Independent Auditor’s Report

To the Members of Reliance Realty Limited

Report on the Audit of the financial statements

Qualified Opinion

We have audited the financial statements of **Reliance Realty Limited** (“the Company”), which comprise the balance sheet as at March 31, 2023, the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (“the financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Companies Act 2013 (“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, 2023 and changes in equity and its loss (including other comprehensive income) and its cash flows for the year ended on that date.

Basis for Qualified Opinion

a) We draw attention to Note no. 2.36 of the financial statements, regarding pending comprehensive review of carrying amount of all assets including investment in subsidiary & liabilities and non provision for impairment of carrying value of assets and write back of liabilities if any, due to pending completion of the corporate insolvency resolution process of Holding Company. In the absence of comprehensive review as mentioned above for the carrying value of all the assets and liabilities, we are unable to comment that whether any adjustment is required in the carrying amount of such assets and liabilities and consequential impact, if any, on the reported profit for the year ended March 31, 2023. Non determination of fair value of financial assets & liabilities and carrying amount for other assets and liabilities are not in compliance with Ind AS 109 “Financial Instruments”, Ind AS 37 “Provisions, Contingent Liabilities & Contingent Assets” & Ind AS 36 “Impairment of Assets”.

b) We draw attention to Note no. 2.41 of the financial statements, regarding losses incurred by the Company during the earlier years resulting in erosion of its networth and its current liabilities exceeding its current assets. Further, major customers of the Company are their own group companies including its holding Company which are under Corporate Insolvency Resolution Process. This situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The accounts however have been prepared by the management on a going concern basis for the reason stated in the aforesaid note. We however are unable to obtain sufficient and appropriate audit evidence regarding management's use of the going concern basis of accounting in the preparation of the financial statements, in view of ongoing Corporate Insolvency Resolution Process of Holding Company, the outcome of which cannot be presently ascertained.

c) We draw attention to Note No. 2.09 of the financial statements, regarding payment of an amount of Rs. 68 Crore to related parties during earlier year, for which terms are not yet finalised. Further, no interest has been charged by the Company in respect of this payment. Pending finalisation of terms as on reporting date, we are unable to comment that whether any adjustment is required in the carrying amount of such receivable and consequential impact, if any, on the reported profits for the year ended March 31, 2023.

d) We draw attention to Note No. 2.35 of the financial statements, regarding the Capital advance paid to a related party of Rs. 25.45 Crore during earlier year. The Company has received the invoices but due to technical and financial evaluation pendency, these invoices are not accounted in the books of account. Pending technical and financial evaluation as on reporting date, we are unable to comment on the consequential impact if any, on the financial statements of the Company.

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for qualified opinion.

Information Other than the financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon adopted on the same date.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the report containing other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management and Those Charged with Governance for the financial statements

The Company's Board of Directors/ Management 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

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

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

The Board of Directors 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.

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

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

(a) Except for the matters described in the Basis of Qualified Opinion paragraph above, 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) Except for the possible effects of the matters described in the Basis of Qualified opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

(c) The Balance Sheet, the Statement of Profit and Loss, and the Statement of Cash Flows 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 Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015 as amended, except requirement of Ind AS 109 "Financial Instruments", Ind AS 36 "Impairment of Assets", Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets", with regard to matters described in the Basis of Qualified Opinion paragraph above.

(e) The matter described under the basis for qualified opinion paragraph above and Qualified Opinion paragraph of 'Annexure B' to this report in our opinion, may have an adverse effect on functioning of the Company and on the amounts disclosed in financial statements of the Company;

(f) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

(g) The qualification relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

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

(i) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, no managerial remuneration has been paid/provided during the year.

(j) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There were no amounts which are required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The management has represented to us that, to the best of its knowledge and belief no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented to us that, to the best of its knowledge and belief no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on our audit procedure that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

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

vi. Pursuant to Rule 3 (1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 01, 2023 to the Company which are companies incorporated in India and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **Pathak H. D. & Associates LLP**
Chartered Accountants
Firm's Registration No: 107783W/W100593

Jigar T. Shah
Partner
Membership No: 161851
UDIN: 23161851BGSWYO2358

Date: May 26, 2023
Place: Mumbai

‘Annexure A’ to the Independent Auditor’s Report

With reference to the Annexure A referred to in the Independent Auditor’s Report to the Members of Reliance Realty Limited ('the Company') on the financial statements for the year ended March 31, 2023, we report the following:

i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of investment property.

