

## Independent Auditors' Report

### Report on the audit of the Financial Results

To The Board of Directors of Reliance Financial Limited

#### Opinion

We have audited the accompanying financial results of **Reliance Financial Limited** ("the Company") for the quarter and year ended March 31, 2024 (' financial results') attached herewith, being submitted by the company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, these financial results:

- i. are presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard; and
- ii. give a true and fair view, in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2024.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Results 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 together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act 2013 ("the Act") and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's and Board of Directors' Responsibilities for the Financial Results

These financial results have been prepared on the basis of the financial statements of the Company for the year ended March 31, 2024. The Company's Management and Board of Directors are responsible for the preparation of the financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations basis which the above Statement containing the annual audited financial results has been prepared. 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 results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial results, the Management and Board of Directors are 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 the Board of Directors 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 Results**

Our objectives are to obtain reasonable assurance about whether the financial results 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 results.

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 results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results 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 results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

#### Other Matter

The financial results include the results for the year ended March 31, 2024 and corresponding year ended in previous year as reported in these financial results are the balancing figures between audited figures in respect of full financial year and published year to date figures up to the nine months of current and previous financial year respectively, which has been reviewed and not subjected to audit.

For: **Pathak H. D. & Associates LLP**  
Chartered Accountants

Firm's Registration No: 107783W/W100593

*Jigar T. Shah*

**Jigar T. Shah**  
Partner

Membership No: 161851

UDIN: 24161851BKBHHQ2761



Date: May 02, 2024  
Place: Mumbai

**RELIANCE FINANCIAL LIMITED**

Statement of Audited Financial Results for the quarter and year ended March 31, 2024

(₹ in thousands except per share data)

S.N.	Particulars	Quarter ended			Year ended	
		March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2024	March 31, 2023
		Unaudited	Unaudited	Unaudited	Audited	Audited
	<b>REVENUE</b>					
I	Revenue from operations	54,381	31,482	86,925	1,56,524	3,10,998
II	Other income	614	20	480	1,420	1,252
III	<b>Total Revenue (I+II)</b>	<b>54,995</b>	<b>31,502</b>	<b>87,405</b>	<b>1,57,944</b>	<b>3,12,250</b>
	<b>EXPENSES</b>					
IV	Finance costs	3,373	1,882	1,118	8,035	8,816
	Fees and commission expense	633	95	310	1,002	489
	Impairment on financial instruments	472	182	(1,484)	(3,381)	1,39,202
	Employee benefit expenses	17,699	11,431	36,877	55,614	1,17,242
	Depreciation and amortisation expense	383	388	506	1,494	2,139
	Other expenses	3,945	2,762	2,819	10,458	11,099
	<b>Total Expenses</b>	<b>26,505</b>	<b>16,740</b>	<b>40,146</b>	<b>73,222</b>	<b>2,78,987</b>
V	<b>Profit / (Loss) before exceptional items and tax (III-IV)</b>	<b>28,490</b>	<b>14,762</b>	<b>47,259</b>	<b>84,722</b>	<b>33,263</b>
VI	Exceptional items	-	-	-	-	-
VII	<b>Profit / (Loss) before tax (V-VI)</b>	<b>28,490</b>	<b>14,762</b>	<b>47,259</b>	<b>84,722</b>	<b>33,263</b>
VIII	<b>Tax expense</b>					
	Current tax	(1,050)	-	83	2,256	2,583
	Deferred tax liability / (assets)	39,817	-	-	39,817	-
	Income tax for earlier years	3,410	-	-	3,410	(1,322)
	<b>Total tax expenses</b>	<b>42,177</b>	<b>-</b>	<b>83</b>	<b>45,483</b>	<b>1,261</b>
IX	<b>Profit / (Loss) for the period/year (VII- VIII)</b>	<b>(13,687)</b>	<b>14,762</b>	<b>47,176</b>	<b>39,239</b>	<b>32,002</b>
X	<b>Other Comprehensive Income / (Loss)</b>					
	Items that will not be reclassified to profit or loss					
	Remeasurement of post employment retirement benefit	993	-	(1,522)	(223)	(1,520)
	Income Tax on above	(250)	-	383	56	383
	<b>Other comprehensive income/(loss) for the period/year, net of tax</b>	<b>743</b>	<b>-</b>	<b>(1,139)</b>	<b>(167)</b>	<b>(1,137)</b>
XI	<b>Total Comprehensive Income/(loss) for the period/year (IX+X)</b>	<b>(12,944)</b>	<b>14,762</b>	<b>46,037</b>	<b>39,072</b>	<b>30,865</b>
XII	<b>Paid up Equity Share Capital</b>	<b>2,41,579</b>	<b>2,41,579</b>	<b>2,41,579</b>	<b>2,41,579</b>	<b>2,41,579</b>
XIII	<b>Other equity</b>				<b>7,77,790</b>	<b>7,38,719</b>
XIV	<b>Earning per share on Equity Shares of ₹ 10 each fully paid up *</b>					
	- Basic (₹)	(0.57)	0.61	1.95	1.62	1.32
	- Diluted (₹)	(0.57)	0.61	1.95	1.62	1.32
	*EPS is not annualised for interim period					

