

# Reliance Strategic Investments Limited

CIN: U65990MH1999PLC120918

## BOARD'S REPORT

Dear Members,

The Board of Directors of the Company are pleased to present the Twenty-first Annual Report and the Company's audited financial statement for the financial year ended March 31, 2019.

### Financial Results

The Company's financial performance, for the year ended March 31, 2019 is summarised below:

	2018-19	2017-18*
	₹ in crore	₹ in crore
<b>Turnover</b>	<b>(105.03)</b>	296.27
<b>Other Income</b>	<b>9.00</b>	1.20
<b>Total Income</b>	<b>(104.94)</b>	297.47
<b>Profit / (Loss) before Tax</b>	<b>(368.87)</b>	210.19
Less: Current Tax	-	92.50
Tax for earlier years	-	0.27
Deferred Tax	<b>32.81</b>	(124.27)
<b>Profit / (Loss) for the year</b>	<b>(401.68)</b>	241.69
<b>Add: Balance in Profit and Loss Account</b>	<b>1012.44</b>	826.55
<b>Sub-total</b>	<b>610.76</b>	1068.24
<b>Less: Appropriation</b>		
Transferred to Statutory Reserve Fund	-	55.80
<b>Closing Balance</b>	<b>610.76</b>	1012.44

\*Figures for FY 2017-18 have been restated as per Ind AS and therefore may not be comparable with financials for FY 2017-18 approved by the Directors and disclosed in the financial statement of previous year.

### Indian Accounting Standard

In accordance with the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, notified with effect from March 30, 2016, Non-Banking Financial Companies having net worth of Rs 500 Crore or more are required to comply with Indian Accounting Standards (Ind AS) for accounting periods beginning on or after the April 1, 2018, with comparatives for the periods ending on March 31, 2018, or thereafter.

The reconciliations and descriptions of the effect of the transition from Indian GAAP to Ind AS have been set out in Note 31 to the financial statement.

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## Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review, as stipulated in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, dated September 1, 2016 ("the Master Directions") is annexed alongwith the Annual Report of the Company.

## State of Company's affairs

The Company is a Non-Banking Financial Company registered with the Reserve Bank of India and accordingly, is engaged in financial activities. Details of its operations and performance is covered in the Management Discussion and Analysis Report.

## Reserves

As Company had losses during the year, the Company has not transferred any sum to Reserves.

## Material Changes affecting the financial position of the Company

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this Report. There has been no change in the nature of business. The changes in other factors concerning the external and internal environment affecting the business of the Company, have been covered in the Management Discussion and Analysis Report.

## Dividend

The Board of Directors of the Company have not recommended any dividend on the preference shares and equity shares of the Company for the financial year under review.

## Subsidiaries, Joint Ventures and Associate Companies

During the year under review or at any time after the closure of the year and till the date of this Report, no company has become or ceased to be a subsidiary company or associate company or joint venture company of the Company.

As on March 31, 2019, the Company has only one associate company viz. Reliance Commercial Dealers Limited.

## Share Capital

There was no change in the capital structure of the Company during the year under review.

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## Consolidated Financial Statement

The Company has not prepared the Consolidated Financial Statement for the year under review, as permitted under Rule 6 of the Companies (Accounts) Rules, 2014.

A report on the performance and financial position of Reliance Commercial Dealers Limited, an associate company, as per the Companies Act, 2013 (“the Act”) and its contribution to the overall performance of the Company is provided as Annexure to the financial statement and hence not repeated here for the sake of brevity.

## Directors’ Responsibility Statement

The Board of Directors of the Company state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the loss of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a ‘going concern’ basis; and
- e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## Contracts and arrangements with Related Parties

During the year under review, the transactions which were within the purview of Section 188 of the Act were on an arm’s length basis and entered into in the ordinary course of business.

As stipulated in the Master Directions [erstwhile Revised Regulatory Framework for Non-Banking Financial Companies issued by the Reserve Bank of India vide its Notification No. DNBR (PD) CC. NO. 002/03.10.001/2014-15 dated November 10, 2014] the Policy on dealing with related party transactions as approved by the Board, is annexed herewith marked as “**Annexure 1**”.

The Board of Directors of the Company draw attention of the members to Note 26 to the financial statement which sets out details of related party transactions.

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## Corporate Social Responsibility (CSR)

The Board of Directors of the Company has formulated and approved a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company.

In terms of the CSR Policy, the focus areas of engagement shall be rural transformation, affordable healthcare solutions, access to quality education, environmental sustainability and protection of national heritage.

During the year, the Company has spent Rs. 5,00,00,000/- (around 2.02% of the average net profits of last three financial years) on CSR activities.

The Annual Report on CSR activities is annexed herewith marked as “**Annexure 2**”.

## Risk Management

The Company has constituted a Risk Management Committee (‘RMC’) as stipulated in the Master Directions. RMC has been entrusted inter alia with the responsibility to assist the Board in (a) managing market risk, liquidity risk etc. (b) providing advice to the Board for risk management and compliance activities and (c) Annual Review of Risk Management.

The Company has in place a Risk Management Policy which provides for a robust risk management framework to identify and assess risks such as operational, financial, regulatory and other risks. There is an adequate risk management infrastructure in place capable of addressing these risks and the RMC is equipped to devise risk mitigation strategies for the Company from time to time.

## Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

## Directors and Key Managerial Personnel

In accordance with the provisions of the Act and the Articles of Association of the Company, Shri K. Sethuraman (DIN: 00007787), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

The Board of Directors of the Company at its meeting held on April 18, 2018 had appointed Shri Suresh Jagannathan as Chief Financial Officer of the Company with effect from the said date on a voluntary basis. Ms Komal Chhapru, who was appointed as a Company Secretary on a voluntary basis, had resigned from the said position with effect from the close of working hours of October 29, 2018. The Board of Directors of the Company at its meeting held on January 15, 2019, had appointed Ms Sajita Nair as

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Company Secretary of the Company on a voluntary basis with effect from the said date, in terms of Section 2(51) of the Act.

The Company has received declarations from Shri Shiv Kumar Bhardwaj (DIN: 00001584) and Shri Dhiren Dalal (DIN: 01218886), Independent Directors of the Company, confirming that they meet with the criteria of independence as prescribed under the Act. They have further confirmed compliance with the Code for Independent Directors as provided in Schedule IV of the Act.

The following policies of the Company are attached herewith marked as “**Annexure 3**” and “**Annexure 4**”:

- Policy for appointment of Directors and determining Directors’ independence; and
- Remuneration Policy for Directors, Key Managerial Personnel and other employees.

## **Auditors and Auditors’ Report**

Pursuant to the provisions of the Act, M/s. Chaturvedi & Shah, Chartered Accountants and M/s. Rajendra & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company for a continuous term of five years from the conclusion of the 16<sup>th</sup> Annual General Meeting (AGM) till the conclusion of the 21<sup>st</sup> AGM, subject to ratification by the members at every AGM. Accordingly, they shall hold office upto the conclusion of the ensuing AGM.

It is proposed to appoint the said firms of Chartered Accountants as Statutory Auditors of the Company, for a further term of five years from the conclusion of the 21<sup>st</sup> AGM till the conclusion of the 26<sup>th</sup> AGM in accordance with the provisions of Section 139 of the Act.

The said firms have confirmed their eligibility and qualifications required under the Act for holding office as Auditors of the Company.

The Notes on financial statement referred to in the Auditors’ Report are self-explanatory and do not call for any further comments. The Auditors’ Report does not contain any qualification, reservation, adverse remark or disclaimer.

## **Disclosures:**

### **Meetings of the Board / Committees**

Four meetings of the Board of Directors of the Company were held during the financial year 2018-19.

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## **(a) Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee of the Board of Directors of the Company comprises, Shri K. Sethuraman (Chairman), Shri Jagannatha Kumar, Shri Shiv Kumar Bhardwaj and Shri Dhiren Dalal as other members. Two meetings of Corporate Social Responsibility Committee of the Board of Directors of the Company were held during the financial year 2018-19.

## **(b) Audit Committee**

The Audit Committee of the Board of Directors of the Company comprises Shri Jagannatha Kumar (Chairman), Shri Shiv Kumar Bhardwaj and Shri Dhiren Dalal as other members. All the recommendations made by the Audit Committee during the year under review were accepted by the Board. Four meetings of Audit Committee of the Board of Directors of the Company were held during the financial year 2018-19.

## **(c) Nomination and Remuneration Committee**

The Nomination and Remuneration Committee of the Board of Directors of the Company comprises, Shri Jagannatha Kumar (Chairman), Shri K. Sethuraman, Shri Shiv Kumar Bhardwaj and Shri Dhiren Dalal as other members. Four meetings of Nomination and Remuneration Committee of the Board of Directors of the Company were held during the financial year 2018-19.

## **Particulars of loans given, investments made, guarantees given or securities provided**

The Company, being a Non-Banking Financial Company registered under Chapter IIIB of the Reserve Bank of India Act, 1934, is exempted from the provisions of Section 186 of the Act except sub-section (1) of Section 186. Hence, there are no particulars to be disclosed in this report as required under Section 186(4) of the Act.

## **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

### **A. Conservation of Energy**

#### **(i) Steps taken for conservation of energy:**

The Company is not engaged in any manufacturing or processing activity. Considering the nature of Company's business of financial activities, there is no reporting to be made on conservation of energy in its operations.

Notwithstanding this, the Company recognises the importance of energy conservation in decreasing the adverse effects of global warming and climate change. The Company carries on its activities in an environmental friendly and energy efficient manner.

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**(ii) Steps taken by the Company for utilising alternate sources of energy:**

Considering the nature of Company's business, the Company has not taken any special measures for utilising alternate sources of energy. However, the Company is committed to reduce dependence on energy from fossil fuel.

**(iii) The capital investment on energy conservation equipment :**

The Company has not made any capital investment on energy conservation equipment.

## **B. Technology Absorption**

**(i) Major efforts made towards technology absorption:**

The Company has not entered into any technology agreement or collaborations.

**(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:**

Not Applicable

**(iii) Information regarding imported technology (Imported during last three years):**

The Company has not imported any technology during the last three years.

**(iv) Expenditure incurred on research and development:**

Nil

## **C. Foreign exchange earnings and Outgo**

There was no foreign exchange earnings and outgo during the year.

## **Secretarial Standards**

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

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## Secretarial Auditor

The Board of Directors of the Company had appointed M/s. Shashikala Rao & Co., Company Secretaries, to conduct Secretarial Audit for the financial year under review and the Secretarial Audit Report is annexed herewith marked as “**Annexure 5**” to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

## Extract of Annual Return

Extract of annual return of the Company is annexed herewith marked as “**Annexure 6**” to this Report.

## Disclosure pertaining to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

There were no cases/ complaints filed during the year, pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“the said Act”). Further, as there are no employees in the Company, there was no need to constitute an Internal Complaints Committee under the said Act.

## General

The Board of Directors of the Company state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares and ESOS) to employees of the Company under any scheme.
4. There were no significant or material orders passed by the Regulators or Courts or Tribunals or statutory or quasi-judicial body which impact the going concern status and Company’s operations in future.
5. No fraud was reported by the Auditors to the Audit Committee or the Board of Directors of the Company.
6. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
7. Details in terms of Section 197(12) of the Act.
8. Maintenance of Cost records as specified by the Central Government under sub section (1) of section 148 of the Act.

There were no cases/ complaints filed during the year, pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“the said Act”). Further, as there are no employees in the Company, there was no need to constitute an Internal Complaints Committee under the said Act.



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## **Acknowledgement**

The Board of Directors of the Company would like to express their grateful appreciation for assistance and co-operation received from Government authorities, Banks and members during the year under review.

For and on behalf of the Board of Directors

**Sd/-**

**K. Sethuraman**

**Chairman**

DIN: 00007787

Date : April 15, 2019

Place : Mumbai

# Reliance Strategic Investments Limited

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Annexure 1

## POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

### INTRODUCTION AND OBJECTIVE

In terms of Revised Regulatory Framework for Non-Banking Financial Companies issued by the Reserve Bank of India vide its Notification No. DNBR (PD) CC. NO. 002/03.10.001/2014-15 dated November 10, 2014 ('the Framework') Non-Banking Financial Companies with Asset size of Rs. 500 crore and above are required to give additional disclosures in its Balance Sheet and Annual Report as mentioned in Annex-4 to the framework.

As per Annex-4 to the Framework, the aforesaid class of companies shall disclose the policy on dealing with Related Party Transactions on its website and also in the Annual Report.

In accordance with the above, the Board of Directors of Reliance Strategic Investments Limited (herein after referred to as "Company" or "RSIL") has approved the policy on dealing with Related Party Transactions at its meeting held on March 24, 2015.

The policy will be effective from March 31, 2015.

### SCOPE AND INCLUSION

This policy sets definition of related party transactions and dealing with related party transactions.

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## POLICY

1. Contracts / arrangements will be treated as Related Party Transaction if the same has been entered with any entity which fulfils the definition of "Related Party" as per Accounting Standard -18 and / or definition given under Section 2(76) of the Companies Act, 2013.
2. All related party contracts / arrangements shall be entered on arms' length basis.
3. In exceptional circumstances, where permitted by law, related party contracts / Arrangements may deviate from the principle of arm's length, after approval from Audit Committee.
4. All related party contract / arrangements shall comply with the Companies Act, 2013.
5. All related party contract / arrangements shall comply with Accounting Standards.
6. All domestic related party contracts / arrangements shall, wherever applicable, comply with Domestic Transfer Pricing Requirement under section 92BA of Income Tax Act, 1961 including certification from independent accountants under the Transfer Pricing Regulations.
7. All international related party contract / arrangements shall comply with International Transfer Pricing Requirement under section 92B of Income Tax Act, 1961 including certification from independent accountants under the Transfer Pricing Regulations.
8. The Audit Committee should review the transactions entered into with the related party on quarterly basis.

For and on behalf of the Board of Directors

Sd/-

**K. Sethuraman**  
**Chairman**  
DIN: 00007787

Date : April 15, 2019  
Place : Mumbai

# Reliance Strategic Investments Limited

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## Annexure 2

### Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2018-19

1.	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	Refer Annexure 3A - Corporate Social Responsibility Policy
2.	The Composition of the CSR committee	Refer Disclosures Section: Corporate Social Responsibility Committee in this Report
3.	Average net profit of the Company for last three financial years	Rs. 246,74,23,211
4.	Prescribed CSR expenditure (two percent of the amount mentioned in item 3 above)	Rs. 4,93,48,464
5.	Details of CSR spent during the financial year:	
	(a) Total amount to be spent for the financial year	Rs. 4,93,48,464
	(b) Total amount spent during the financial year	Rs. 5,00,00,000
	(c) Amount unspent, if any	Not Applicable
	(d) Manner in which the amount spent during the financial year	Refer Annexure 2B

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Annexure 2A

## Corporate Social Responsibility Policy

### 1. Policy Statement

1.1 Reliance Strategic Investments Limited (“the Company”) believes that Corporate Social Responsibility (“CSR”) extends beyond the ambit of business and should focus on a broad portfolio of assets - human, physical, environmental and social.

1.2 This Policy is framed pursuant to the provisions of Section 135 of the Companies Act, 2013.

### 2. CSR Vision

Promote sustainable and inclusive development as a responsible corporate citizen.

### 3. CSR Objective

Promote a comprehensive and integrated development through social and economic transformation.

### 4. Core CSR Commitments (Programs / Activities)

- Addressing identified needs of the underprivileged through initiatives directed towards
  - improving livelihood,
  - alleviating poverty,
  - promoting education,
  - empowerment through vocational skills and
  - promoting health and well-being.
- Preserve, protect and promote art, culture and heritage
  - promoting India’s art, culture and heritage,
  - conducting promotional and developmental activities / programs.
- Ensuring environmental sustainability, ecological balance and protection of flora and fauna
  - conducting activities which promote biodiversity,
  - conducting activities which promote ecological sustainability.
- Any other activity falling within the scope of Schedule VII of the Companies Act, 2013 which would enable the Company to achieve its CSR objectives.