(B) Based on the records examined by us and information and explanation given to us the Company does not have any intangible assets.

(b) We are informed that the Company physically verifies its assets over a three year period. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.

(c) According to the information and explanations given to us and records examined by us, the title deeds of all immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 2.01 of the financial statements, are held in the name of the Company.

(d) Based on the records examined by us and information and explanation given to us by the Company, the Company during the year has not revalued its immovable property, hence, the requirements of the said clause i(d) of paragraph 3 of the Order is not applicable to the Company.

(e) According to the information and explanation and representation given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) Since the Company does not have any inventory. Accordingly, clause (ii)(a) of paragraph 3 of the Order is not applicable to the Company.

(b) As per the information and explanations given to us and books of accounts and records examined by us, no working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets has been taken by the Company. Therefore, the reporting requirements under clause (ii)(b) of paragraph 3 of the Order is not applicable to the Company.

iii. (a) According to information and explanations given to us and books of accounts and records examined by us, during the year the Company has not given any loans or advances and guarantees or security to subsidiaries, joint ventures, associates and others. Hence, the reporting requirements under clause (iii)(a)(A) and (B) of paragraph 3 of the Order is not applicable.

(b) In our opinion and according to information and explanations given us and on the basis of our audit procedures, during the year the Company has not made any investments or provided any guarantees or given security and has not granted loans or any advances in the nature of loans during the year. Accordingly the reporting requirements under clause (iii)(b) of paragraph 3 of the Order is not applicable.

(c) According to the information and explanation and records examined by us in respect of the loans and advances in nature of loans, the schedule of repayment of principal and payment of interest has not been stipulated or are not available for our verification, hence we are unable to comment whether the repayment or receipts are regular.

(d) According to the information and explanation and records examined by us in respect of the loans and advances in nature of loans, the schedule of repayment of interest has not been stipulated or are not available for our verification, hence we are unable to comment whether total amount is overdue for more than ninety days. In absence of sufficient and appropriate evidence, we are unable to comment on reasonable steps have been taken by the Company for recovery of the principal and Interest thereon.

(e) According to information and explanations given to us and books of accounts and records examined by us, the Company has not renewed the loans granted to various parties since March 31, 2019.

(f) Based on our verification of records of the Company and information and explanation given to us, the Company has granted loans or advance in nature of loans either repayable on demand or without specifying any terms or period of repayment are as follows:

(Rs. in Lakh)

Particulars	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans - Repayable on demand (A) - Agreement does not specify any terms or period of repayment (B)	1,77,047.06	-	1,25,454.27
Total (A+B)	**1,77,047.06**	**-**	**1,25,454.27**
Percentage of loans/ advances in nature of loans to the total loans	100%	-	70.86%

iv. As per information and explanation provided to us and on the basis of verification of records of the Company, the Company during the year has not granted any loan, made investment and provided guarantees and securities to the parties covered under section 185 and section 186 of the Act. Accordingly, clause (iv) of paragraph 3 of the Order is not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with relevant provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, clause (v) of paragraph 3 of the Order is not applicable to the Company. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

vi. As informed to us, the Central Government has not prescribed maintenance of cost records under Sub- Section (1) of section 148 of the Act. Accordingly clause (vi) of paragraph 3 of the Order is not applicable to the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we observed that there are delays in amounts deposited with appropriate authorities for amounts deducted/accrued in the books of account in respect of undisputed statutory dues including income tax, value added tax, profession tax and other material statutory dues. According to the information and explanations given to us, undisputed amounts payable in respect of income tax, value added tax, profession tax and other material statutory dues which were in arrears as at March 31, 2023 for a period of more than six months from the date they became payable are as under.