**Notes :**

- The above audited financial results for the quarter and year ended March 31, 2024 are prepared in accordance with regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the 'Listing Regulations, 2015') and the Accounting Standards specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and the relevant provisions of the Companies Act, 2013, as applicable and other accounting principles generally accepted in India.



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- 2 The figures for the quarter ended March 31, 2024 and corresponding quarter ended in previous year as reported in these financial results are the balancing figures between audited figures in respect of full financial year and the reviewed year-to-date figures upto the end of nine months of the current and previous financial year respectively.
- 3 The Company has reported segment wise information as per IND AS 108 "Operating Segment", notified under the Companies (Indian Accounting Standards) Rules, 2015. The operations of the Company are conducted within India, there is no separate reportable geographical segment and the Company reported the following business segments:
- (i) Financing : This comprise of lending activity.
- (ii) Investing and trading activity: This comprise of investments & trading in shares & securities.
- (iii) Commission and Fees: Commission and Fees activities includes distribution of financial product distribution, etc.
- (iv) Certain assets and liabilities, which relate to the company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated".

Particulars	Quarter ended			Year ended	
	March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2024	March 31, 2023
	Unaudited	Unaudited	Unaudited	Audited	Audited
<b>1. Segment Revenue</b>					
a. Financing activity	4,396	5,751	12,664	29,289	41,099
b. Investing and trading activity	42,109	19,158	68,662	1,01,313	2,37,904
c. Commission and Fees	7,876	6,593	6,079	25,968	32,492
d. Unallocable	614	-	-	1,374	755
<b>Total Segment Revenue</b>	<b>54,995</b>	<b>31,502</b>	<b>87,405</b>	<b>1,57,944</b>	<b>3,12,250</b>
<b>2. Segment Results</b>					
a. Financing activity	(868)	1,719	16,747	19,054	(93,525)
b. Investing and trading activity	22,897	8,067	31,051	46,494	1,22,408
c. Commission and Fees	5,851	4,979	5,217	19,998	26,632
d. Unallocable	610	(3)	(5,756)	(824)	(22,252)
<b>Total Segment Profit/(Loss) before tax</b>	<b>28,490</b>	<b>14,762</b>	<b>47,259</b>	<b>84,722</b>	<b>33,263</b>
<b>3. Segment Assets</b>					
a. Financing activity	2,46,317	2,12,145	4,15,240	2,46,317	4,15,240
b. Investing and trading activity	8,00,899	8,08,273	9,21,424	8,00,899	9,21,424
c. Commission and Fees	60,157	59,542	60,080	60,157	60,080
d. Unallocable	79,360	1,26,037	1,36,022	79,360	1,36,022
<b>Total Segment Assets</b>	<b>11,86,733</b>	<b>12,05,997</b>	<b>15,32,766</b>	<b>11,86,733</b>	<b>15,32,766</b>
<b>4. Segment Liabilities</b>					
a. Financing activity	77,346	91,616	2,26,908	77,346	2,26,908
b. Investing and trading activity	73,298	63,405	95,236	73,298	95,236
c. Commission and Fees	16,542	18,490	12,500	16,542	12,500
d. Unallocable	178	175	2,17,824	178	2,17,824
<b>Total Segment Liability</b>	<b>1,67,364</b>	<b>1,73,686</b>	<b>5,52,468</b>	<b>1,67,364</b>	<b>5,52,468</b>

- 4 The Listed Secured Non-Convertible Market Linked Debentures (MLD) of the Company aggregating to Rs. 50,000 thousand as on March 31, 2024 are secured by way of a first ranking *pari passu* mortgage/charge over the Company's immovable property and on the movable assets of the Company as specifically mentioned in the respective Trust deeds and the asset cover thereof exceeds hundred per cent of the principal amount of the said debentures.
- 5 The Corporate Insolvency Resolution Process ("CIRP") of Reliance Capital Limited ("Holding Company") commenced on December 6, 2021, i.e., vide order of even date passed by the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench. Pursuant to various orders passed by the Hon'ble NCLT, more particularly the order dated April 12, 2023, the timeline for completion of the CIRP was extended to July 16, 2023. The Administrator of Reliance Capital Limited ("RCL") has filed an application before the NCLT under Section 30(6) of the Insolvency and Bankruptcy Code, 2016 ("Code") for approval of the resolution plan submitted by IndusInd International Holdings Limited ("IIHL"), as approved by the Committee of Creditors of RCL, with the NCLT, via e-filing on July 12, 2023. The Hon'ble NCLT approved the Resolution Plan submitted by IIHL, vide the order passed on February 27, 2024 ("Approved Resolution Plan").
- 6 Disclosures under Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given in Annexure.
- 7 The above results were reviewed by the Audit Committee. The Board of Directors at its meeting held on May 02, 2024 approved the above results and its release.
- 8 In terms of SEBI Circular CIR/CFD/CMD/56/2016 dated May 27, 2016 the company hereby declares that the auditors have issued audit report with unmodified opinion on audited financial results for the year ended March 31, 2024.
- 9 Previous year/period figures have been regrouped / rearranged wherever necessary.