The CSR programs / activities of the Company, as above, are related / will relate to the activities included in Schedule VII of the Companies Act, 2013.

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## 5. CSR Governance and Implementation

The Company would be carrying on its CSR programs / activities through Reliance Foundation and the contributions made by the Company to Reliance Foundation will be utilized for CSR programs / activities on behalf of the Company.

To provide an impetus to various philanthropic initiatives, Reliance Foundation (RF) was set up by Reliance Group in 2010 as an expression of its vision towards sustainable growth in India.

Reliance Foundation has taken the path of inclusive development to address the basic needs of the vulnerable sections of the society. The Foundation has cumulatively touched the lives of 4 million people in over 5000 villages and various urban locations. The Foundation works with some of the most vulnerable and marginalized communities across India, with the objective of integrating them into mainstream development process of the country.

Reliance Foundation focuses on these core pillars - Rural Transformation, Education, Health, Urban Renewal and Arts, Culture & Heritage.

In view of the organization structure, reach and expertise of Reliance Foundation in CSR related programs / activities, the Company will continue to carry on its CSR programs / activities through Reliance Foundation.

## 6. Monitoring of CSR Activities

The CSR Committee of Directors of the Company will recommend to the Board of Directors of the Company the amount of expenditure to be incurred on CSR programs/activities, monitor the CSR Policy of the Company and review its implementation by the Company through Reliance Foundation.

## 7. CSR Reporting and Communication

The Company will report on the progress of its CSR initiatives in its Annual Report.

## 8. Corporate Social Responsibility Committee (CSR Committee)

- The Board of Directors will constitute at least 3 member CSR Committee consisting of atleast 1 Independent Director.
- The CSR Committee would formulate and recommend the draft CSR Policy to the Board of Directors and the Board of Directors would approve the Policy.
- The Board would approve and adopt any changes in the CSR Policy subject to prevailing provisions of laws in this regard. The CSR Committee is responsible for decision making with respect to the CSR Policy.

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- CSR Committee will meet at least twice a year to review and monitor the implementation of CSR programs /activities of the Company.

## 9. Budget

- The Board shall ensure that a minimum of 2% of the average net profits of the Company of the last 3 years is spent on the CSR programs / activities of the Company.
- In case at least 2% of the average net profits of the Company of the last 3 years is not spent in a financial year, reasons for the same shall be specified in the Board's report.
- All expenditure towards the CSR programs / activities will be diligently documented.
- Any surplus generated out of the CSR programs / activities of the Company will not be added to the normal business profits of the Company.

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For and on behalf of the Corporate Social Responsibility Committee

Sd/-

**K. Sethuraman**  
**Chairman**  
DIN: 00007787

Sd/-

**Dhiren Dalal**  
**Director**  
DIN: 01218886

Date : April 15, 2019  
Place : Mumbai

# Reliance Strategic Investments Limited

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## Annexure 2B

### Details of amount spent on CSR activities during the financial year 2018-19

Sr. No.	CSR project or Activity Identified	Sector in which the project is covered (Clause number of Schedule VII to the Companies Act, 2013, as amended)	Project or Program 1. Local Area or Other 2. Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) Project or Program wise (Rs.)	Amount spent on the Projects or Programs: Sub Heads (1) Direct Expenditure on Projects or Programmes (2) Overheads (Rs.)	Cumulative Expenditure upto the reporting period (Rs.)	Amount Spent Direct or through Implementing Agency
1.	Sports - RF Junior NBA	Cl (vii) Training to promote rural sports, Nationally recognised sports, paralympic sports and Olympic Sports	<b>1. Maharashtra</b> - District - Mumbai	25 00 000	25 00 000	1 72 50 000	Implementing Agency - Reliance Foundation
2.	Sports - RF Young Champs programme	Cl (vii) Training to promote rural sports, Nationally recognised sports, paralympic sports and Olympic Sports	<b>1. Maharashtra</b> - District - Mumbai	3 50 00 000	3 50 00 000	4 17 81 753	Implementing Agency - Reliance Foundation
3.	Animal Welfare	Cl (vi) Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro forestry, conservation of natural resources & maintaining quality of soil, air & water;	<b>1. Maharashtra</b> - District - Mumbai	1 25 00 000	1 25 00 000	2 29 68 247	Implementing Agency - Reliance Foundation



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Sr. No.	CSR project or Activity Identified	Sector in which the project is covered (Clause number of Schedule VII to the Companies Act, 2013, as amended)	Project or Program 1. Local Area or Other 2. Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) Project or Program wise (Rs.)	Amount spent on the Projects or Programs: Sub Heads (1) Direct Expenditure on Projects or Programmes (2) Overheads (Rs.)	Cumulative Expenditure upto the reporting period (Rs.)	Amount Spent Direct or through Implementing Agency
4.	Education - Dhirubhai Ambani Scholarships	Cl. (ii) Promoting Education	1.Gujarat - District - Vadodara, Valsad, 2.Haryana - District - Ambala, Bhiwani, Faridabad, Gurgaon, Hisar, Jhajjar, Jind, Kaithal, Mahendragarh, Panipat, Rewari, Rohtak, Sonipat 3.Himachal Pradesh - District - Bilaspur, Hamirpur, Kangra, Kullu, Mandi, Shimla, Una 4.Jammu & Kashmir - District - Amira Kadal, Anantnag, Baramula, Beerwah, Jammu, Kupwara, Kulgam, Srinagar 5.Jharkhand - District - Bokaro, Chatra, Dhanbad, Dumka, Giridih, Hazaribagh, Jamtara, Jamshedpur, Palamu, Purbi Singhbhum, Ramgarh, Ranchi 6.Karnataka - District - Bangalore,	-	-	1 88 00 000	Implementing Agency - Reliance Foundation

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Sr. No.	CSR project or Activity Identified	Sector in which the project is covered (Clause number of Schedule VII to the Companies Act, 2013, as amended)	Project or Program 1. Local Area or Other 2. Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) Project or Program wise (Rs.)	Amount spent on the Projects or Programs: Sub Heads (1) Direct Expenditure on Projects or Programmes (2) Overheads (Rs.)	Cumulative Expenditure upto the reporting period (Rs.)	Amount Spent Direct or through Implementing Agency
			Dakshin Kannada, Shimoga, Davangere, Kolar, North Kannada, Shimoga, Tumkur, Udupi, Uttara Kannada 7.Kerala - District - Ernakulam, Kannur, Kollam, Kottayam, Kozhikode, Thrissur, Thiruvananthapuram, Alappuzha, Kasaragod, Palakkad 8.Madhya Pradesh - District - Bhopal, Chhatarpur, Chhindwara, Damoh, Harda 9.Maharashtra - District - Akola, Amravati, Aurangabad, Beed, Bhandara, Buldhana, Chandrapur, Dhule, Gadchirali, Gondia, Hingoli, Jalgaon				
				5,00,00,000	5,00,00,000	10,08,00,000	

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Two meetings of Corporate Social Responsibility Committee of the Board of Directors of the Company were held during the 2018-19.

\*Reliance Foundation (RF) is a Company within the meaning of Section 8 of the Companies Act, 2013 and has a comprehensive approach towards development with an overall aim to create and support meaningful and innovative activities that address some of India's most pressing development challenges, with the aim of enabling lives, living and livelihood for a stronger and inclusive India.

RF has an established track record of more than three years in undertaking such projects and programs.

For and on behalf of the Corporate Social Responsibility Committee

**Sd/-**

**K. Sethuraman**  
**Chairman**  
DIN: 00007787

**Sd/-**

**Dhiren Dalal**  
**Director**  
DIN: 01218886

Date : April 15, 2019  
Place : Mumbai

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## RESPONSIBILITY STATEMENT

The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company, is reproduced below:

‘The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.’

For and on behalf of the Corporate Social Responsibility Committee

Sd/-

**K. Sethuraman**  
**Chairman**  
DIN: 00007787

Sd/-

**Dhiren Dalal**  
**Director**  
DIN: 01218886

Date : April 15, 2019  
Place : Mumbai

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## Annexure 3

### Policy for Appointment of Directors and determining Directors' Independence

#### 1. Introduction

1.1 Reliance Strategic Investments Limited (RSIL) believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, RSIL ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.

1.2 RSIL recognizes the importance of Independent Directors in achieving the effectiveness of the Board. RSIL aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

#### 2. Scope and Purpose:

2.1. This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company.

#### 3. Terms and References:

In this Policy, the following terms shall have the following meanings:

3.1. “**Director**” means a director appointed to the Board of a company.

3.2. “**Nomination and Remuneration Committee**” means the committee constituted by RSIL’s Board in accordance with the provisions of Section 178 of the Companies Act, 2013 (“the Act”).

3.3. “**Independent Director**” means a director referred to in sub-section (6) of Section 149 of the Act.

#### 4. Policy:

##### 4.1. Qualifications And Criteria

4.1.1. The Nomination and Remuneration (NR) Committee, and the Board, shall review on an annual basis, appropriate skills, expertise, competence knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company’s operations.

4.1.2. In evaluating the suitability of individual Board members, the NR Committee shall take into account many factors, including the following:

- General understanding of the Company’s business dynamics, global business and social perspective;

# Reliance Strategic Investments Limited

CIN: U65990MH1999PLC120918

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- Educational and professional background;
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively;

4.1.3. The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number or any other identification number prescribed by the Central Government which shall be treated as Director Identification Number for the purposes of the Act;
- Shall not be disqualified under the Act;
- Shall give his written consent to act as a Director;
- Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- Shall abide by the Code of Conduct established for Directors and Management Personnel for Group Companies;
- Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year and whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the Act and other relevant laws.

4.1.4. The NR shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance with the objective of having a group that best enables the success of the Company's business.

## 4.2. Criteria of Independence

The NR Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

The criteria of independence shall be as laid down in Act, and other relevant laws, if any, as amended from time to time.

The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Act.

## 4.3. Other Directorships / Committee Memberships

# Reliance Strategic Investments Limited

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- 4.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NR Committee shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.
- 4.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.
- 4.3.3 A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.

For and on behalf of the Board of Directors

Sd/-

**K. Sethuraman**  
**Chairman**

DIN: 00007787

Date : April 15, 2019

Place : Mumbai

# Reliance Strategic Investments Limited

CIN: U65990MH1999PLC120918

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Annexure 4

## Remuneration Policy for Directors, Key Managerial Personnel and other Employees

### 1. Introduction

1.1 Reliance Strategic Investments Limited (RSIL) recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

- 1.1.1 Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully
- 1.1.2 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks
- 1.1.3 Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals

### 2. Scope and Purpose:

2.1 This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and other employees of the Company.

### 3. Terms and References:

In this Policy, the following terms shall have the following meanings:

3.1 “**Director**” means a director appointed to the Board of a company.

3.2 “**Key Managerial Personnel**” means

- (i) the Chief Executive Officer or the managing director or the manager;
- (ii) the company secretary;
- (iii) the whole-time director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed under the Companies Act, 2013

3.3 “**Nomination and Remuneration Committee**” means the committee constituted by RSIL’s Board in accordance with the provisions of Section 178 of the Companies Act, 2013.



# Reliance Strategic Investments Limited

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## 4. Policy:

### 4.1 Remuneration to Executive Directors and Key Managerial Personnel

4.1.1 The Board, on the recommendation of the Nomination and Remuneration (NR) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components:

- (i) Basic Pay
- (ii) Perquisites and Allowances
- (iii) Stock Options
- (iv) Commission (Applicable in case of Executive Directors)
- (v) Retiral benefits
- (vi) Annual Performance Bonus

### 4.2 Remuneration to Non-Executive Directors

The Board on the recommendation of the NR Committee shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.

Non-Executive Directors may be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non-Executive Directors may also be entitled to profit related commission in addition to the sitting fees.

### 4.3 Remuneration To Other Employees

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

For and on behalf of the Board of Directors

Sd/-

**K. Sethuraman**

**Chairman**

DIN: 00007787

Date : April 15, 2019

Place : Mumbai

# Shashikala Rao & Co.

Annexure - 5

## Company Secretaries

4112, "C" Wing, Oberoi Garden Estate, Chandivali Farm Road, Off. : Saki Vihar Road, Andheri (East), Mumbai - 400 072 (INDIA)

Tel.: (022) 42951866 Email : skraoco@gmail.com

### SECRETARIAL AUDIT REPORT

*For the Financial Year ended March 31, 2019*

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

To,  
The Members,  
Reliance Strategic Investments Limited  
9th Floor, Maker Chambers IV 222,  
Nariman Point,  
Mumbai - 400021

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Reliance Strategic Investments Limited** ("the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 ("the Financial Year"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year according to the provisions of:

- i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder- **Not Applicable to the Company during the Audit Period;**
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings- **Not Applicable to the Company during the Audit Period;**



# Shashikala Rao & Co.

Company Secretaries

- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- **Applicable to the extent of disclosure made by the Company under this Regulation;**
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015- **Applicable to the extent of disclosure made by the Company under this Regulation;**
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- **Not Applicable to the Company during the Audit Period;**
  - d) Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not Applicable to the Company during the Audit Period;**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not Applicable to the Company during the Audit Period;**
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not Applicable to the Company during the Audit Period;**
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not Applicable to the Company during the Audit Period;** and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable to the Company during the Audit Period;**
- vi) The Reserve Bank of India Act, 1934, Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and other notifications / circulars / guidelines / Directions issued by the Reserve Bank of India from time to time.

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with Stock Exchange(s) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, if applicable - **Not Applicable to the Company during the Audit Period;**

However, the Company has made appropriate related party disclosures in terms of Para A of Schedule V to SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.