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Due Date	Date of Payment
The Maharashtra Value Added Tax Act, 2002	Works Contract Tax Payable	1,68,667	F.Y. 2016-17	Various Dates	Yet to be paid
Income Tax Act, 1961	Tax Collection at Source	43,204	Prior to April 2019	Various Dates	Yet to be paid
Profession Tax Act, 1987	Professional Tax	1,83,417	Prior to April 2019	Various Dates	Yet to be paid
The Labour Welfare Fund Act, 1953	Labour Welfare Fund	2,568	Upto September 2022	Various Dates	Yet to be paid

(b) There are no dues of Duty of Customs and Cess, Income Tax, Sales Tax, VAT and Entry Tax which have not been deposited on account of any dispute. The dues of Service Tax as disclosed below have not been deposited by the Company on account of dispute:

Name of Statute	Nature of Dues	Amount * (Rs. In Lakh)	Period to which the amount relates	Forum
Finance Act 1994	Service Tax	2,007.35	October 2014 to June 2017	Commissioner CGST & Central Excise Commissionerate, Belapur
Central GST Act, 2017 and Maharashtra GST Act, 2017	Goods and Service Tax (GST)	108.08	FY 2019-20	Dy. Commissioner of State Tax, Belapur
Central GST Act, 2017 and Maharashtra GST Act, 2017		97.24	July 2017 to March 2018	Commissioner CGST & Central Excise Commissionerate, Belapur

* net of amount deposited

viii. According to information and explanation given to us and representation given by the management, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) The Company has not raised any loans from Financial Institutions or Banks or Government or debenture holders. Hence clause (ix) (a), (b), (c) and (d) of paragraph 3 of the Order is not applicable.

(b) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company does not have any subsidiaries, associates or joint ventures. Hence, the reporting requirements under clause (ix) (e) and (f) of paragraph 3 of the Order is not applicable.

x. (a) In our opinion, and according to information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) and hence the provision of clause x(a) of paragraph 3 of the order is not applicable to the Company.

(b) In our opinion and according to the information and explanation given to us, the Company during the year has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause x(b) of paragraph 3 of the Order is not applicable to the Company.

xi. (a) Based on the audit procedures performed by us and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by the auditors in form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the Management, there are no whistle-blower complaints have been received by the Company during the year.

xii. As the Company is not a Nidhi company. Accordingly, clause (xii) of paragraph 3 of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. In our opinion and according to the information and explanations given to us, the Company is not required to conduct internal audit as per Companies Act, 2013. Accordingly, clause (xiv)(a) and (b) of paragraph 3 of the Order is not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of paragraph 3 of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

(b) On the basis of examination of records and according to the information and explanation given to us by the Company, the Company has not conducted any Non-Banking Financial or Housing Finance activities hence the reporting requirements under clause xvi(b) of paragraph 3 of the Order is not applicable.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India.

(d) As represented by the management, the Group does not have more than one Core Investment Company as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016.

xvii. Based on the examination of records, the Company has incurred cash losses of Rs. 21,991 Lakh in the current financial year and there are no cash losses in immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, indicate that material uncertainty exists that may cast a significant doubt on the Company's ability to continue as a going concern. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. Based on the examination of records of the Company and information and explanations given to us, due to losses incurred, the conditions and requirements of section 135 of the act is not applicable to the company hence, clause xx(a) and xx(b) of paragraph 3 of the Order is not applicable.

For **Pathak H. D. & Associates LLP**
Chartered Accountants
Firm's Registration No: 107783W/W100593

Jigar T. Shah
Partner
Membership No: 161851
UDIN: 23161851BGSWYO2358

Date: May 26, 2023
Place: Mumbai

‘Annexure B’ to the Independent Auditor’s Report - March 31, 2023
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to financial statements of Reliance Realty Limited (‘the Company’) as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing issued by ICAI and prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 qualified opinion on the Company’s internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to 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 with reference to 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 the 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis of Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses has been identified in the operating effectiveness of the Company’s internal financial controls with reference to financial statements as at March 31, 2023:

i. Balances of receivables and payables and loans & advances are subject to confirmation. (Refer Note No. 2.36)

ii. In respect of delays in payment of certain statutory dues during the year with the respective authorities.

iii. The Company’s internal financial control with regard to the compliance with the applicable Indian Accounting Standards and evaluation of carrying values of assets and liabilities and other matters, as fully explained in basis for qualified opinion of our main report, resulting in the Company not providing for adjustments, which are required to be made, to the financial statements.