For and on behalf of the Board of Directors of  
Reliance Financial Limited

Lav Chaturvedi  
Director  
DIN: 02859336

Place: Mumbai  
Date: May 02, 2024



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**RELIANCE FINANCIAL LIMITED**  
**Audited Balance Sheet for the year ended March 31, 2024**

(₹ in thousands)

Particulars	As at March 31, 2024	As at March 31, 2023
	Audited	Audited
<b>ASSETS</b>		
<b>Financial Assets</b>		
(a) Cash and cash equivalents	1,02,779	2,12,052
(b) Bank Balance other than (a) above	603	50,603
(c) Derivative financial instruments	-	537
(d) Receivables		
Trade receivables	-	-
Other receivables	-	-
(e) Loans	1,33,384	1,72,001
(f) Investments	6,83,744	7,82,637
(g) Other Financial assets	20,845	45,818
	<b>9,41,355</b>	<b>12,63,648</b>
<b>Non-financial Assets</b>		
(a) Inventories	1,00,375	67,320
(b) Current tax assets (Net)	11,268	28,113
(c) Deferred tax Assets (Net)	68,092	1,07,909
(d) Investment Property	2,854	2,095
(e) Property, Plant and Equipment	80	405
(f) Goodwill	59,327	59,327
(g) Other Intangible assets	2,445	3,693
(h) Other non-financial assets	937	256
	<b>2,45,378</b>	<b>2,69,118</b>
<b>Total Assets</b>	<b>11,86,733</b>	<b>15,32,766</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Financial Liabilities</b>		
(a) Derivative financial instruments	-	730
(b) Payables		
Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	616	395
Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
(c) Debt Securities	65,615	2,09,061
(d) Subordinated Liabilities	130	1,20,919
(e) Other financial liabilities	80,762	1,97,460
	<b>1,47,123</b>	<b>5,28,565</b>
<b>Non-Financial Liabilities</b>		
(a) Provisions	1,911	3,592
(b) Other non-financial liabilities	18,330	20,311
	<b>20,241</b>	<b>23,903</b>
<b>EQUITY</b>		
(a) Equity Share capital	2,41,579	2,41,579
(b) Other Equity	7,77,790	7,38,719
	<b>10,19,369</b>	<b>9,80,298</b>
<b>Total Liabilities and Equity</b>	<b>11,86,733</b>	<b>15,32,766</b>