**Shashikala Rao & Co.**  
Company Secretaries

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

**We further report that-**

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

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

All decisions made at Board Meetings and Committee Meetings have unanimous consent as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** having regard to the compliance system prevailing in the Company and as per explanations and management representations obtained and relied upon by us the Company has adequate systems and processes commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Mumbai  
Date: April 15, 2019



For Shashikala Rao & Co.  
Company Secretaries

Shashikala Rao  
Practising Company Secretary  
FCS 3866 CP No 9482

**Shashikala Rao & Co.**  
Company Secretaries

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**ANNEXURE TO THE SECRETARIAL AUDIT REPORT**

To,  
The Members  
Reliance Strategic Investments Limited

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of account of the Company.
4. Wherever required, we have obtained Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Shashikala Rao & Co.**  
**Company Secretaries**



**Shashikala Rao**  
**Practising Company Secretary**  
**FCS 3866 CP No 9482**

**Mumbai**  
**April 15, 2019**

# Reliance Strategic Investments Limited

CIN: U65990MH1999PLC120918

Annexure 6

Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019

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

<b>I.</b>	<b>REGISTRATION AND OTHER DETAILS</b>	
i)	CIN	U65990MH1999PLC120918
ii)	Registration Date	22.07.1999
iii)	Name of the Company	Reliance Strategic Investments Limited
iv)	Category / Sub-Category of the Company	Public Company/ Limited by shares
v)	Address of the Registered office and contact details	9th Floor, Maker Chambers IV, 222, Nariman Point, Mumbai - 400021, Maharashtra, Tel: +91 22 22785000
vi)	Whether listed company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Fintech Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District Nanakramguda, Hyderabad - 500 032 Tel: +91 4067161700 Fax: +91 4067161680
<b>II.</b>	<b>PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>	
	All the business activities contributing 10% or more of the total turnover of the company	As per Attachment A
<b>III.</b>	<b>PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>	
		As per Attachment B
<b>IV.</b>	<b>SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)</b>	
i)	Category-wise Share Holding	As per Attachment C
ii)	Shareholding of Promoters	As per Attachment D
iii)	Change in Promoters' Shareholding	As per Attachment E
iv)	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment F
v)	Shareholding of Directors and Key Managerial Personnel	As per Attachment G
<b>V.</b>	<b>INDEBTEDNESS</b>	
	Indebtedness of the Company including interest outstanding/accrued but not due for payment	As per Attachment H

# Reliance Strategic Investments Limited

CIN: U65990MH1999PLC120918

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<b>VI.</b>	<b>REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>	
A.	Remuneration to Managing Director, Whole-time Directors and/or Manager	As per Attachment I
B.	Remuneration to other directors	As per Attachment J
C.	Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD	As per Attachment K
<b>VII.</b>	<b>PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES</b>	As per Attachment L

# Reliance Strategic Investments Limited

CIN: U65990MH1999PLC120918

## ATTACHMENT A

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are given below :-

Sl. No.	Name and Description of main products/services	NIC Code of the product/service *	% to total turnover of the company
1	Investment and Lending Activities as a Non-Banking Financial Company registered under Chapter IIIB of the Reserve Bank of India Act, 1934	64990	100.00%

\* As per National Industrial Classification – Ministry of Statistics and Programme Implementation

## ATTACHMENT B

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

#### (a) Particulars of Holding Company

Sr. No.	Name of Company	Address of Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held*	Applicable section
1	Reliance Industries Limited	3rd Floor, Maker Chambers IV, 222, Nariman Point, Mumbai - 400021, Maharashtra	L17110MH1973PLC019786	Holding Company	100.00	2 (46)

\* Representing aggregate % of voting power held by the Holding Company alongwith its nominees

#### (b) Particulars of Subsidiary Companies – Nil



# Reliance Strategic Investments Limited

CIN: U65990MH1999PLC120918

## (c) Particulars of Associate Companies

Sr. No.	Name of Company	Address of Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held*	Applicable section
1	Reliance Commercial Dealers Limited	9th Floor, Maker Chambers IV, 222, Nariman Point, Mumbai - 400021, Maharashtra	U51909MH2006PLC166162	Associate Company	25	2(6)

\* Representing aggregate % of voting power held by the Company.

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i) Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2018)				No. of Shares held at the end of the year (As on 31-03-2019)				% of change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A</b>	<b>PROMOTERS</b>									
(1)	Indian									
a)	Individual / HUF	0	0	0	0.00	0	0	0	0.00	0.00
b)	Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c)	State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d)	Bodies Corporate	2020194	6	2020200*	100.00	2020200*	0	2020200*	100.00	0.00
e)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f)	Any other...	0	0	0	0.00	0	0	0	0.00	0.00
	<b>SUB - TOTAL (A)(1)</b>	2020194	6	2020200*	100.00	2020200*	0	2020200*	100.00	0.00
(2)	Foreign									
a)	NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b)	Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e)	Any other...	0	0	0	0.00	0	0	0	0.00	0.00
	<b>SUB - TOTAL (A)(2)</b>	0	0	0	0.00	0	0	0	0.00	0.00
	<b>TOTAL SHAREHOLDING</b>	2020194	6	2020200*	100.00	2020200*	0	2020200*	100.00	0.00

# Reliance Strategic Investments Limited

CIN: U65990MH1999PLC120918

	Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2018)				No. of Shares held at the end of the year (As on 31-03-2019)				% of change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
	<b>OF PROMOTER</b> <b>(A) = (A)(1) + (A)(2)</b>									
<b>B</b>	<b>PUBLIC SHAREHOLDING</b>									
<b>1</b>	<b>Institutions</b>									
a)	Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c)	Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d)	State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g)	FIs	0	0	0	0.00	0	0	0	0.00	0.00
h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i)	Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>SUB - TOTAL (B)(1)</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>2</b>	<b>Non-institutions</b>									
a)	Bodies Corporate									
i)	Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii)	Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b)	Individuals									
i)	Individual shareholders holding nominal share capital up to Rs.1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
ii)	Individual shareholders holding nominal share capital in excess of Rs.1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
c)	Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>SUB - TOTAL (B)(2)</b>	0	0	0	0.00	0	0	0	0.00	0.00
	<b>TOTAL PUBLIC SHAREHOLDING (B) = (B)(1) + (B)(2)</b>	0	0	0	0.00	0	0	0	0.00	0.00

# Reliance Strategic Investments Limited

CIN: U65990MH1999PLC120918

	Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2018)				No. of Shares held at the end of the year (As on 31-03-2019)				% of change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
C.	SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	0	0	0	0.00	0	0	0	0.00	0.00
	<b>GRAND TOTAL (A+B+C)</b>	2020194	6	2020200*	100.00	<b>2020200*</b>	0	<b>2020200*</b>	<b>100.00</b>	<b>0.00</b>

\* Includes 1 share each held by 6 nominees (other than promoters) jointly with Reliance Industries Limited (RIL), Beneficial interest is with RIL.

## ATTACHMENT D

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04- 2018)			Shareholding at the end of the year (As on 31-03-2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Reliance Industries Limited	2020200*	100.00	Nil	2020200*	100.00	Nil	Nil

\* Includes 1 share each held by 6 nominees jointly with Reliance Industries Limited (RIL), Beneficial interest is with RIL.

# Reliance Strategic Investments Limited

CIN: U65990MH1999PLC120918

## ATTACHMENT E

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

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

Sl. No.		Shareholding at the beginning of the year (As on 01-04-2018)		Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	2020200*	100.00	2020200*	100.00
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Nil	Nil	Nil	Nil
3	At the End of the year	2020200*	100.00	2020200*	100.00

\* Includes 1 share each held by 6 nominees (other than promoters) jointly with Reliance Industries Limited (RIL), Beneficial interest is with RIL.

# Reliance Strategic Investments Limited

CIN: U65990MH1999PLC120918

## ATTACHMENT F

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason (e.g. allotment / transfer / bonus / sweat equity etc)	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of Shares at the beginning (01-04-18)/end of the year(31-03-19)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Shri L.V. Merchant jointly with Reliance Industries Limited (RIL)*	1	0.00005	01-04-2018	0	-	1	0.00005
		1	0.00005	31-03-2019				
2.	Shri Rohit C. Shah jointly with RIL*	1	0.00005	01-04-2018	0	-	1	0.00005
		1	0.00005	31-03-2019				
3.	Shri Sudhakar Saraswatula jointly with RIL*	1	0.00005	01-04-2018	0	-	1	0.00005
		1	0.00005	31-03-2019				
4.	Shri Ramesh Kumar Damani jointly with RIL*	1	0.00005	01-04-2018	0	-	1	0.00005
		1	0.00005	31-03-2019				
5.	Shri Raj Mullick jointly with RIL*	1	0.00005	01-04-2018	0	-	1	0.00005
		1	0.00005	31-03-2019				

\* Included in the promoter shareholding mentioned at point no. IV(i), (ii), (iii). Holding in the capacity as nominee of Reliance Industries Limited (RIL), Beneficial interest is with RIL.

# Reliance Strategic Investments Limited

CIN: U65990MH1999PLC120918

## ATTACHMENT G

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason (e.g. allotment / transfer / bonus / sweat equity etc)	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of Shares at the beginning (01-04-18) / end of the year (31-03-19)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Shri K. Sethuraman*	1	0.00005	01-04-2018	0	-	1	0.00005
		1	0.00005	31-03-2019				

\*Holds jointly with Reliance Industries Limited (RIL), Beneficial interest is with RIL

# Reliance Strategic Investments Limited

CIN: U65990MH1999PLC120918

## ATTACHMENT H

### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Amount (in Rs.)			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2018)</b>				
i) Principal Amount	-	1737,30,00,000	-	1737,30,00,000
ii) Interest due but not paid	-		-	
iii) Interest accrued but not due	-	-	-	-
<b>TOTAL (i+ii+iii)</b>	-	<b>1737,30,00,000</b>	-	<b>1737,30,00,000</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	-	6383,90,03,673	-	6383,90,03,673
Reduction	-	(5799,78,03,673)	-	(5799,78,03,673)
<b>Net Change</b>	-	<b>584,12,00,000</b>	-	<b>584,12,00,000</b>
<b>Indebtedness at the end of the financial year (31.03.2019)</b>				
i) Principal Amount	-	2321,42,00,000	-	2321,42,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>TOTAL (i+ii+iii)</b>	-	<b>2321,42,00,000</b>	-	<b>2321,42,00,000</b>

# Reliance Strategic Investments Limited

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## ATTACHMENT I

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager – Not applicable

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager					Total Amount (In Rs.)
1	Gross salary	-	-	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-
	- as % of profit	-	-	-	-	-	-
	- others	-	-	-	-	-	-
5	<b>OTHERS</b>	-	-	-	-	-	-
	<b>TOTAL (A)</b>	-	-	-	-	-	-
	Ceiling as per the Act						



# Reliance Strategic Investments Limited

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## ATTACHMENT J

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### B. Remuneration to other directors

SI No.	Particulars of remuneration	Shri K. Sethuraman	Shri Jagannatha Kumar	Ms. Jayashri Rajesh	Shri Shivkumar Bhardwaj	Shri Dhiren Dalal	Total Amount (in Rs)
1.	<b>Independent Directors</b>						
	· Fee for attending board / committee Meetings				5,10,000	5,10,000	1,020,000
	· Commission						
	· Others						
	<b>TOTAL (1)</b>				<b>5,10,000</b>	<b>5,10,000</b>	<b>1,020,000</b>
2.	<b>Other Non-Executive Directors</b>						
	· Fee for attending board / committee meetings	60,000	75,000	40,000			1,75,000
	· Commission						
	· Others						
	<b>TOTAL (2)</b>	<b>60,000</b>	<b>75,000</b>	<b>40,000</b>			<b>1,75,000</b>
	<b>TOTAL (B)=(1+2)</b>	<b>60,000</b>	<b>75,000</b>	<b>40,000</b>	<b>5,10,000</b>	<b>5,10,000</b>	<b>11,95,000</b>
	<b>TOTAL MANAGERIAL REMUNERATION*</b>						<b>11,95,000</b>
	Overall Ceiling as per the Act	Sitting Fees: one lakh rupees per meeting of the Board or Committee					

\* Total remuneration to all the Directors (being the total of A and B)

# Reliance Strategic Investments Limited

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## ATTACHMENT K

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total Amount (In Rs.)
		CEO	Company Secretary – Ms Sajita Nair*	Company Secretary – Ms Komal Chhapru**	CFO – Shri Suresh Jagannathan***	
1	Gross salary	-	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	--
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others	-	-	-	-	-
5	Others	-	41,644#	1,16,164#	4,76,712#	6,34,520#
	<b>TOTAL</b>	-	<b>41,644#</b>	<b>1,16,164#</b>	<b>4,76,712#</b>	<b>6,34,520#</b>

\*Remuneration paid w.e.f. 15.01.2019

\*\*Remuneration paid w.e.f. 1.04.2018 to 29.10.2018

\*\*\* Remuneration paid w.e.f. 18.04.2018

#Payment on secondment basis exclusive of taxes.

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## ATTACHMENT L

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / punishment / compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
			NIL		
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors

Sd/-

**K. Sethuraman**  
Chairman  
DIN: 00007787

Mumbai  
April 15, 2019

# Reliance Strategic Investments Limited

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## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### FORWARD LOOKING STATEMENT

The report contains forward-looking statements, identified by words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' and so on. All statements that address expectations or projections about the future, but not limited to the company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the company cannot guarantee that these are accurate or will be realized. The company's actual results, performance or achievements could thus differ from those projected in any forward-looking statements. The company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.

### OVERVIEW

The Company is primarily engaged in non-banking financial activities. As such, the company is impacted by global and domestic economic trends which impact interest rates and equity markets.

### INDUSTRY STRUCTURE AND DEVELOPMENTS

Global economic growth remained flat at 3.7% in CY 2018, as in CY 2017, notwithstanding weak performance in European Union and China. This was driven by a boost in spending due to tax cuts by the United States, which grew at 2.9%, highest growth in 3 years. Global trade growth was solid in the first half of 2018, as oil prices rallied due to the impending re-imposition of sanctions on Iran by the United States along with continuing declines in production in Venezuela. Trade tensions and imposition of tariffs saw front loading of imports in 2018.

Global trade weakened towards the end of 2018 partly because of the negative effects of tariff increases enacted in the United States and China earlier, and as energy prices corrected. The global trade slowdown was led by a sharp deceleration in import demand in emerging markets. Given relatively weaker growth outlook, China has come out with a stimulus package of RMB 2tn and the United States Fed has indicated a pause in the monetary policy tightening cycle. These policy support measures could potentially help offset growth weakness in the European Union, and be supportive for global demand and hence commodities next year.

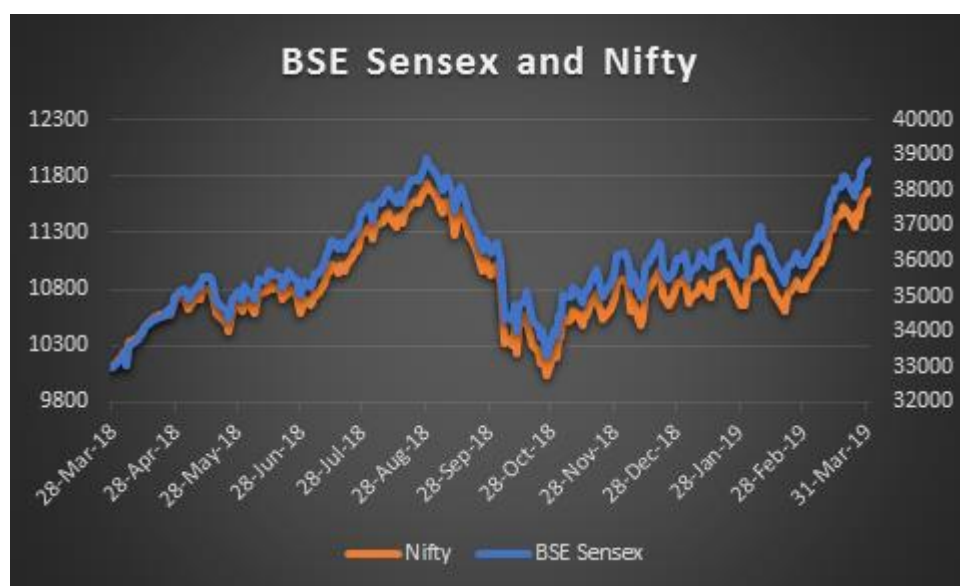
Indian economy continued to remain the fastest growing major economy in the world in CY 2018. In FY 2018-19 – the estimated Gross Domestic Product growth rate is 7%, driven by strong private consumption growth at 8.3%. As the 'One Nation, One Tax' GST regime gradually stabilized, the implementation of the Insolvency and Bankruptcy law helped the banking sector start the resolution process of the non-performing loans during the course of the year. The economy continued to witness an increase in investments, with Gross Fixed Capital Formation growth at a six year high of 10%. Healthy Industrial activity continued, and services indicators sustained positive trends with services credit, air traffic growth, and commercial vehicle sales clocking double digit

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growth. Services exports growth at almost 18%, is at a seven year high. Thanks to a series of policy initiatives, India moved to 77th rank from 100, in terms of ease of doing business.

Despite a volatile year due to US-China trade tensions, liquidity crisis in the NBFCs, India-Pakistan border tension, high crude oil prices, the rupee faltering to new record lows against the dollar, delay in Brexit breakthrough, Indian equity markets emerged as one of the best performers globally. The BSE Sensex rose nearly 17 per cent while the NSE Nifty50 increased 15 per cent. That marked the highest growth in any fiscal year since last ten years for both the indexes. Recapitalisation of public sector banks, eventual easing of liquidity concerns, and a sustained rise in foreign fund inflows supported the market. Expectations of the incumbent government coming back to power further boosted the investor sentiments. On a sectoral basis, the banking, energy, IT, FMCG and pharma sector fared better when compared with media, auto and telecom sectors, which were the laggards.