A ‘material weakness’ is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the Company’s financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, except for the effects / possible effects of the material weaknesses described above under Basis for Qualified Opinion paragraph on the achievement of the objectives of the control criteria, the Company has, in all material respects an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

We have considered material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of financial statements of the Company for the year ended March 31, 2023 and these material weaknesses has affected our opinion on financial statements of the Company for the year ended March 31, 2023 (our audit report dated May 26, 2023), and we have expressed qualified opinion on these financial statements of the Company.

For **Pathak H. D. & Associates LLP**
Chartered Accountants
Firm’s Registration No: 107783W/W100593

Jigar T. Shah
Partner
Membership No: 161851
UDIN: 23161851BGSWYO2358

Date: May 26, 2023
Place: Mumbai

Reliance Realty Limited

Audited accounts

FY 2022-23

Reliance Realty Limited

Balance Sheet as at March 31, 2023

	Notes	As at March 31, 2023	(₹ in Lacs) As at March 31, 2022
ASSETS			
Non Current Assets			
(a) Investment Property	**2.01**	**48 252.88**	49 345.08
(b) Financial Assets			
Investment in Subsidiary	**2.02**	**5.00**	5.00
(c) Other Non Current Assets	**2.03**	**28 454.34**	27 075.69
(d) Income Tax Assets	**2.04**	**636.46**	796.29
		77 348.68	77 222.06
Current Assets			
(a) Financial Assets			
(i) Trade Receivables	**2.05**	**11 590.26**	11 444.95
(ii) Cash and Cash Equivalents	**2.06**	**1 247.12**	407.26
(iii) Bank balances other than (ii) above	**2.07**	**65.45**	60.19
(iv) Loans	**2.08**	**1 18 670.22**	1 18 666.34
(v) Other Financial Assets	**2.09**	**6 835.97**	32 126.64
(b) Other Current Assets	**2.10**	**299.13**	278.00
		1 38 708.15	1 62 983.38
Total Assets		**2 16 056.83**	2 40 205.44
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	**2.11**	**500.00**	500.00
(b) Other Equity	**2.12**	**(50 732.75)**	(27 663.22)
		(50 232.75)	(27 163.22)
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
Borrowings	**2.13**	**44 512.75**	45 429.71
(b) Provisions	**2.14**	**8.13**	7.68
(c) Deferred Tax Liabilities (net)	**2.15**	**8 575.54**	8 593.79
		53 096.42	54 031.18
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	**2.16**	**2 10 793.28**	2 07 991.55
(ii) Trade Payables	**2.17**		
Due to Micro and Small Enterprises		**23.29**	25.26
Others than Micro and Small Enterprises		**961.31**	438.83
(iii) Other Financial Liabilities	**2.18**	**915.36**	1 348.83
(b) Other Current Liabilities	**2.19**	**498.61**	3 527.35
(c) Provisions	**2.20**	**1.29**	5.66
		2 13 193.14	2 13 337.48
Total Equity and Liabilities		**2 16 056.81**	2 40 205.44

Significant Accounting Policies	**1**
Notes on Accounts	**2**

Notes referred to above form an integral part of the Financial Statements.