**RELIANCE FINANCIAL LIMITED**  
 Statement of Cash Flow for the year ended March 31, 2024

Particulars	As at March 31, 2024	As at March 31, 2023
	Audited	Audited
<b>A. Cash flow from operating activities</b>		
Profit / (Loss) before tax	84,722	33,263
<b>Adjustment</b>		
Depreciation, amortisation and impairment	1,494	2,139
Provision for Gratuity	919	998
Provision for doubtful debts & other receivable / (Reversal)	(20,883)	(1,37,573)
Excess Provision written back	(10)	(478)
Loss on sale/discardment of property, plant and equipment	169	20
Bad Debts	17,502	2,76,200
Interest expense on preference shares	2,198	23,007
Finance Cost	5,837	(14,191)
Interest on income tax refund	(1,374)	(755)
Profit on sale of mutual funds	(29,228)	(28,976)
Interest on fixed deposit	(856)	(6,890)
Interest on bond	(6,065)	(9,331)
Net gain/ (loss) on fair value changes on preference shares	(16,048)	(15,301)
<b>Operating Profit Before working capital changes</b>	<b>38,377</b>	<b>1,22,132</b>
<b>Working capital adjustments :</b>		
<b>Adjustments for (increase)/ decrease in operating assets:</b>		
Inventories	(26,990)	(16,382)
Trade receivables	-	-
Loans	42,000	(23,863)
Other financial assets	24,971	4,91,215
Other non-financial assets	(681)	281
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Trade payables	221	(362)
Provisions	(2,823)	(2,503)
Other financial Liabilities	(22,030)	26,306
Other non-financial liabilities	(1,981)	(42,145)
<b>Cash generated from / (used in) operations</b>	<b>51,064</b>	<b>5,54,679</b>
Add/ (Less) : Income taxes paid (net of refunds)	12,609	(3,080)
<b>Net cash flows from / (used in) operating activities</b>	<b>63,673</b>	<b>5,51,599</b>
<b>B. Cash flows from investing activities</b>		
(Purchases)/Sale of Investment (net)	1,44,169	(3,31,361)
(Purchases)/Sale of Property, plant and equipment & Other intangible assets (net)	(850)	-
(Investment)/ redemption of Fixed deposit (net)	50,000	1,50,000
Interest received on fixed deposits	856	6,890
<b>Net Cash flows from / (used in) from investment activities</b>	<b>1,94,175</b>	<b>(1,74,471)</b>
<b>C. Cash flows from financing activities</b>		
Repayment of Market link debenture (net)	(96,000)	(2,59,000)
Repayment of Preference share	(2,17,645)	(40,263)
Interest paid	(53,283)	(1,71,856)
Settlement on derivative financial instruments	(193)	411
<b>Net Cash flows from / (used in) Financing activities</b>	<b>(3,67,121)</b>	<b>(4,70,708)</b>
<b>Net Increase/(Decrease) In Cash And Bank Balances (A+B+C)</b>	<b>(1,09,273)</b>	<b>(93,580)</b>
Add : Cash and cash equivalents at beginning of the year	2,12,052	3,05,632
<b>Cash and cash equivalents at the end of the year</b>	<b>1,02,779</b>	<b>2,12,052</b>
<b>Cash and cash equivalents comprise</b>		
<b>Balance with scheduled banks</b>		
-in current accounts	1,02,779	2,12,052
-in cheque in hand	-	-
<b>Total cash and cash equivalents</b>	<b>1,02,779</b>	<b>2,12,052</b>



**RELIANCE FINANCIAL LIMITED**

Disclosures pursuant to Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and year ended March 31, 2024

Annexure

Sr.No.	Particulars	Quarter ended			Year ended	
		March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2024	March 31, 2023
		Unaudited	Unaudited	Unaudited	Audited	Audited
a	Debt Equity Ratio	0.06	0.08	0.44	0.06	0.44
b	Debt Service Coverage Ratio*	NA	NA	NA	NA	NA
c	Interest services coverage ratio*	NA	NA	NA	NA	NA
d	Outstanding redeemable preference share (Quantity)	13,000	13,000	1,20,91,919	13,000	1,20,91,919
e	Outstanding redeemable preference share (₹ in thousands)	130	130	1,20,919	130	1,20,919
f	Capital redemption reserve/ Debenture redemption reserve*	NA	NA	NA	NA	NA
g	Networth (₹ in thousands)	10,19,369	10,32,311	9,80,298	10,19,369	9,80,298
h	Net profit /(Loss) after tax (₹ in thousands)	(13,687)	14,762	47,176	39,239	32,002
i	Earning per equity share					
	(i) Basic EPS (₹)	(0.57)	0.61	1.95	1.62	1.32
	(ii) Diluted EPS (₹)	(0.57)	0.61	1.95	1.62	1.32
j	Asset cover ratio	14.31	12.29	2.51	14.31	2.51
k	Current ratio*	NA	NA	NA	NA	NA
l	Long term Debt to working capital ratio*	NA	NA	NA	NA	NA
m	Bad debts to account receivable ratio (%)	-	-	-	-	-
n	Current liability ratio*	NA	NA	NA	NA	NA
o	Total debts to total assets	0.06	0.07	0.28	0.06	0.28
p	Debtors turnover*	NA	NA	NA	NA	NA
q	Inventory turnover*	NA	NA	NA	NA	NA
r	Operating margin (%)*	NA	NA	NA	NA	NA
s	Net profit margin (%)	(24.89%)	46.86%	53.97%	24.84%	10.25%
t	Capital adequacy Ratio					
	Tier I Capital (%)	69.97%	62.08%	45.02%	69.97%	45.02%
	Tier II Capital (%)	2.09%	2.00%	16.61%	2.09%	16.61%

\* The company prepares financials statements as per Division III, Schedule III of the Companies Act 2013, hence these ratios are not applicable.

**Above Ratio is calculated as per below formula-**

Networth= Equity

Debt Equity Ratio= Debt (Borrowing + Accrued Interest) / Equity (Equity Share capital+ Reserve)

Asset Cover Ratio = Total assets available / (Secured debts + Subordinated debts)

Bad debts to account receivable ratio (%) = (Bad debts / Receivables)

Total debts to total assets ratio = Total Debts/ Total assets

Net profit margin (%)= Net Profit after tax / Total Revenue



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