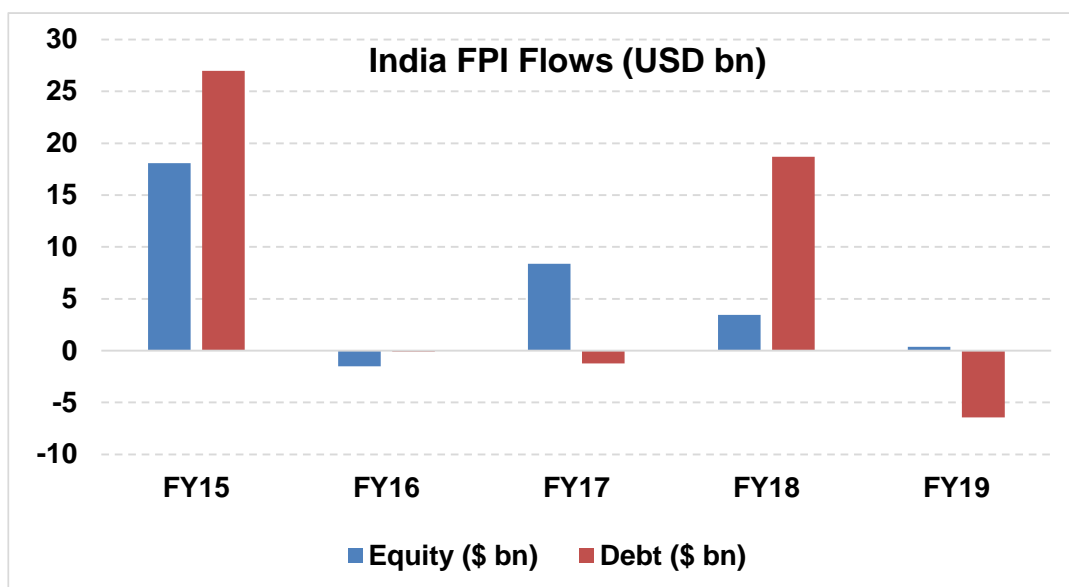


On the monetary policy front, the RBI hiked repo rates by 50bps, and shifted its stance from 'neutral' to 'calibrated tightening' as a sharp move higher in oil prices in the middle of the year led to rising CPI inflation, wider current account deficit and subsequent pressure on the currency. The RBI later cut repo rate by 25 bps in Q4FY19, as oil prices fell from October 2018, bringing the rate to 6.25%, and shifting its policy stance back to 'neutral'. Inflation remains the key determinant of the rate trajectory. The Monetary Policy Committee estimates around 3.5% inflation at the end of FY19, and will likely wait until elections are over, to deliver further monetary policy easing in this cycle. G-Sec yields have remained high and sticky despite policy easing due to fiscal concerns.

The year witnessed FII outflows in Debt while Equities remained flat.

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The company's operations continue to be focused in the areas of NBFC activities – viz. financing, inter- corporate Investments and capital market activities. The Company primarily manages an investment portfolio and provides loans to group companies.

The company focuses on maximizing returns on its portfolio, while appropriately managing inherent risks.

## OPPORTUNITIES

This is election year and markets would be driven by sentiment and confidence in the new Government. There are hopes and leading indicators of a Bullish phase in the domestic Equities and Bonds markets. Low Interest rates in the US will also likely enable Emerging markets such as India to attract Foreign Funds.

## THREATS

North Korea's nuclear ambitions, trade war between US and China, Brexit are some of the geo-political tensions that could affect Markets adversely. Oil as always can swing in favour of Oil producing nations at the cost of the Oil consuming nations such as India. The new Indian government's majority in the elections will also be a factor that can move local markets. There will be refinements made to asset allocation, in tune with the changes in the market situation.

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## PERFORMANCE (As per IND AS financials)

(Rs. In Crore)

	FY 2018-19	FY 2017-18
Revenue from Operations	(105)	296
Profit / Loss Before Tax	(369)	210
Profit / Loss After Tax	(402)	242
Cash and bank balances (including FD)	752	2
Investments (Current and non-current)	3,144	3,711
Current Liabilities	2,339	1,737

## OUTLOOK

The outcome of the United States – China trade conflict will determine the course of the global economy. On the monetary policy front, the United States Fed has already signaled a pause on rates, and weak growth in the Eurozone is likely to keep the European Central Bank dovish. The Chinese economy weakness is expected to somewhat stabilize as the RMB 2tn fiscal stimulus takes effect.

Impending elections would keep the Indian markets volatile. Recovery in rural growth should accelerate, with the income support scheme (PM-KISAN) taking effect. Weak monsoons remain the key risk to agricultural growth. Investment growth is expected to pick up after elections as the clean-up of the banking system and stricter bankruptcy provisions streamline the banking system and provide more room for credit growth. If a stable majority government comes back in power, we expect equity markets to do well.

## RISKS AND CONCERNS

Being a NBFC, the Company is exposed to specific risks that are particular to its business and the environment within which it operates, including interest rate volatility, economic cycle, credit risk and market risk. The most important among them are credit risk, market risk and operational risk. The measurement, monitoring and management of risk remain key focus areas for the company.

Pursuant to the guidelines issued by the Reserve Bank of India, the Company has constituted a Risk Management Committee of the Board of Directors. The Committee manages market risk, liquidity risk and provides advice to the Board for risk management and compliance activities.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System which is commensurate with the size, scale and complexity of its operations. The Internal Auditors monitor the efficiency and efficacy of the internal control systems in the Company, compliance with operating systems/accounting procedures and policies of the Company. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board, which then initiates action if required.

# Reliance Strategic Investments Limited

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## INTERNAL AUDIT AND COMPLIANCE

The Company conducts its internal audit and compliance functions within the parameters of regulatory framework which is well commensurate with the size, scale and complexity of operations. Internal controls and compliance functions have been set up and these are constantly reviewed, and upgraded periodically to ensure a robust framework.

The Company has appointed VP Mehta & Co, Chartered Accountants, to conduct internal audit covering all areas of operations. The Audit Committee reviews the performance of the audit and compliance functions, the effectiveness of controls and compliance with regulatory guidelines and gives such directions to the Management as necessary / considered appropriate.

## DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The company has delivered the below performance in FY 2018-19 from investments in shares of listed companies. Across its investments in equity and fixed income the company achieved:

- **Net profit / Loss of (402) crores**
- **Revenue from operations of (105) crores**

The company maintained a cautious position in equity stocks, given the volatility of the market. The company employs a bottom-up stock picking strategy supported by sound fundamental and technical research.

## MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

There are no material developments in human resources / industrial relations front.

For and on behalf of the Board of Directors

Sd/-

**K. Sethuraman**  
**Chairman**  
**DIN: 00007787**

**Mumbai**  
**April 15, 2019**



## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of RELIANCE STRATEGIC INVESTMENTS LIMITED**

### **Report on the Audit of Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of **Reliance Strategic Investments Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its Loss including Other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

#### **Basis for Opinion**

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

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Management Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these Financial Statements that give a true and fair view of the Financial Position, Financial Performance including Other Comprehensive Income, Cash Flows and the Statement Of Changes in Equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act.
  - e) On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164(2) of the Act;

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting with reference to these financial statements;
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, as amended , in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact on its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Chaturvedi & Shah LLP**  
Chartered Accountants  
Firm Registration no. 101720W/W100355

For **Rajendra & Co.**  
Chartered Accountants  
Firm Registration no. 108355W

**Sd/-**

**Sd/-**

**Jignesh Mehta**  
Partner  
Membership No.: 102749  
Place: Mumbai  
Date: April 15, 2019

**Sanket. M. Shah**  
Partner  
Membership No.: 148270  
Place : Mumbai  
Date : April 15 , 2019

**“ANNEXURE A” TO INDEPENDENT AUDITORS’ REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE STRATEGIC INVESTMENTS LIMITED**

**(Referred to in Paragraph 1 under the heading of “Report on other legal and regulatory requirements” of our report of even date)**

- i) As the Company had no Fixed Assets during the year, clause (i) of paragraph of 3 of the order is not applicable to the company.
- ii) As the Company had no Inventories during the year, clause (ii) of paragraph of 3 of the Order is not applicable to the Company.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, the requirement of clause (iii) (a) to clause (iii) (c) of paragraph 3 of the Order is not applicable to the Company.
- iv) Company has not directly or indirectly advanced loan to the person or given guarantees or securities in connection with the loan taken by persons covered under Section 185 of the Act. The provisions of section 186 of the Act, in respect of investments, loans, guarantee or security given are not applicable to the company.
- v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.
- vi) To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act in respect of the activities undertaken by the Company.
- vii) In respect of Statutory dues :
  - a) According to the records of the Company, undisputed statutory dues including provident fund, employees’ state insurance, income tax, goods and service tax , duty of customs, duty of excise, cess and any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at March 31, 2019 for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us, there are no dues of income tax, goods and service tax , duty of customs, duty of excise, cess on account of any dispute, which have not been deposited.
- viii) In our opinion and according to the information and explanation given to us the Company has not raised loans from financial institutions or banks or government or by issue of debentures and hence clause (viii) of paragraph 3 of the Order is not applicable to the Company.
- ix) The company has not raised money by way of initial public offer or further public offer (including debt instruments) and terms loans have been used for the purpose for which it has been raised.

- x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) The Company has not paid any managerial remuneration during the year and hence clause (xi) of paragraph 3 of the Order is not applicable to the Company.
- xii) In our opinion Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.
- xiii) In our opinion and according to the information and explanations given to us, the Companies transaction with its related parties are in compliance with sections 177 and 188 of the Act and their details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- xiv) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the company.
- xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act, Hence, reporting under clause (xv) of the paragraph 3 of the Order is not applicable to the Company.
- xvi) Based on information and explanation given to us, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and necessary registration has been obtained by the Company.

For **Chaturvedi & Shah LLP**  
Chartered Accountants  
Firm Registration no. 101720W/W100355

For **Rajendra & Co.**  
Chartered Accountants  
Firm Registration no. 108355W

**Sd/-**

**Sd/-**

**Jignesh Mehta**  
Partner  
Membership No.: 102749

**Sanket. M. Shah**  
Partner  
Membership No.: 148270

Place: Mumbai  
Date: April 15, 2019

Place : Mumbai  
Date : April 15 , 2019

## **ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE STRATEGIC INVESTMENTS LIMITED**

**(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)**

### **Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the Internal Financial Control over financial reporting of **Reliance Strategic Investments Limited** (“the company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year then ended.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

## **Meaning of Internal Financial Controls Over Financial Reporting With Reference To These Financial Statements**

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

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference To These Financial Statements**

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

### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Chaturvedi & Shah LLP**  
Chartered Accountants  
Firm Registration no. 101720W/W100355

For **Rajendra & Co.**  
Chartered Accountants  
Firm Registration no.108355W

**Sd/-**

**Sd/-**

**Jignesh Mehta**

**Sanket. M. Shah**

Partner  
Membership No.: 102749

Partner  
Membership No.: 148270

Place: Mumbai  
Date: April 15, 2019

Place : Mumbai  
Date : April 15 , 2019



# Reliance Strategic Investments Limited

## Balance Sheet as at 31st March, 2019

₹ in lakhs

	Note	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
<b>ASSETS</b>				
<b>Financial Assets</b>				
Cash and Cash Equivalents	1.1	1 05	68	1 36
Bank balances other than 1.1	1.2	751 00	1 00	351 00
Derivative Financial Instrument	2	-	-	401 85
Receivables	3			
Trade Receivables		31 08	40 32	37 79
Loans	4	7 65	31 54	165 46
Investments	5	3143 81	3711 49	2855 60
Other Financial Assets	6	70 48	15 47	32 78
<b>Total Financial Assets</b>		<b>4005 07</b>	<b>3800 50</b>	<b>3845 84</b>
<b>Non-Financial Assets</b>				
Current Tax Assets (net)	7	95 12	66 85	-
<b>Total Non-Financial Assets</b>		<b>95 12</b>	<b>66 85</b>	<b>-</b>
<b>Total Assets</b>		<b>4100 19</b>	<b>3867 36</b>	<b>3845 84</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>Financial Liabilities</b>				
Derivative Financial Instrument	2	16 63	-	-
Payables	8			
Trade Payables due to				
Micro and Small Enterprises				
Other than Micro and Small Enterprises		86	-	-
Borrowings	9	2321 42	1737 30	1559 60
Other Financial Liabilities	10	47	29	266 67
<b>Total Financial Liabilities</b>		<b>2339 38</b>	<b>1737 59</b>	<b>1826 27</b>
<b>Non-Financial Liabilities</b>				
Current Tax Liabilities (net)	7	-	-	6 28
Deferred Tax Liability (Net)	11	53 78	20 97	145 24
Provisions	12	4	13	1 07
<b>Total Non-Financial Liabilities</b>		<b>53 82</b>	<b>21 10</b>	<b>152 59</b>
<b>Total Liabilities</b>		<b>2393 19</b>	<b>1758 69</b>	<b>1978 86</b>
<b>EQUITY</b>				
Equity Share Capital	13	2 02	2 02	2 02
Other Equity	14	1704 97	2106 65	1864 96
<b>Total Equity</b>		<b>1706 99</b>	<b>2108 67</b>	<b>1866 98</b>
<b>Total Liabilities and Equity</b>		<b>4100 19</b>	<b>3867 36</b>	<b>3845 84</b>

Significant Accounting Policies

See accompanying Notes to the Financial Statements 1 to 31

## Reliance Strategic Investments Limited

As per our Report of even date

For and on behalf of the Board

For **Chaturvedi & Shah LLP**

Firm Registration No : 101720W/W100355

Chartered Accountants

Sd/-

**Jignesh Mehta**

Partner

Membership No. 102749

Mumbai

Date : 15th April, 2019

For **Rajendra & Co.**

Firm Registration No : 108355W

Chartered Accountants

Sd/-

**Sanket M. Shah**

Partner

Membership No. 148270

Sd/-

**K. Sethuraman**

Chairman

--

**Jagannatha Kumar**

Director

Sd/-

**Jayashri Rajesh**

Director

Sd/-

**Dhiren Dalal**

Independent Director

Sd/-

**Shivkumar Bhardwaj**

Independent Director

Sd/-

**Sajita Nair**

Company Secretary

Sd/-

**Suresh Jagannathan**

Chief Financial Officer

**Reliance Strategic Investments Limited**  
**Statement of Profit and Loss for the year ended 31st March, 2019**

	Note	2018-19	₹ in lakhs 2017-18
<b>INCOME</b>			
Revenue from Operations	15		
Interest income		64 97	16 17
Dividend income		46 80	40 99
Net gain on fair value changes		(216 80)	239 11
<b>Total Revenue from operations</b>		<b>(105 03)</b>	296 27
Other Income	16	9	1 20
<b>Total Income</b>		<b>(104 94)</b>	297 47
<b>EXPENSES</b>			
Finance Cost	17	247 89	71 44
Other Expenditure	18	16 04	15 84
<b>Total Expenses</b>		<b>263 93</b>	87 28
Profit / (Loss) before tax		(368 87)	210 19
<b>Tax Expense</b>			
Current Tax	19	-	92 50
Adjustment of tax relating to earlier period		-	27
Deferred Tax	19	32 81	(124 27)
		<b>32 81</b>	(31 50)
<b>Profit / (Loss) for the year</b>		<b>(401 68)</b>	241 69
<b>Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Income for the Year</b>		<b>(401 68)</b>	241 69
(Comprising Profit / (Loss) and Other Comprehensive Income)			
<b>Earnings per Equity Share of face value of ₹ 10 each</b>	20		
Basic (in ₹)		(1,988.32)	1196.38
Diluted (in ₹)		(1,988.32)	467.64
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1 to 31		