As per our Report of even date
For **Pathak H.D. & Associates LLP**
Chartered Accountants
Firm Registration No.107783W/W100593

For and on behalf of the Board

Sandeep Garg
Director
DIN : 09513285

Jigar T. Shah
Partner
Membership No. 161851

Dolly Dhandhresha
Director
DIN : 07746698

Manish Kumar Vyas
Company Secretary & Manager
Membership No. A53817

Place : Mumbai
Dated : May 26, 2023

Reliance Realty Limited

Statement of Profit and Loss for the year ended March 31, 2023

(₹ in Lacs)

		Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
I	**INCOME**			
(a)	Revenue from Operation	**2.21**	**9 553.44**	8 790.01
(b)	Other Income	**2.22**	**1 453.62**	1 143.85
(c)	**Total Income ((a)+(b))**		**11 007.06**	9 933.86
II	**EXPENDITURE**			
(a)	Employee Benefit Expenses	**2.23**	**131.71**	153.50
(b)	Finance Costs	**2.24**	**4 742.31**	4 727.90
(c)	Depreciation Expenses	**2.01**	**1 092.21**	1 093.00
(d)	Other Expenses	**2.25**	**3 174.81**	2 833.27
(e)	**Total Expenses ((a) to (d))**		**9 141.04**	8 807.67
III	**Profit/ (Loss) before Exceptional Items & Tax (I(c) - II (e))**		**1 866.02**	1 126.19
IV	**Exceptional Items**			
	Loss on desubsidiarisation	**2.42**	**25 281.49**	-
V	**Profit / (Loss) before Tax (III-IV)**		**(23 415.47)**	1 126.19
VI	Tax expense:			
(a)	- Current Tax		**-**	326.00
(b)	- Deferred Tax Charge/ (Credit) (net)	**2.15**	**(18.25)**	(11.37)
(c)	- Income Tax /(reversal) of earlier year		**(326.00)**	(1.96)
	Total Tax Expenses		**(344.25)**	312.66
VII	**Profit/ (Loss) after Tax (V- VI)**		**(23 071.22)**	813.53
VIII	Other Comprehensive Income			
	Remeasurement of Gain/ (Loss) of the Defined employee benefit		**1.70**	2.42
IX	**Total Comprehensive Income/(Loss) for the year (VII + VIII)**		**(23 069.52)**	815.95
	Earning per share of face value of ₹ 10 each fully paid up	**2.30**		
	Basic (₹)		**(461.42)**	16.27
	Diluted (₹)		**(461.42)**	16.27

Significant Accounting Policies	1
Notes on Accounts	2

Notes referred to above form an integral part of the Financial Statements.

As per our Report of even date
For Pathak H.D. & Associates LLP
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Manish Kumar Vyas
Company Secretary & Manager
Membership No. A53817

Place : Mumbai
Dated : May 26, 2023

Reliance Realty Limited

Statement of Change in Equity for the year ended March 31, 2023

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A: Equity Share Capital (Refer Note 2.11)		
Balance at the beginning of the year	**500.00**	500.00
Change in equity share capital during the year	-	-
Balance at the end of the year	**500.00**	500.00

B: Other Equity (Refer Note 2.12)

Particular	Reserve and Surplus				
	General Reserve	Revaluation Reserve	Retained Earnings	Other Comprehensive Income	Total
Balance as at March 31, 2022	**8 784.21**	**32 417.82**	**(68 900.83)**	**35.57**	**(27 663.23)**
Add (Less) :					
Loss during the year	**-**	**-**	**(23 071.22)**	**-**	**(23 071.22)**
Other Comprehensive Income	**-**	**-**	**-**	**1.70**	**1.70**
Depreciation on Revaluation	**776.73**	**(776.73)**	**-**	**-**	**-**
Balance as at March 31, 2023	**9 560.94**	**31 641.09**	**(91 972.05)**	**37.27**	**(50 732.75)**
Balance as at April 1, 2021	8 007.48	33 194.55	(69 714.36)	33.15	(28 479.18)
Add (Less) :					
Profit during the year	-	-	813.53	-	813.53
Other Comprehensive Income	-	-	-	2.42	2.42
Depreciation on Revaluation	776.73	(776.73)	-	-	-
Balance as at March 31, 2022	8 784.21	32 417.82	(68 900.83)	35.57	(27 663.23)

Notes referred to above form an integral part of financial statements.

