axis Bank Limited during the year under review. For disclosure related to investment , refer Note number 5 of the Financial Statements.

Reliance Corporate Advisory Services Limited

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

- 32 The figures of the previous year have been regrouped and reclassified wherever necessary.
- 33 The Holding Company (Reliance Capital limited) is undergoing Corporate Insolvency Resolution Process ("CIRP") under the provisions of the Insolvency & Bankruptcy Code 2016 ("IBC"). As per the provisions of the IBC, the fair value and liquidation value of the assets of the company as on the insolvency commencement date is required to be determined. In compliance with the same, the Administrator has appointed 2 registered valuers and the said exercise is currently underway.
- As per Ind AS 36- "Impairment of Assets", impairment testing of assets is to be conducted on an annual basis. On completion of the CIRP, the Company will carry out a comprehensive review of all the assets including investments, other assets and intangible assets, liabilities and accordingly provide for Impairment loss on assets and write back of liabilities, if any.
- 33 The financial statements are authorised for issue by the Company's Board of Directors on May 07, 2022. The Management and authorities have the power to amend the financial Statement in accordance with Section 130 and 131 of the Companies Act 2013.

As per our Report of even date

For M.S.Sethi & Associates

Chartered Accountants
Firm Registration No. : 109407W

Manoj Sethi
Proprietor

Membership Number : 039784

Place: Mumbai
Date: May 07, 2022

**For and on behalf of the Board of Directors of
Reliance Corporate Advisory Services Limited**

Yogesh Vijay Deshpande
Director

Madan Mohan Chaturvedi
Director

Rajat Kumar Banthia
Chief Financial Officer &
Manager

Company Secretary