## Reliance Strategic Investments Limited

As per our Report of even date

For and on behalf of the Board

For **Chaturvedi & Shah LLP**

Firm Registration No : 101720W/W100355

Chartered Accountants

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Independent Director

Sd/-

**Sajita Nair**

Company Secretary

Sd/-

**Suresh Jagannathan**

Chief Financial Officer

## Reliance Strategic Investments Limited

### Statement of changes in Equity for the year ended 31st March, 2019

#### A. Equity Share Capital

₹ in lakhs

Balance at the beginning of the reporting period i.e. 1st April, 2017	Changes in equity share capital during the year 2017-18	Balance at the end of the reporting period i.e. 31st March, 2018	Changes in equity share capital during the year 2018-19	Balance at the end of the reporting period i.e. 31st March, 2019
2 02	-	2 02	-	2 02

#### B. Other Equity

₹ in lakhs

	Instruments classified as Equity	Reserves and Surplus				Other Comprehensive Income	Total
		Capital Redemption Reserve	Securities Premium	Statutory Reserve	Retained Earnings		

#### As on 31st March, 2018

Balance at the beginning of the reporting period i.e. 1st April, 2017	31	1 23	881 17	155 70	826 55	-	1864 96
Total Comprehensive Income of the year	-	-	-	-	241 69	-	241 69
Transferred from retained earnings	-	-	-	55 80	(55 80)	-	-
Balance at the end of the reporting period i.e. 31st March, 2018	31	1 23	881 17	211 50	1012 44	-	2106 65

#### As on 31st March, 2019

Balance at the beginning of the reporting period i.e. 1st April, 2018	31	1 23	881 17	211 50	1012 44	-	2106 65
Total Comprehensive Income of the year	-	-	-	-	(401 68)	-	(401 68)
Transferred from retained earnings	-	-	-	-	-	-	-
Balance at the end of the reporting period i.e. 31st March, 2019	31	1 23	881 17	211 50	610 76	-	1704 97

## Reliance Strategic Investments Limited

As per our Report of even date

For and on behalf of the Board

For **Chaturvedi & Shah LLP**

Firm Registration No : 101720W/W100355

Chartered Accountants

Sd/-

**Jignesh Mehta**

Partner

Membership No. 102749

Mumbai

Date : 15th April, 2019

For **Rajendra & Co.**

Firm Registration No : 108355W

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Independent Director

Sd/-

**Sajita Nair**

Company Secretary

Sd/-

**Suresh Jagannathan**

Chief Financial Officer

# Reliance Strategic Investments Limited

## Cash Flow Statement for the year ended 31st March, 2019

₹ in lakhs  
2017-18

	2018-19	2017-18
<b>A Cash Flow from Operating Activities</b>		
Net Profit before tax as per Statement of Profit and Loss	(368 87)	210 19
Adjusted for :		
Interest income	(64 97)	(14 31)
Dividend income on investments / Stock	(46 80)	(40 99)
Profit on sale of investments	169 92	(289 86)
Reversal of general Provision on Standard Assets	( 9)	(95)
Finance costs	247 89	71 44
	305 95	(274 67)
<b>Operating Loss before Working Capital Changes</b>	(62 92)	(64 48)
Adjusted for :		
Trade and other Receivables	(3 81)	403 73
Trade Payables	82	5
	(2 99)	403 78
<b>Cash from / (used in) Operations</b>	(65 91)	339 30
Income Taxes paid	(28 27)	(166 10)
<b>Net cash flow from / (used in) Operating Activities</b>	(94 18)	173 20
<b>B Cash flow from Investing Activities</b>		
Purchase of investments	(14316 91)	(9623 22)
Sale of investments	14714 68	9057 19
Dividend income on investments / stock	46 80	40 99
Net cash inflow from other finance activities	23 89	133 92
Investment in / proceeds from fixed deposits	(750 00)	350 00
Interest income	39 64	27 40
	(241 90)	(13 72)
<b>C Cash flow from financing Activities</b>		
Proceeds from :		
Proceeds from Borrowing - Current (from Holding company)	6164 63	4122 45
Repayment of Borrowings - Current (to Holding company)	(5580 51)	(3944 75)
Interest paid	(247 67)	(337 86)
	336 45	(160 16)
<b>Net Cash flow from / (used in) Financing Activities</b>		
Net Increase / (Decrease) in Cash and Cash Equivalents	37	( 68)
Opening Balance of Cash and cash equivalents	68	1 36
Closing Balance of Cash and cash equivalents (Refer Note 1.1)	1 05	68

## Reliance Strategic Investments Limited

As per our Report of even date

For and on behalf of the Board

For **Chaturvedi & Shah LLP**

Firm Registration No : 101720W/W100355

Chartered Accountants

Sd/-

**Jignesh Mehta**

Partner

Membership No. 102749

Mumbai

Date : 15th April, 2019

For **Rajendra & Co.**

Firm Registration No : 108355W

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Independent Director

Sd/-

**Sajita Nair**

Company Secretary

Sd/-

**Suresh Jagannathan**

Chief Financial Officer



# Reliance Strategic Investments Limited

## Notes to the Financial Statements for the year ended 31st March, 2019

### A. CORPORATE INFORMATION

Reliance Strategic Investments Limited [the company] is a limited company incorporated in India having CIN U65990MH1999PLC120918. The registered office of the company is located at 9th Floor, Maker Chambers IV, 222 Nariman Point, Mumbai 400021, India. The Company is a registered Non-Banking Financial Company - Systemically Important Non-Deposit taking Company.

### B. SIGNIFICANT ACCOUNTING POLICIES

#### B.1 Statement of Compliance

The Company has adopted Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 from April 1, 2018 and the effective date of such transition is April 1, 2017. The Figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ('RBI') (collectively referred to as "the Previous GAAP"). The Figures have been presented in accordance with the format prescribed for financial statements for a Non-Banking Finance Company (NBFC) whose financial statements are drawn up in compliance of the Companies (Indian Accounting Standards) Rules, 2015 in Division III of Notification No. GSR 1022 (E) dated 11th October, 2018, issued by the Ministry of Corporate Affairs, Government of India.

#### B.2 Basis of Preparation and Presentation

The financial statements have been prepared on the historical cost basis except for certain financial assets / (liabilities) (including derivative instruments) are measured at fair value

These financial statements are the Company's first Ind AS financial statements.

Company's financial statements are presented in Indian Rupees (₹), which is also its functional currency and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

#### B.3 Summary of Significant Accounting Policies

##### (a) Finance Cost

Borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

##### (b) Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

##### (c) Tax Expenses

The tax expense for the period comprises current and deferred tax, same is recognised in Statement of Profit and Loss.

##### Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

##### Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

##### (d) Revenue recognition

##### Income from Current and Long-term Investments

Income from dividend on shares of corporate bodies and units of mutual funds is accounted when the Company's right to receive dividend is established. Interest income on bonds and debentures is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

##### Income on Inter corporate deposits and Fixed Deposit

Interest income on deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

# Reliance Strategic Investments Limited

## Notes to the Financial Statements for the year ended 31st March, 2019

### (e) Financial instruments

#### i) Financial Assets

##### A. Initial recognition and measurement:

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

##### B. Subsequent measurement

###### a) Financial assets carried at amortised cost (AC)

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

##### C. Investment in Fellow Subsidiary and Associate Companies

The Company has accounted for its investments in Fellow Subsidiary and Associate Companies at cost less impairment loss (if any).

##### D. Other Equity instruments

All equity investments are measured at fair value, with value changes recognised in statement of profit and loss.

#### ii) Financial liabilities

##### A. Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

##### B. Subsequent measurement:

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### iii) Derivative financial instruments:

The company uses various derivative financial instruments such as future and options in equity to mitigate the risk of changes in market. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of profit or loss.

#### iv) Derecognition of financial instruments

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

### (f) Earnings per share

Basic earnings per share is calculated by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year adjusted for bonus element in equity share. Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

# Reliance Strategic Investments Limited

## Notes to the Financial Statements for the year ended 31st March, 2019

### C. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:

The preparation of the Company's financial statements requires management to make judgment, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial year.

#### a) Recoverability of trade receivable:

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

#### b) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

#### c) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

### D. FIRST TIME ADOPTION OF IND AS

The Company has adopted Ind AS with effect from 1st April 2018 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2017 and all the periods presented have been restated accordingly.

Exemptions from retrospective application :

#### i) Investments in subsidiaries, joint ventures and associates

The Company has elected to measure investment in subsidiaries, joint venture and associate at cost

#### ii) Classification and Measurement of Financial Assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS

### E. STANDARDS ISSUED BUT NOT EFFECTIVE

On March 30,2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 – Leases and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2019.

#### a) Issue of Ind AS 116 - Leases

Ind AS 116 will replace the existing leasing standard i.e. Ind AS 17 and related interpretations. Ind AS 116 introduces a single lessee accounting model and requires lessee to recognize assets and liabilities for all leases with non-cancellable period of more than twelve months except for low value assets. Ind AS 116 substantially carries forward the lessor accounting requirement in Ind AS 17.

#### b) Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards :

- i) Ind AS 101 – First time adoption of Indian Accounting Standards
- ii) Ind AS 103 – Business Combinations
- iii) Ind AS 109 – Financial Instruments
- iv) Ind AS 111 – Joint Arrangements
- v) Ind AS 12 – Income Taxes
- vi) Ind AS 19 – Employee Benefits
- vii) Ind AS 23 – Borrowing Costs
- viii) Ind AS 28 – Investment in Associates and Joint Ventures

Application of above standards are not expected to have any significant impact on the Company's financial statements.

## Reliance Strategic Investments Limited

Notes on the Financial Statement for the year ended 31st March, 2019

	As at 31st March, 2019	As at 31st March, 2018	₹ in lakhs As at 1st April, 2017
<b>1.1 Cash and Cash Equivalents</b>			
<b>Cash on hand</b>	-	-	-
<b>Balance with Banks</b>			
In current accounts	1 05	68	1 36
	<u>1 05</u>	<u>68</u>	<u>1 36</u>

	As at 31st March, 2019	As at 31st March, 2018	₹ in lakhs As at 1st April, 2017
<b>1.2 Cash and Bank balances</b>			
<b>Other bank balances</b>			
In deposits #	751 00	1 00	351 00
	<u>751 00</u>	<u>1 00</u>	<u>351 00</u>

# Deposits with banks of ₹ NIL (previous year ₹ NIL) with maturity more than 12 months.

Deposit with banks of ₹ 75100 lakhs (previous year ₹ 100 lakhs) are given as collateral securities.

	As at 31st March, 2019		As at 31st March, 2018		₹ in lakhs As at 1st April, 2017	
<b>2 Derivative Financial Instruments</b>	<b>Notional Amount</b>	<b>Fair Value Asset / (Liabilities)</b>	Notional Amount	Fair Value Asset / (Liabilities)	Notional Amount	Fair Value Asset / (Liabilities)
Equity linked derivatives	2350 00	(16 63)	-	-	2365 93	401 85

Note

Notional is grossed up by taking absolute value (including May/June expiry NIFTY calls & puts and April expiry Pidilite short future)

Since futures is daily MTM settled, it does not form part of balance sheet and is not included in Assets/Liabilities. Please note the same has been included in notional amount.

Fair Value – Liabilities is a net number based on fair value of the contract as on 31st March

June 2019 expiry NIFTY contracts are theoretically valued using Bloomberg

All derivative positions are treated as trading positions

Refer Note no. 28

## Reliance Strategic Investments Limited

### Notes on the Financial Statement for the year ended 31st March, 2019

	As at 31st March, 2019	As at 31st March, 2018	₹ in lakhs As at 1st April, 2017
<b>3 Receivables</b> <b>(Unsecured and considered good)</b>			
Trade Receivables	31 08	40 32	37 79
	<u>31 08</u>	<u>40 32</u>	<u>37 79</u>

	As at 31st March, 2019	As at 31st March, 2018	₹ in lakhs As at 1st April, 2017
<b>4 Loans</b>			
(Unsecured and considered good)			
<b>At Amortised Cost</b>			
Loan to Related parties *	7 65	6 54	155 51
Loan to others *	-	25 00	9 95
	<u>7 65</u>	<u>31 54</u>	<u>165 46</u>
Loans in India :			
Other than to Public Sector	7 65	31 54	165 46
Loans outside India	-	-	-
	<u>7 65</u>	<u>31 54</u>	<u>165 46</u>

\* Refer note no. 24 & 26

## Reliance Strategic Investments Limited

Notes on the Financial Statement for the year ended 31st March, 2019

₹ in lakhs

5 Investments	As at 31st March, 2019			As at 31st March, 2018			As at 1st April, 2017		
	Cost	At fair value through Profit or Loss	Total	Cost	At fair value through Profit or Loss	Total	Cost	At fair value through Profit or Loss	Total
<b>(A) Investments</b>									
Quoted Debentures	-	433 27	433 27	-	303 65	303 65	-	-	-
Equity instruments									
Fellow Subsidiaries *	10 69	-	10 69	-	-	-	-	-	-
Associates *	3 75	-	3 75	3 75	-	3 75	3 75	-	3 75
Unquoted shares	-	66 15	66 15	-	69 83	69 83	-	34 42	34 42
Quoted shares	-	441 07	441 07	-	367 77	367 77	-	12 30	12 30
Quoted shares - Others #	-	2106 03	2106 03	-	2779 83	2779 83	-	2575 55	2575 55
Warrants	-	-	-	-	73 24	73 24	-	35 85	35 85
Venture Funds	-	82 85	82 85	-	113 43	113 43	-	193 73	193 73
<b>Total (A)</b>	<b>14 44</b>	<b>3129 37</b>	<b>3143 81</b>	<b>3 75</b>	<b>3707 74</b>	<b>3711 49</b>	<b>3 75</b>	<b>2851 85</b>	<b>2855 60</b>
Investments outside India	-	-	-	-	-	-	-	-	-
Investments in India	14 44	3129 37	3143 81	3 75	3707 74	3711 49	3 75	2851 85	2855 60
<b>Total (B)</b>	<b>14 44</b>	<b>3129 37</b>	<b>3143 81</b>	<b>3 75</b>	<b>3707 74</b>	<b>3711 49</b>	<b>3 75</b>	<b>2851 85</b>	<b>2855 60</b>
Less :									
Allowance for impairment Loss (C )	-	-	-	-	-	-	-	-	-
<b>Total (A-C)</b>	<b>14 44</b>	<b>3129 37</b>	<b>3143 81</b>	<b>3 75</b>	<b>3707 74</b>	<b>3711 49</b>	<b>3 75</b>	<b>2851 85</b>	<b>2855 60</b>

\* The Company has accounted for its investments in Fellow Subsidiary and Associate companies at cost less impairment loss (if any)

# Investments held as stock-in-trade

Refer note no. 25

## Reliance Strategic Investments Limited

### Notes on the Financial Statement for the year ended 31st March, 2019

	As at 31st March, 2019	As at 31st March, 2018	₹ in lakhs As at 1st April, 2017
<b>6 Other Financial Assets</b>			
Interest receivable	25 86	53	13 62
Dividend receivable	-	-	48
Other receivables/Deposits	1	1	1
Income receivable from Venture Fund	10 61	14 93	18 67
Application money	34 00	-	-
	<b>70 48</b>	<b>15 47</b>	<b>32 78</b>

	As at 31st March, 2019	As at 31st March, 2018	₹ in lakhs As at 1st April, 2017
<b>7 Current Tax Asset / (Liabilities) net</b>			
Advance payment of taxes (net) Refer Note 19 (b)	95 12	66 85	(6 28)
	<b>95 12</b>	<b>66 85</b>	<b>(6 28)</b>

	As at 31st March, 2019	As at 31st March, 2018	₹ in lakhs As at 1st April, 2017
<b>8 Trade Payables due to</b>			
Micro and Small Enterprises	-	-	-
Other than Micro and Small Enterprises	86	-	-
	<b>86</b>	<b>-</b>	<b>-</b>