As per our Report of even date
For Pathak H.D. & Associates LLP
Chartered Accountants
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For and on behalf of the Board

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Director
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Manish Kumar Vyas
Company Secretary & Manager
Membership No. A53817

Place : Mumbai
Dated : May 26, 2023

Reliance Realty Limited

Cash Flow Statement for the year ended March 31, 2023

(₹ in Lacs)

Particulars		**For the year ended March 31, 2023**		For the year ended March 31, 2022
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) before tax as per statement of Profit and Loss		**(23 415.47)**		1 126.19
Adjusted for:				
Provision for Credit Impaired	6.54			
Provision reversed during the year	(4 850.07)			
Bad Debts	4 850.07			
Depreciation	1 092.21		1 093.00	
Loss on desubsidiarisation	25 281.49		-	
Finance Costs	4 742.31		4 727.90	
Interest Income	(1 302.20)	**29 820.35**	(1 143.61)	4 677.29
Operating Profit before Working Capital Changes		**6 404.88**		5 803.48
Adjusted for:				
Receivables and other Advances		(245.48)		971.79
Trade Payable & Other Liabilities		(2 950.54)		(1 114.46)
Cash Generated from Operations		**3 208.86**		5 660.81
Income Tax Refund		**1 082.81**		-
Income Tax Paid		**(597.00)**		(416.00)
Net Cash generated from/(used in) Operating Activities		**3 694.67**		5 244.81
B CASH FLOW FROM INVESTING ACTIVITIES				
Loan Given to Body Corporate		**(4.00)**		-
Interest Received		**12.00**		(5.00)
Investment in Bank Deposits		**(5.26)**		-
Net Cash generated from/(used in) Investing Activities		**2.74**		(5.00)
C CASH FLOW FROM FINANCING ACTIVITIES				
Short Term Borrowings		**2 700.00**		-
Repayment of Borrowings		**(815.24)**		(695.86)
Interest Paid (net)		**(4 742.31)**		(4 726.35)
Net Cash generated from / (Used in) Financing Activities		**(2 857.55)**		(5 422.21)
Net Increase/ (Decrease) in Cash and Bank Balances		**839.86**		(182.40)
Opening Balance of Cash and Cash Equivalents		**407.26**		589.66
Effect of Exchange Gain/ (Loss) on Cash and Cash Equivalents		**-**		-
Closing Balance of Cash and Cash Equivalents		**1 247.12**		407.26

Note:
(1) Figures in brackets indicate cash outgo.
(2) Cash and Cash Equivalents includes Fixed Deposits with Banks.
(3) Cash Flow Statement has been prepared under the Indirect Method set out in Indian Accounting Standard (Ind AS) "Statement of Cash Flow".

As per our Report of even date
For Pathak H.D. & Associates LLP
Chartered Accountants
Firm Registration No.107783W/W100593

Jigar T. Shah
Partner
Membership No. 161851

Place : Mumbai
Dated : May 26, 2023

For and on behalf of the Board

Sandeep Garg
Director
DIN : 09513285

Dolly Dhandhresha
Director
DIN : 07746698

Manish Kumar Vyas
Company Secretary & Manager
Membership No. A53817

1 General Information and Significant Accounting Policy

1.01 General Information

Reliance Realty Limited (Formerly Reliance Infocomm Infrastructure Limited) (“the Company”), is registered under Companies Act 1956 and having Registered Office at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400710. The Company is wholly owned subsidiary of Reliance Communications Limited and engaged in providing infrastructure/ real estate related services.

1.02 Basis of Preparation of Financial Statements

i) The Financial Statements are prepared under historical cost convention except for certain financial instruments measured at fair value, in accordance with the generally accepted accounting principles (GAAP) in India and compliance with Indian Accounting Standard specified under Section 133 of the Companies Act, 2013 ("the Act") except matters specified in Note 2.36 & 2.41, read with Relevant Rule of the Companies (Indian Accounting Standard) Rules of 2015, Companies (Indian Accounting Standards) Amendment Rules 2016 and other provisions of the Act to the extent notified and applicable, as well as applicable guidance note and pronouncements of the Institute of Chartered Accountants of India (ICAI).