**Note**

There are no overdue amounts to Micro, Small and Medium Enterprises as at March 31, 2019 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

## Reliance Strategic Investments Limited

### Notes on the Financial Statement for the year ended 31st March, 2019

	As at 31st March, 2019	As at 31st March, 2018	₹ in lakhs As at 1st April, 2017
<b>9 Borrowings</b>			
<b>Secured</b>	-	-	-
<b>Unsecured</b>			
<b>At amortised cost</b>			
Loans from Holding Company *	2321 42	1737 30	1559 60
	<u>2321 42</u>	<u>1737 30</u>	<u>1559 60</u>
Borrowings in India	2321 42	1737 30	1559 60
Borrowings outside India	-	-	-
	<u>2321 42</u>	<u>1737 30</u>	<u>1559 60</u>

\* Loan repayable in three months

	As at 31st March, 2019	As at 31st March, 2018	₹ in lakhs As at 1st April, 2017
<b>10 Other Financial Liabilities</b>			
Interest accrued but not due on borrowing to the Holding company	-	-	239 91
Others payables **	47	29	26 76
	<u>47</u>	<u>29</u>	<u>266 67</u>

\*\* Mainly includes statutory dues

	As at 31st March, 2019	As at 31st March, 2018	₹ in lakhs As at 1st April, 2017
<b>11 Deferred Tax Liabilities / (Asset) (net)</b>			
<b>The movement on the deferred tax account is as follows:</b>			
At the start of the year	20 97	145 24	-
Charge / (Credit) to Statement of Profit and Loss	32 81	(124 27)	145 24
At the end of year	<u>53 78</u>	<u>20 97</u>	<u>145 24</u>

#### Component of Deferred tax Liabilities

	As at 31st March, 2019	As at 31st March, 2018	₹ in lakhs As at 1st April, 2017
Deferred Tax Liabilities in relation to:			
Financial assets	53 78	20 97	145 24
<b>Total</b>	<u>53 78</u>	<u>20 97</u>	<u>145 24</u>



## Reliance Strategic Investments Limited

### Notes on the Financial Statement for the year ended 31st March, 2019

12 Provisions	As at 31st March, 2019	As at 31st March, 2018	₹ in lakhs As at 1st April, 2017
Contingent provision against standard asset #	4	13	1 07
	4	13	1 07

# Created pursuant to Section 45JA of the Reserve Bank of India Act, 1934 and Para 14 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Provision required is ₹ 4 lakhs (previous year ₹ 13 lakhs)

13 Equity Share Capital	As at 31st March, 2019		As at 31st March, 2018		₹ in lakhs As at 1st April, 2017	
	Units	Amount	Units	Amount	Units	Amount
<b>Authorised Share Capital</b>						
Equity shares of ₹ 10 each	21,00,000	2 10	21,00,000	2 10	21,00,000	2 10
Preference shares of ₹ 100 each	2,25,00,000	225 00	2,25,00,000	225 00	2,25,00,000	225 00
Preference shares of ₹ 1 each	5,00,00,000	5 00	5,00,00,000	5 00	5,00,00,000	5 00
		232 10		232 10		232 10
<b>Issued, Subscribed and Paid up:</b>						
Equity shares of ₹ 10 each fully paid up	20,20,200	2 02	20,20,200	2 02	20,20,200	2 02
		2 02		2 02		2 02

#### Note

a) Details of Share holders holding more than 5% shares

Name of the Shareholders	As at 31st March, 2019		As at 31st March, 2018		As at 1st April, 2017	
	No. of shares	Held (%)	No. of shares	Held (%)	No. of shares	Held (%)
Holding Company						
Reliance Industries Limited	20,20,200	100.00	20,20,200	100.00	20,20,200	100.00

b) Reconciliation of Shares outstanding at the beginning and at the end of the year

Particulars	As at 31st March, 2019		As at 31st March, 2018		As at 1st April, 2017	
	No. of shares	No. of shares	No. of shares	No. of shares	No. of shares	No. of shares
Shares at the beginning of the year	20,20,200	20,20,200	20,20,200	20,20,200	20,20,200	20,20,200
Add : Shares issued during the year	-	-	-	-	-	-
<b>Shares at the end of the year</b>	<b>20,20,200</b>	<b>20,20,200</b>	<b>20,20,200</b>	<b>20,20,200</b>	<b>20,20,200</b>	<b>20,20,200</b>

#### Rights, Preferences and Restrictions attached to shares

The Equity Shareholders are eligible for one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

## Reliance Strategic Investments Limited

Notes on the Financial Statement for the year ended 31st March, 2019

₹ in lakhs

	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
<b>14 Other Equity</b>			
<b>Instrument Classified as Equity</b>			
9% Non-Cumulative Compulsorily Convertible Preference Shares of ₹ 1 each (1)	4	4	4
9% Non-Cumulative Compulsorily Convertible Preference Shares of ₹ 1 each (2)	27	27	27
	31	31	31
<b>Capital Redemption Reserve</b>			
As per last Balance Sheet	1 23	1 23	1 23
<b>Securities Premium</b>			
As per Last Balance Sheet	881 17	881 17	881 17
<b>Statutory Reserve</b>			
As per last Balance Sheet	211 50	155 70	
Add: Transferred from Retained Earnings	-	55 80	
	211 50	211 50	155 70
<b>Retained Earnings</b>			
As per Last Balance Sheet	1012 44	826 55	
Add: Profit for the year	(401 68)	241 69	
	610 76	1068 24	
Less: Appropriations			
Transferred to Statutory Reserve Fund	-	55 80	
	610 76	1012 44	826 55
<b>Total</b>	1704 97	2106 65	1864 96

All the Preference Shares shall carry a preferential right over the Equity shares of the Company as regards to payment of dividend and repayment of capital, in the event of winding-up of the Company. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

- 1 9% Non-Cumulative Compulsorily Convertible Preference Shares of ₹ 1 each amounting to ₹ 4 lakhs (402800 shares held by Reliance Industries Limited - holding company). Each Compulsorily convertible preference share (CCPS) shall be convertible into one equity share of ₹ 10 each at a premium of ₹ 2790 per share at any time after 5 years from the date of issue i.e. 31.03.2010 upto 20 years from the date of issue. Outstanding CCPS, if any on the expiry of 20 years from the date of issue will automatically and compulsorily be converted into one equity share for every one CCPS.

Reconciliation of Shares outstanding at the beginning and at the end of the year

	As at 31st March, 2019 No. of shares	As at 31st March, 2018 No. of shares	As at 1st April, 2017 No. of shares
Shares at the beginning of the year	4,02,800	4,02,800	4,02,800
Add : Shares issued during the year	-	-	-
Shares at the end of the year	4,02,800	4,02,800	4,02,800

- 2 9% Non-Cumulative Compulsorily Convertible Preference Shares of ₹ 1 each amounting to ₹ 27 lakhs (2745355 shares held by Reliance World Trade Private Limited - fellow subsidiary company). Each Compulsorily convertible preference share (CCPS) shall be convertible into one equity share of ₹ 10 each at a premium of ₹ 2790 per share at any time after 5 years from the date of respective issues i.e. 06.01.2010 & 13.01.2010 upto 20 years from the date of respective issues. Outstanding CCPS, if any on the expiry of 20 years from the date of respective issues will automatically and compulsorily be converted into one equity share for every one CCPS.

Reconciliation of Shares outstanding at the beginning and at the end of the year

	As at 31st March, 2019 No. of shares	As at 31st March, 2018 No. of shares	As at 1st April, 2017 No. of shares
Shares at the beginning of the year	27,45,355	27,45,355	27,45,355
Add : Shares issued during the year	-	-	-
Shares at the end of the year	27,45,355	27,45,355	27,45,355

## Reliance Strategic Investments Limited

Notes on the Financial Statement for the year ended 31st March, 2019

	2018-19	2017-18	₹ in lakhs
<b>15 Revenue from Operations</b>			
<b>Interest income</b>			
<b>On Financial Assets measured at Amortised cost</b>			
Interest on Loans	4 87	11 70	
Interest Fixed Deposits	28 82	2 61	
<b>On Financial Assets classified at fair value through profit or loss</b>			
Interest income on investments (stock in Trade)	<u>31 28</u>	<u>1 86</u>	
	<b>64 97</b>	<b>16 17</b>	
<b>Dividend Income</b>			
On Investments	8 20	7 91	
On stock in trade	<u>38 60</u>	<u>33 08</u>	
	<b>46 80</b>	<b>40 99</b>	
<b>Net gain / (loss) on fair value changes</b>			
On Investments (Refer note 15.1)	16 03	140 64	
On stock in trade (Refer note 15.2)	<u>(232 83)</u>	<u>98 47</u>	
	<b>(216 80)</b>	<b>239 11</b>	
	<u><b>(105 03)</b></u>	<u><b>296 27</b></u>	

### 15.1 Net gain / (loss) on fair value changes - Investments

Net Gain / (Loss) on Financial instrument at fair value through profit and loss			
On investments	12 48	55 45	
Others - Venture funds	<u>3 55</u>	<u>85 19</u>	
Total net gain / (loss) on fair value changes	<b>16 03</b>	<b>140 64</b>	
Fair Value changes			
Realised	(14 23)	41 52	
Unrealised	<u>30 25</u>	<u>99 12</u>	
Total net gain / (loss) on fair value changes	<b>16 03</b>	<b>140 64</b>	

### 15.2 Net gain / (loss) on fair value changes - Stock in trade

Net Gain / (Loss) on Financial instrument at fair value through profit and loss			
On Investments	(185 95)	149 22	
On Derivatives	(45 87)	(50 75)	
On dealing in interest rate futures	<u>(1 01)</u>	<u>-</u>	
Total net gain / (loss) on fair value changes	<b>(232 83)</b>	<b>98 47</b>	
Fair Value changes			
Realised	(304 94)	274 14	
Unrealised	<u>72 11</u>	<u>(175 67)</u>	
Total net gain / (loss) on fair value changes	<b>(232 83)</b>	<b>98 47</b>	

## Reliance Strategic Investments Limited

Notes on the Financial Statement for the year ended 31st March, 2019

	2018-19	₹ in lakhs 2017-18
<b>16 Other Income</b>		
Interest others	-	25
Reversal of general provision on Standard Assets	9	95
	9	1 20

	2018-19	₹ in lakhs 2017-18
<b>17 Finance Cost</b>		
Interest on Borrowings (measured at amortised cost)	247 89	71 44
	247 89	71 44

	2018-19	₹ in lakhs 2017-18
<b>18 Other Expenses</b>		
Auditors remuneration		
Statutory audit fees	6	5
Tax audit fees	1	1
Certification fees (₹ 15500/-)	0	-
	7	6
Professional fees	88	79
Brokerage	42	32
Securities Transaction Tax	9 24	11 18
Directors sitting fees	12	9
Charity and donations *	5 00	3 20
Other administrative expenses	31	20
	16 04	15 84

\* Expenditure related to Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof

a) CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the company during the year was ₹ 500 lakhs (previous year ₹ 320 lakhs)

b) Expenditure related to CSR is ₹ 500 lakhs (previous year ₹ 320 lakhs) is spent through Reliance Foundation

	2018-19	₹ in lakhs 2017-18
<b>Particulars</b>		
Sports	3 75	2 15
Animal Welfare	1 25	105
<b>Total</b>	5 00	3 20

## Reliance Strategic Investments Limited

### Notes on the Financial Statement for the year ended 31st March, 2019

	<b>Year ended</b>	₹ in lakhs
	<b>31st March, 2019</b>	Year ended 31st March, 2018
<b>19 TAXATION</b>		
a) Income Tax recognised in Statement of Profit and Loss		
<b>Current Tax</b>		
In respect of the current year	-	92 50
In respect of prior year	-	27
<b>Deferred Tax</b>	<b>32 81</b>	(124 27)
Total income tax expenses recognised in the current year	<b>32 81</b>	(31 50)
The income tax expenses for the year can be reconciled to the accounting profit as follows:		
		₹ in lakhs
	<b>Year ended</b>	Year ended
	<b>31st March, 2019</b>	31st March, 2018
Profit Before Tax	(368 87)	210 19
Applicable Tax Rate	34.61%	34.61%
Computed Tax Expense	-	72 74
Tax Effect of :		
Income not Taxable	-	19 81
Expenses disallowed	-	22
Current Tax Provision (A)	-	92 77
Incremental / (reversal) Deferred Tax Liability on account of Financial Assets & Other items	<b>32 81</b>	(124 27)
Deferred Tax Provision (B)	<b>32 81</b>	(124 27)
Tax Expenses recognised in Statement of Profit and Loss (A+B)	<b>32 81</b>	(31 50)
		₹ in lakhs
	<b>As at</b>	As at
	<b>31st March, 2019</b>	31st March, 2018
b) <b>Current Tax Assets (Net)</b>		
At start of year	66 85	(6 28)
Charge for the year	-	(92 77)
Tax paid during the year	28 27	165 90
At end of year	<b>95 12</b>	66 85

## Reliance Strategic Investments Limited

Notes on the Financial Statement for the year ended 31st March, 2019

20 Earnings per share (EPS)	2018-19	2017-18
<b>Face value per equity share (₹)</b>	<b>10</b>	10
<b>Basic earnings per share (₹)</b>	<b>(1,988.32)</b>	1196.38
Net Profit after Tax as per Statement of Profit and Loss Account attributable to Equity Shareholders (₹ in lakhs)	<b>(401 68)</b>	241 69
Weighted average number of equity shares used as denominator for calculating Basic EPS	<b>20 20 200</b>	20 20 200
 <b>Diluted earnings per equity share (₹)</b>	 <b>(1,988.32) *</b>	 467.64
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in lakhs)	<b>(401 68)</b>	241 69
Weighted average number of Equity shares used as denominator for calculating Diluted EPS	<b>51 68 355</b>	51 68 355
 <b>Reconciliation of weighted number of shares outstanding</b>		
Weighted average number of Equity shares used as denominator for calculating Basic EPS	<b>20 20 200</b>	20 20 200
Total Weighted Average Potential Equity Shares	<b>31 48 155</b>	31 48 155
Weighted average number of Equity shares used as denominator for calculating Diluted EPS	<b>51 68 355</b>	51 68 355

\* Diluted earnings per share is same as basic earnings per share, since the potential equity shares are anti dilutive.

21 The Previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

	As at	₹ in lakhs As at
22 Contingent Liabilities	31st March, 2019	31st March, 2018
i) Commitments towards venture fund units	<b>82</b>	1 81

### 23 Segment Reporting

The Company is engaged in business of finance, future and option, Trading / investments in shares and securities in India only and there are no separate business / geographical segments as per Ind AS 108 "Operating Segment". The Board (the 'Chief Operating Decision Maker' as defined in Ind AS 108 'Operating Segments'), monitors the operating results of the entity's business for the purpose of making decisions about resource allocation and performance assessment.

## Reliance Strategic Investments Limited

### Notes on the Financial Statement for the year ended 31st March, 2019

24 Disclosure under Para 2 of Schedule V of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015

**a) Loans and advances in the nature of loans**

₹ in lakhs

Sr No.	Name of the Company	As at 31st March 2019	Maximum balance during the year	As at 31st March 2018	Maximum balance during the year
1	Reliance Petroinvestments Limited	-	-	-	3 40
2	Reliance Aromatic & Petrochemicals Limited	33	33	20	20
3	Reliance Energy and Project Development Limited	30	30	23	23
4	Reliance Chemicals Limited	94	94	69	69
5	Reliance Energy Generation and Distribution Limited	-	1 30	50	50
6	Reliance Universal Enterprises Limited	2 25	2 25	1 90	1 90
7	Reliance World Trade Private Limited	3 83	3 83	3 02	3 02
8	Reliance Content Distribution Limited	-	17 00	-	-
9	Reliance Jio Digital Services Limited	-	-	-	135 00
10	Reliance Jio Messaging Services Limited	-	-	-	79 68
11	Reliance Fire Brigade Services Private Limited	-	-	-	50
12	Reliance Group Support Services Private Limited	-	-	-	2 45
13	JM Financial Products Limited	-	25 00	25 00	25 00
14	Abans Finance Limited	-	100 00	-	-

Note : All above loans and advances are towards business purpose :

- i) Loans shown above under item no. 2 to 7, to Fellow subsidiary companies fall under the Category of "Loans and Advances" - in nature of zero coupon optionally convertible for a period of 10 years
- ii) Loans shown above under item no. 13 & 14, to Others fall under the Category of "Loans and Advances" - in nature of short term interest bearing loan.

**b) Investment by the loanee in the shares of the Company, out of loans given is NIL**

## Reliance Strategic Investments Limited

### Notes on the Financial Statement for the year ended 31st March, 2019

25 Investments	₹ in lakhs					
	As at 31st March, 2019		As at 31st March, 2018		As at 1st April, 2017	
	Units	Amount	Units	Amount	Units	Amount
<b>I Long term investments</b>						
<b>(A) Investments Measured at Cost *</b>						
<b>In Equity Shares of Fellow Subsidiary Company</b>						
<b>Quoted, fully paid up</b>						
Den Networks Limited of ₹ 10 each	14,87,160	10 69	-	-	-	-
<b>In Equity Shares of Associate Company</b>						
<b>Unquoted, fully paid up</b>						
Reliance Commercial Dealers Limited of ₹ 10 each	37,50,000	3 75	37,50,000	3 75	37,50,000	3 75
<b>Total (A)</b>		<b>14 44</b>		<b>3 75</b>		<b>3 75</b>
<b>(B) Investments Measured at Fair Value</b>						
<b>Through Profit and Loss</b>						
<b>In Equity Shares - Quoted, fully paid up</b>		<b>441 07</b>		<b>367 77</b>		<b>12 30</b>
<b>In Debentures - Quoted, fully paid up</b>						
HDB Financials Services Ltd. - NCD Series 113 of ₹ 1000000 each	1,000	109 91	1,000	102 04	-	-
HDB Financials Services Ltd. - NCD Series 120 of ₹ 1000000 each	1,000	107 00	-	-	-	-
Kotak Mahindra Prime Limited 0% Secured Redeemable Non Convertible Debentures - Series I of ₹ 1000000 each	1,000	108 44	1,000	100 15	-	-
PNB Housing Finance Limited 0% Secured Redeemable Non Convertible Bonds - Series XLIII-A of ₹ 1000000 each	1,000	107 92	1,000	101 46	-	-
		<u>433 27</u>		<u>303 65</u>		<u>-</u>
<b>In Warrants - Quoted, fully paid up</b>		-		73 24		35 85
<b>In Equity Shares - Unquoted, fully paid up</b>		<b>66 15</b>		<b>69 83</b>		<b>34 42</b>
<b>In Venture Fund - Unquoted, fully paid up</b>						
Peninsula Realty fund of ₹ 100000 each	-	-	-	-	1,525	10 15
KKR India Debt Fund I of ₹ 1000 each	308,149	21 22	481,250	46 93	892,060	104 46
DSP Blackrock India Enhanced Equity Fund - Class B of ₹ 100 each	-	-	-	-	2,000,000	26 12
		<u>21 22</u>		<u>46 93</u>		<u>140 73</u>



## Reliance Strategic Investments Limited

### Notes on the Financial Statement for the year ended 31st March, 2019

25 Investments (Contd..)	₹ in lakhs					
	As at 31st March, 2019		As at 31st March, 2018		As at 1st April, 2017	
	Units	Amount	Units	Amount	Units	Amount
<b>I Long term investments</b>						
<b>Unquoted, partly paid up</b>						
Multiples Private Equity Fund - Scheme I of ₹ 100000 each, paid up ₹ 40846.35 (previous year ₹ 48580.59) each	5,000	50 98	5,000	47 84	5,000	37 33
LICHFL Urban Development Fund of ₹ 10,000 each, paid up ₹ 3857.34 (previous year ₹ 7172.32) each	25,000	10 65	25,000	18 65	25,000	15 67
		<u>61 64</u>		<u>66 50</u>		<u>53 00</u>
<b>Total (B)</b>		<b>1023 34</b>		927 91		276 30
<b>Total Long term investments (A+B)</b>		<b>1037 78</b>		931 66		280 05
Investments outside India		-		-		-
Investments in India		<b>1037 78</b>		931 66		280 05
		<b>1037 78</b>		931 66		280 05
Aggregate amount of Quoted Investments		874 34		744 66		14 33
Market Value of Quoted Investments		874 34		744 66		48 15
Aggregate amount of Unquoted Investments		163 45		187 00		231 90
Aggregate provision for impairment in value of Investment		-		-		-
<b>Category-wise Long term Investment</b>						
	As at 31st March, 2019		As at 31st March, 2018		As at 1st April, 2015	
Financial assets measured at Cost	14 44		3 75		3 75	
Financial assets carried at amortised cost	-		-		-	
Financial assets measured at Fair value through other comprehensive income	-		-		-	
Financial assets measured at Fair value Through Profit and Loss	1023 34		927 91		276 30	
<b>Total</b>		<u><b>1037 78</b></u>		<u>931 66</u>		<u>280 05</u>

## Reliance Strategic Investments Limited

### Notes on the Financial Statement for the year ended 31st March, 2019

	As at 31st March, 2019	As at 31st March, 2018	₹ in lakhs As at 1st April, 2017
<b>25 Investments (Contd.)</b>			
<b>II Stock in Trade</b>			
<b>Investments measured at Fair Value Through Profit and Loss In Equity Share, quoted fully paid up</b>	<b>2106 03</b>	2779 83	2575 55
<b>Total</b>	<b><u>2106 03</u></b>	<b><u>2779 83</u></b>	<b><u>2575 55</u></b>
Investments outside India	-	-	-
Investments in India	<u>2106 03</u>	<u>2779 83</u>	<u>2575 55</u>
	<b>2106 03</b>	<b>2779 83</b>	<b>2575 55</b>
Aggregate amount of Quoted Investments	<b>2106 03</b>	2779 83	2575 55
Market Value of Quoted Investments	<b>2106 03</b>	2779 83	2575 55
<b>Category-wise Investments (Stock in Trade)</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>31st March, 2019</b>	<b>31st March, 2018</b>	<b>1st April, 2017</b>
Financial assets carried at amortised cost	-	-	-
Financial assets measured at Fair value through other comprehensive income	-	-	-
Financial assets measured at Fair value Through Profit and Loss	<b>2106 03</b>	2779 83	2575 55
<b>Total</b>	<b><u>2106 03</u></b>	<b><u>2779 83</u></b>	<b><u>2575 55</u></b>

## Reliance Strategic Investments Limited

### Notes on the Financial Statement for the year ended 31st March, 2019

#### 26 Related Party

i) As per Ind AS 24, the disclosures of transactions with the related parties are given below :

List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship
1	Reliance Industries Limited	Holding Company
2	Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary Companies
3	Reliance Corporate IT Park Limited	
4	Reliance Energy Generation & Distribution Limited	
5	Reliance Polyolefins Limited	
6	Reliance Energy and Project Development Limited	
7	Reliance Aromatics and Petrochemicals Limited	
8	Reliance Chemicals Limited	
9	Reliance Universal Enterprises Limited	
10	Reliance World Trade Private Limited	
11	Reliance Jio Digital Services Limited	
12	Reliance Jio Messaging Services Limited	
13	Den Network Limited	^
14	Reliance Commercial Dealers Limited	Associate Company
15	Komal Chhapru	^
16	Sajita Nair	^
17	Gopalakrishnan J	^
18	Suresh Jagannathan	^
19	Tapas Mitra	^
20	Vishal Kumar	^

^ The above entities / KMP includes related parties where the relationship existed for the part of the year

#### ii) Transactions during the year with related parties:

Sr. No.	Nature of Transaction	Holding Company	Fellow Subsidiaries	Associate	Key Managerial Personnel	Total
1	Loans taken / (repaid) (net)	<b>584 12</b> <i>177 70</i>	-	-	-	<b>584 12</b> <i>177 70</i>
2	Loans given / (returned) (net)	-	<b>1 11</b> <i>(148 97)</i>	-	-	<b>1 11</b> <i>(148 97)</i>
3	Interest income	-	<b>-</b> <i>9 28</i>	-	-	<b>-</b> <i>9 28</i>
4	Expenses					
	Finance Cost	<b>243 63</b> <i>71 44</i>	-	-	-	<b>243 63</b> <i>71 44</i>
	Professional fees	<b>29 *</b> <i>19 *</i>	<b>55</b> <i>55</i>	-	<b>9</b> <i>6</i>	<b>93</b> <i>80</i>

\* includes remuneration paid to Key Managerial Personnel on secondment basis ₹ 8 lakhs (previous year ₹ 3 lakhs)

Note : Figures in Italic represents previous year's amount

## Reliance Strategic Investments Limited

### Notes on the Financial Statement for the year ended 31st March, 2019

#### 26 Related Party (contd...)

Sr. No.	Nature of Transaction	Holding Company	Fellow Subsidiaries	Associate	Key Managerial Personnel	Total
(₹ in lakhs)						
<b>Balance as at 31st March, 2019</b>						
1	Equity share capital	<b>2 02</b>	-	-	-	<b>2 02</b>
		<i>2 02</i>	-	-	-	<i>2 02</i>
2	Preference share capital (including premium)	<b>112 78</b>	<b>768 70</b>	-	-	<b>881 48</b>
		<i>112 78</i>	<i>768 70</i>	-	-	<i>881 48</i>
3	Loans taken	<b>2321 42</b>	-	-	-	<b>2321 42</b>
		<i>1737 30</i>	-	-	-	<i>1737 30</i>
4	Loans given	-	<b>7 65</b>	-	-	<b>7 65</b>
		-	<i>6 54</i>	-	-	<i>6 54</i>
5	Trade receivable / (Trade payable)	-	-	-	-	-
		<i>(17)</i>	<i>(59)</i>	-	-	<i>(76)</i>
6	Investments	-	<b>10 69</b>	<b>3 75</b>	-	<b>14 44</b>
		-	-	<i>3 75</i>	-	<i>3 75</i>

Note : Figures in Italic represents previous year's amount

#### Disclosure in Respect of Material Related Party Transactions during the year:

(₹ in lakhs)

Particulars	Relationship	2018-19	2017-18
<b>1 Loans taken / (repaid) (net)</b>			
Reliance Industries Limited	Holding Company	<b>584 12</b>	177 70
<b>2 Loans given / (returned) (net)</b>			
Reliance Petroinvestments Limited (now merged with Reliance Industrial Investments and Holdings Limited)	Fellow Subsidiary	-	(3 40)
Reliance World Trade Private Limited	Fellow Subsidiary	<b>81</b>	75
Reliance Energy Generation and Distribution Limited	Fellow Subsidiary	<b>( 50)</b>	47
Reliance Energy Project and Development Limited	Fellow Subsidiary	<b>7</b>	8
Reliance Aromatics and Petrochemicals Limited	Fellow Subsidiary	<b>13</b>	8
Reliance Chemicals Limited	Fellow Subsidiary	<b>25</b>	25
Reliance Universal Enterprises Limited	Fellow Subsidiary	<b>35</b>	30
Reliance Jio Digital Services Limited	Fellow Subsidiary	-	(135 00)
Reliance Jio Messaging Services Limited	Fellow Subsidiary	-	(12 50)
<b>3 Interest income</b>			
Reliance Jio Digital Services Limited	Fellow Subsidiary	-	6 93
Reliance Jio Messaging Services Limited	Fellow Subsidiary	-	2 35

## Reliance Strategic Investments Limited

### Notes on the Financial Statement for the year ended 31st March, 2019

#### 26 Related Party (contd...)

(₹ in lakhs)

#### Disclosure in Respect of Material Related Party Transactions during the year:

Particulars	Relationship	2018-19	2017-18
<b>4.1 Interest expense</b>			
Reliance Industries Limited	Holding Company	243 63	71 44
<b>4.2 Professional fees</b>			
Reliance Industries Limited *	Holding Company	29	
Reliance Corporate IT Park Limited	Fellow Subsidiary	55	55
Komal Chhapru	Key Managerial Personnel	1	1
Gopalakrishnan J	Key Managerial Personnel	-	2
Suresh Jagannathan	Key Managerial Personnel	5	-
Sajita Nair	Key Managerial Personnel	0.4	-
Vishal Kumar	Key Managerial Personnel	1	-
Tapas Mitra	Key Managerial Personnel	2	3

\* includes remuneration paid to Key Managerial Personnel on secondment basis ₹ 8 lakhs (previous year ₹ 3 lakhs)

#### 27 Capital Management

The Company manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders. The company manages its capital structure and make adjustment in light of changes in business condition. The overall strategy remains unchanged as compare to last year.

	₹ in lakhs		
	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
The Net Gearing Ratio at end of the reporting period was as follows :			
Gross Debt	2321 42	1737 30	1559 60
Cash and Marketable Securities	3881 42	3709 42	3204 21
Net debt (A)	(1560 00)	(1972 12)	(1644 61)
Total Equity (as per Balance Sheet) (B)	1706 99	2108 67	1866 98
Net Gearing Ratio (A/B)	(0.91)	(0.94)	(0.88)

## Reliance Strategic Investments Limited

Notes on the Financial Statement for the year ended 31st March, 2019

### 28 Financial Instruments

#### A) Fair Valuation Measurement hierarchy

₹ in lakhs

Particulars	As at 31st March, 2019			As at 31st March, 2018			As at 1st April, 2017		
	Carrying Amount	Level of input used in		Carrying Amount	Level of input used in		Carrying Amount	Level of input used in	
		Level 1	Level 2		Level 1	Level 2		Level 1	Level 2
<b>Financial Assets</b>									
<b>At Amortised Cost</b>									
Investments *	-	-	-	-	-	-	-	-	-
Trade Receivables	31 08	-	-	40 32	-	-	-	-	-
Cash and Cash Equivalent	752 05	-	-	1 68	-	-	352 36	-	-
Loans	7 65	-	-	31 54	-	-	165 46	-	-
Other Financial Assets	70 48	-	-	15 47	-	-	32 78	-	-
<b>At FVTPL</b>									
Investments	3129 38	2547 10	582 28	3707 74	3220 84	486 90	2851 85	2623 70	228 15
Financial Derivatives	-	-	-	-	-	-	401 85	401 85	-
<b>At FVTOCI</b>									
	-	-	-	-	-	-	-	-	-
<b>Financial Liabilities</b>									
<b>At Amortised Cost</b>									
Borrowings	2321 42	-	-	1737 30	-	-	1559 60	-	-
Trade Payables	86	-	-	-	-	-	-	-	-
Other Financial liabilities	47	-	-	-	-	-	266 67	-	-
<b>At FVTPL</b>									
Financial Derivatives	16 63	16 63	-	-	-	-	-	-	-
<b>At FVTOCI</b>									
	-	-	-	-	-	-	-	-	-

\* Excludes financial assets measured at cost (Refer note 25)

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

#### Valuation Methodology

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

The fair value of investment in quoted Equity Shares, Bonds, Government Securities, and Mutual / Venture Funds is measured at quoted price or NAV.

#### B) Financial Risk Management

Different type of risk the Company is exposed are as under:

##### Interest rate risk

Company's borrowing is only through its holding company viz Reliance Industries Limited, it has no borrowing from Bank/FI etc. Interest payable against such borrowing is as per agreed terms.

##### Credit risk

Credit risk is the risk that a Broker or counterparty to a financial instrument will fail to perform or pay amounts due causing financial loss to the company.