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of the services and their realisation in cash & cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

ii) The Company generally follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

1.03 Functional Currency and Presentation Currency

These financial statements are presented in Indian Rupees which is presentation and functional currency of the company. All amounts are rounded off to the nearest lacs unless otherwise stated

1.04 Investment Property

i) Investment Properties are, properties held for rental income and/ or capital appreciation, initially measured at cost including transaction cost and stated at cost net of Input credit / Modvat/ Cenvat, Value Added Tax less accumulated depreciation and amortisation based on Straight Line Method with effect from April 01, 2017 (till March 31,2017 Depreciation provided on written down value method), impairment loss, if any. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The Company depreciates investment property over 60 years or as per usefil life prescribed as per Schedule II from the date of original purchase. Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on valuation performed by qualified and experienced Independent Valuer. Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of derecognition.

ii) Property, Plant and Equipment are stated at cost net of Input credits/ Modvat/ Cenvat, Value Added Tax less accumulated depreciation, amortisation and impairment loss, if any. Subsequent Expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Company.
Cost of an item of PPE comprises of its purchase price including import duties and non refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and present value of estimated costs of dismantling and removing the item and restoring the site on which it is located.

1.05 Revenue Recognition

(i) The Comapny has applied Ind AS 115 "Revenue from Contracts with Customers" w.e.f. April 1, 2018, using the cumulative effect method .Revenue is recognised when control over goods or services is transferred to a customer. A customer obtains control when he has the ability to direct the use of and obtain the benefits from the good or service, there is transfer of title, supplier has right to payment etc. – with the transfer of risk and rewards now being one of the many factors to be considered within the overall concept of control.

(ii) The Company determines whether revenue should be recognised 'over time' or 'at a point in time'. As a result, it is required to determine whether control is transferred over time. If not, only then revenue be recognised at a point in time, or else over time. The Comapany also determines if there are multiple distinct promises in a contract or a single performance obligation (PO). These promises may be explicit, implicit or based on past customary business practices. The consideration gets allocated to multiple POs and revenue recognised when control over those distinct goods or services is transferred.

The entities may agree to provide goods or services for consideration that varies upon certain future events which may or may not occur. This is variable consideration, a wide term and includes all types of negative and positive adjustments to the revenue. This could result in earlier recognition of revenue compared to current practice – especially impacting industries where revenue is presently not recorded untill all contingencies are resolved. Further, the entities will have to adjust the transaction price for the time value of money. Where the collections from customers are deferred the revenue will be lower than the contract price, and in case of advance collections, the effect will be opposite resulting in revenue exceeding the contract price with the difference accounted as a finance expense.

(iii) Interest income on investment is recognised on time proportion basis. Interest income is accounted using the applicable Effective Interest Rate (EIR), which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial assets to that asset's net carrying amount on initial recognition.

iv) Trade Receivable

A receivable represent the Company's right to amount of Consideration that is unconditional, i.e.,only the passage of time is required before payment of consideration is due & the amount is billable

1.06 Employee Benefits

Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. These benefits include compensated absences such as paid annual leave and sickness leave. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by the employees are recognised as an expense during the period.

Long term employee benefits

(i) Defined benefit plans

Provident Fund

Contribution to the provident fund, which is a defined contribution plan, made to the Regional Provident Fund Commissioner is charged to the Statement of Profit and loss on accrual basis. (Refer Note 2.32)

Gratuity Plan

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value, mortality rate and the fair value of plan assets is deducted. Mortality rate is based on publicly available mortality table in India.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

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

Remeasurements which comprise of actuarial gain and losses, the return of plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest) are recognised in other comprehensive income.

ii) Other Long term employment benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date, determined based on actuarial valuation using Projected Unit Credit Method. The discount rates used for determining the present value of the obligation under the defined benefit plan, are based on the market yields of Government Securities as at the Balance Sheet date.

Remeasurements gain and losses is recognised in the Statement of Profit and Loss in the period in which they arise.

1.07 Inventories

Items of inventories are measured at lower of cost (determined on weighted average basis) or net realisable value.