It arises from cash and cash equivalents, derivative financial instruments, deposits with Banks and from credit exposures relating to outstanding receivables.

The Company has a prudent and conservative process for managing its credit risk arising in the course of its business activities..

##### Liquidity risk

Liquidity risk is the risk that suitable sources of funding for the company's business activities may not be available. Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. Company manages liquidity risk by maintaining adequate reserves and matching maturity profiles of financial assets and financial liabilities.

##### Market risk

Companies main activity is to do trading in financial instruments viz. equity shares, debentures, bonds, derivatives etc. This market is influenced by domestic / international political, financial and other events occurring on day to day basis. Hence the market is constantly volatile and uncertain. Company has strong treasury philosophies and practices and is well geared to meet the challenges of volatile market conditions.

### 29 Approval of Financial Statements

The Financial statements were approved for issue by the board of directors on April 15, 2019.

## Reliance Strategic Investments Limited

### Notes on the Financial Statement for the year ended 31st March, 2019

#### 30 NBFC Disclosures

30.1 Disclosures of details as required by Paragraph 16 and 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, are given to the extent applicable.

The figures disclosed below are based on management certified financial statement prepared as per the requirement of RBI, and hence they are not in agreement with the Ind AS Financial Statement.

<b>Liabilities side</b>	Amount outstanding	₹ in lakhs Amount overdue
I Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid		
a) Inter-corporate loans and borrowing	2321 42	-

<b>Assets side</b>	₹ in lakhs Amount outstanding
II Break-up of Loans and Advances including bills receivables	
a) Secured	-
b) Unsecured	204 33

III Break up of Leased Assets and Stock on hire and other assets counting towards AFC activities -

IV Break-up of Investments	
Current Investments (Including Stock-in-trade)	
1 Quoted	
i) Shares	
a) Equity	2033 92

        2 Unquoted -

Long Term Investments	
1 Quoted	
i) Shares : Equity	341 05
ii) Debentures	400 00

2 Unquoted	
i) Shares : Equity	26 13
ii) Units of venture funds / AIF	60 88

V Borrower group-wise classification of assets financed as in (II) and (III) above :			
		Amount net of provision	
Category	Secured	Unsecured	Total
1 Related parties			
i) Subsidiaries	-	-	-
ii) Other related party	-	7 65	7 65
2 Other than related parties	-	196 68	196 68
Total	-	204 33	204 33

VI Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)	Market value/Break up or fair value or NAV	Book value (net of provisions)
Category		
1 Related Parties		
i) Subsidiaries	-	-
ii) Other related parties	14 41	14 44
2 Other than related parties	3063 62	2847 54
Total	3078 03	2861 98

VII Other information		Amount
Particulars		
1 Gross Non-Performing Assets		-
2 Net Non-Performing Assets		-
3 Assets acquired in satisfaction of debt		-

## Reliance Strategic Investments Limited

### Notes on the Financial Statement for the year ended 31st March, 2019

#### 30 NBFC Disclosures (Contd...)

##### 30.2 Capital to Risk Assets Ratio (CRAR)

	As at 31st March, 2019 (%)	As at 31st March, 2018 (%)							
i) CRAR	44.01	50.73							
ii) CRAR - Tier I Capital	44.01	50.73							
iii) CRAR - Tier II Capital	-	-							
2 Exposure to Real Estate Sector									
Category	As at 31st March, 2019	As at 31st March, 2018							
₹ in lakhs									
a) Direct exposure									
i) Residential Mortgages	-	-							
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to ₹.15 lakh may be shown separately)									
ii) Commercial Real Estate	-	-							
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential building, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;									
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures									
- Residential	-	-							
- Commercial Real Estate	-	-							
b) Indirect Exposure *									
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	370 53	367 03							
* Investment in property venture funds / equity shares / warrants of HDFC Limited									
3 Asset Liability Management - maturity pattern of certain items of assets and liabilities									
	1 day to 30/ 31 days one month	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
₹ in lakhs									
<b>Liabilities</b>									
Borrowings from Banks	-	-	-	-	-	-	-	-	-
Market Borrowings	-	-	-	-	-	-	-	-	-
Loan from Holding Company	800 00	800 00	721 42	-	-	-	-	-	2321 42
<b>Assets</b>									
Advances	50 30	-	-	1	6 63	139 74	-	7 65	204 33
Investments	550 00	825 00	725 00	133 92	372 38	210 42	30 82	14 44	2861 98

30.3 The frauds detected and reported for the year amounted to ₹ Nil (Previous year ₹ Nil).



## Reliance Strategic Investments Limited

### Notes on Financial Statement for the Year ended 31st March, 2019

**30.4** Disclosures under para 70 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, are given to the extent applicable.

a) <b>Capital</b>	<b>As at</b> <b>31st March, 2019</b>	As at 31st March, 2018
i) CRAR (%)	<b>44.01</b>	50.73
ii) CRAR – Tier I Capital (%)	<b>44.01</b>	50.73
iii) CRAR – Tier II Capital (%)	-	-
iv) Amount of subordinated debt raised as Tier-II capital (₹)	-	-
v) Amount raised by issue of Perpetual Debt instruments (₹)	-	-

₹ in lakhs		
b) <b>Investments</b> (Incl. Stock - in - Trade)	<b>As at</b> <b>31st March, 2019</b>	As at 31st March, 2018
i) Value of Investments		
(a) Gross Value of Investments		
i) In India	<b>2861 98</b>	3652 82
ii) Outside India	-	-
(b) Provision for Depreciation		
i) In India	-	146 26
ii) Outside India	-	-
(c) Net Value of Investments		
i) In India	<b>2861 98</b>	3506 56
ii) Outside India	-	-
ii) Movement of provisions held towards depreciation on investments	-	146 26

₹ in lakhs		
c) Derivatives: Forward Rate Agreement / Interest Rate Swap	<b>As at</b> <b>31st March, 2019</b>	As at 31st March, 2018
d) Exchange Traded Interest Rate (IR) Derivatives	-	-
e) Disclosures on Risk Exposure in Derivatives		
i) Qualitative Disclosure	-	-
ii) Quantitative Disclosures	-	-
f) Securitisation	-	-
g) Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction	-	-
h) Assignment transactions	-	-
i) Non-Performing Financial Assets Purchased	-	-
j) Non-Performing Financial Assets Sold	-	-
k) Exposure to Real Estate Sector <b>- Refer 30 (2)(2)</b>		
l) Exposure to Capital Market		
i) Investment in quoted equity shares and bonds	<b>2774 97</b>	3390 10
ii) Exposure to Venture Capital Funds	<b>60 88</b>	90 33
	<b>2835 85</b>	<b>3480 43</b>

## Reliance Strategic Investments Limited

### Notes on Financial Statement for the Year ended 31st March, 2019

m)	Provisions and Contingencies - Refer note : 12 & 22	86	1 94
<b>30.4</b>	Disclosures under para 70 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, are given to the extent applicable.		
			₹ in lakhs
			<b>As at</b>
			<b>31st March, 2019</b>
n)	Details of financing of parent company products		-
o)	Details of Single Borrower Limit / Group Borrower Limit exceeded		-
p)	Unsecured Advances		-
	Total amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. has been taken as also the estimated value of such intangible collateral		-
q)	Registration obtained from other financial sector regulators		-
r)	Penalties imposed by RBI and other regulators		-
s)	Ratings assigned by credit rating agencies and migration of ratings during the year		-
t)	Remuneration of Directors and Transactions with non executive directors (Directors sitting fees)		<b>12</b>
u)	Impact of prior period items on current year's profit and loss		-
v)	Revenue recognition has been postponed:		-
w)	Indian Accounting Standard 110 - Consolidated Financial Statements (CFS)		<b>Refer Note I</b>
x)	Country of Operation is whole of India and there are no joint venture partners and Overseas Subsidiaries of the Companies		
y)	Draw Down from Reserves		-
z)	Concentration of Deposits, Advances, Exposures and NPAs		
	aa) Concentration of Deposits		-
	ab) Concentration of Advances		
	Total Advances to twenty largest borrowers		<b>7 65</b>
	Percentage of Advances to twenty largest borrowers to total advances		<b>100</b>
	ac) Concentration of Exposure		
	Total exposure to twenty largest borrowers / customers		<b>7 65</b>
	Percentage of exposures to twenty largest borrowers / customers to total exposure		<b>100</b>
	ad) Concentration of NPAs		-
	ae) Sector-wise NPAs		-
	af) Movement of NPAs		-
	ag) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)		-
	ah) Off-balance Sheet SPVs sponsored		-
	ai) Customer Complaints		-
	aj) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities - Refer note : 30(2)(3)		

#### **Note I**

Exemption availed under Rule 6 of Companies (Accounts) Rules, 2014

## Reliance Strategic Investments Limited

Notes on the Financial Statement for the year ended 31st March, 2019

### 31 First time IND AS Adoption Reconciliations

#### 31.1 Effect of Ind AS adoption on the standalone balance sheet as at 31st March, 2018 and 1st April, 2017

₹ in lakhs

	As at 31st March 2018			As at 1st April 2017		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
<b>ASSETS</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	68	-	68	1 36	-	1 36
Cash and Bank balances	1 00	-	1 00	351 00	-	351 00
Derivative financial instrument	-	-	-	367 16	34 69	401 85
Receivables						
Trade receivables	40 32	-	40 32	37 79	-	37 79
Other receivables	-	-	-	-	-	-
Loans	31 54	-	31 54	165 46	-	165 46
Investments	3506 56	204 94	3711 49	2524 35	331 25	2855 60
Other financial assets	15 47	-	15 47	32 78	-	32 78
	<b>3595 57</b>	<b>204 94</b>	<b>3800 50</b>	<b>3479 90</b>	<b>365 94</b>	<b>3845 84</b>
<b>Non-Financial Assets</b>						
Tax Assets (net)	66 85	-	66 85	-	-	-
Deferred Tax Assets (net)	-	-	-	-	-	-
	<b>66 85</b>	<b>-</b>	<b>66 85</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>3662 42</b>	<b>204 94</b>	<b>3867 36</b>	<b>3479 90</b>	<b>365 94</b>	<b>3845 84</b>
<b>Liability</b>						
<b>Finance Liabilities</b>						
Derivative financial instrument	-	-	-	-	-	-
Trade payables	-	-	-	-	-	-
Borrowings	1737 30	-	1737 30	1559 60	-	1559 60
Other Financial Liabilities	29	-	29	266 67	-	266 67
	<b>1737 59</b>	<b>-</b>	<b>1737 59</b>	<b>1826 27</b>	<b>-</b>	<b>1826 27</b>
<b>Non-Financial Liabilities</b>						
Tax Liabilities (net)	-	-	-	6 28	-	6 28
Deferred Tax Liability (net)	-	20 97	20 97	-	145 24	145 24
Provisions	13	-	13	1 07	-	1 07
	<b>13</b>	<b>20 97</b>	<b>21 10</b>	<b>7 35</b>	<b>145 24</b>	<b>152 59</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Equity Share capital	2 02	-	2 02	2 02	-	2 02
Other Equity	1922 68	183 97	2106 65	1644 26	220 70	1864 96
<b>Total equity attributable to owners of the company</b>	<b>1924 70</b>	<b>183 97</b>	<b>2108 67</b>	<b>1646 28</b>	<b>220 70</b>	<b>1866 98</b>
<b>Total Equity and Liabilities</b>	<b>3662 42</b>	<b>204 94</b>	<b>3867 36</b>	<b>3479 90</b>	<b>365 94</b>	<b>3845 84</b>

## Reliance Strategic Investments Limited

Notes on the Financial Statement for the year ended 31st March, 2019

₹ in lakhs

### 31.2 Reconciliation of Profit and Other Equity between Ind AS and previous GAAP

Nature of Adjustment	Net Profit	Other Equity	
	Year ended 31st March, 2018	As at 31st March, 2018	As at 1st April, 2017
Net Profit / Other Equity as per Previous Indian GAAP	278 42	1922 68	1644 26
Fair Valuation for Financial Assets	(161 00)	204 94	365 94
Deferred Tax	124 27	(20 97)	(145 24)
<b>Total</b>	<b>(36 73)</b>	<b>183 98</b>	<b>220 70</b>
Net profit before OCI / Other Equity as per Ind AS	241 69	2106 65	1864 96

#### Note

The Company has valued financial assets (other than Investment in subsidiaries and associates which are accounted at cost), at fair value. Impact of fair value changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognised in Profit and Loss Account).

### 31.3 Effect of Ind AS adoption on the statement of profit and loss for the year ended 31st March, 2018

₹ in lakhs

	Year ended 31st March, 2018		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS
<b>INCOME</b>			
Revenue from operation	457 27	(161 00)	296 27
Other Income	1 20	-	1 20
<b>Total Income</b>	<b>458 47</b>	<b>(161 00)</b>	<b>297 47</b>
<b>EXPENDITURE</b>			
Finance Costs	71 44	-	71 44
Other Expenses	15 84	-	15 84
<b>Total Expenses</b>	<b>87 28</b>	<b>-</b>	<b>87 28</b>
Profit Before Tax	371 19	(161 00)	210 19
<b>Tax Expenses</b>			
Current Tax	92 50	-	92 50
Adjustment of tax relating to earlier period	27	-	27
Deferred Tax	-	(124 27)	(124 27)
<b>Profit for the Year</b>	<b>278 42</b>	<b>(36 73)</b>	<b>241 69</b>

## Reliance Strategic Investments Limited

As per our Report of even date

For and on behalf of the Board

For **Chaturvedi & Shah LLP**

Firm Registration No : 101720W/W100355

Chartered Accountants

Sd/-

**Jignesh Mehta**

Partner

Membership No. 102749

Mumbai

Date : 15th April, 2019

For **Rajendra & Co.**

Firm Registration No : 108355W

Chartered Accountants

Sd/-

**Sanket M. Shah**

Partner

Membership No. 148270

Sd/-

**K. Sethuraman**

Chairman

--

**Jagannatha Kumar**

Director

Sd/-

**Jayashri Rajesh**

Director

Sd/-

**Dhiren Dalal**

Independent Director

Sd/-

**Shivkumar Bhardwaj**

Independent Director

Sd/-

**Sajita Nair**

Company Secretary

Sd/-

**Suresh Jagannathan**

Chief Financial Officer

## Reliance Strategic Investments Limited

### Salient Features of Financial Statements of Subsidiary / Associates / Joint Ventures as per the Companies Act, 2013

**Part 'A' : Subsidiaries**

There are no subsidiaries as at March 31, 2019

**Names of Subsidiaries which are yet to commence operation - NIL**

**Names of Subsidiaries which have been liquidated or sold or merged during the year - NIL**

**Part 'B' : Associates and Joint Ventures**

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr no.	Name of Associates/Joint Ventures	Latest audited Balance Sheet Date	Date on which the Associate or Joint Venture was associated or acquired	Shares of Associate/Joint Venture held by the company on the year end		Extent of Holding %	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in lacs)	Profit/Loss for the year		Description of how there is significant influence	Reason why the associate/joint venture is not consolidated
				No.	Amount of Investment in Associate/Joint Venture (₹ in lacs)			Considered in Consolidation	Not Considered in Consolidation		
<b>Associates</b>											
1	Reliance Commercial Dealers Limited	31.03.2019	11.07.2007	37 50 000	3 75	25	6 82	-	(₹ in lacs)	Refer Note A	Refer Note B

Notes

A There is significant influence due to percentage (%) holding of voting power.

B Consolidated accounts not prepared. Exemption availed as per Rule 6 of Companies (Accounts) Rules, 2014

The above statement also indicates performance and financial position of the said associate.

**Names of Associates or Joint Ventures which are yet to commence operation - NIL**

**Names of Associates or Joint Ventures which have been liquidated or sold during the year - NIL**