1.08 Taxes on Income and Deferred Tax

Provision for income tax is made on the basis of taxable income for the year at current rates. Tax expense comprises of Current Tax and Deferred Tax at the applicable enacted or substantively enacted rates. Current tax represents the amount of Income Tax payable / recoverable in respect of the taxable income/loss for the reporting period. Deferred tax represents the effect of temporary difference between the carrying amount of assets and liabilities in the financial statement and the corresponding tax base used in computation of taxable income. Deferred Tax Liabilities are generally accounted for all taxable temporary differences. The deferred tax asset is recognised for all deductible temporary differences, carried forward of unused tax credits and unused tax losses, to the extent that is probable that taxable profit will be available against which those deductible temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net or simultaneous basis. MAT credit is recognised as an asset only if it is probable that the Company will pay normal income tax during the specified period.

1.09 Borrowing Costs

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

1.10 Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is increased/ reversed where there has been change in the estimate of recoverable value. The recoverable value is the higher of the asset's net selling price and value in use.

1.11 Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent Assets are not recognised but disclosed in the financial statements, when economic inflow is probable.

1.12 Measurement of Fair value of financial instruments

The company's accounting policies and disclosures require the measurement of fair values for financial instruments.

The company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.(Refer Note 2.29)

1.13 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Classification

i The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

ii In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risk existing at each reporting date. The method used to determine fair value include discounted cash flow analysis, available quoted market price. All method of assessing fair value result in general approximation of value, and such value may never actually be realized. For all other financial instruments the carrying amounts approximate fair value due to the short maturity of those instruments.

iii Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

iv Subsequent measurement

Debt instruments: Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Financial Assets measured at amortised cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Financial Assets measured at fair value through other comprehensive income(FVTOCI):

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI: Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss . On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial Assets measured at fair value through profit or loss (FVTPL):

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Equity investments :

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company decides to classify the same either as at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Also, company has elected to apply the exemption available under Ind AS 101 to continue the carrying value for its investments in associates as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP as at the date of transition.

Derecognition of Financial Assets

A financial asset is primarily derecognised when:

I) The rights to receive cash flows from the asset have expired, or

II)The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either(a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Comapny has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of Financial Assets

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

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables, as permitted by Ind AS 109. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Financial Liabilities

Initial recognition and measurement

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

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss: Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Loans and borrowings: After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition of Financial Liabilities

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

1.14 Use of Estimates

The preparation and presentation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the Financial Statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates is recognised in the period in which the results are known / materialised. Estimates and underlying assets are reviewed on periodical basis. Revisions to accounting estimates are recognised prospectively.

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

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

Critical estimates and judgements

The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

The areas involving critical estimates or judgements pertain to useful life of property, plant and equipment including Investment Properties (Note 2.01), current tax expense and payable, recognition of deferred tax assets for carried forward tax losses (Note 2.15), impairment of trade receivables and other financial assets (Note 2.05 & 2.09) and measurement of defined benefit obligation (Note 2.32).

Useful life of Property, Plant and Equipment including Investment Property: The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Taxes : The Company provides for tax considering the applicable tax regulations and based on reasonable estimates.

Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any.

The recognition of deferred tax assets is based on availability of sufficient taxable profits in the Company against which such assets can be utilized. MAT (Minimum Alternate Tax) is recognized as an asset only when and to the extent there is probable that the Company will pay normal income tax and will be able to utilize such credit during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement of Profit and loss and is included in Deferred Tax Assets. The Company reviews the same at each balance sheet date and if required, writes down the carrying amount of MAT credit entitlement to the extent there is no longer probable to the effect that Company will be able to absorb such credit during the specified period.

The company has opted for new regime from F.Y.2021-22

Fair value measurement and valuation process: The Company measured at fair value certain financial assets and liabilities for financial reporting purposes.
The models used to determine fair values including estimates / judgements involved are validated and periodically reviewed by the management.
Trade receivables and Other financial assets: The Company follows a ‘simplified approach’ (i.e. based on lifetime Expected Credit Loss (ECL)) for recognition of impairment loss allowance on Trade receivables (including lease receivables). For the purpose of measuring lifetime ECL allowance for trade receivables, the Company estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Individual trade receivables are written off when management deems them not to be collectible.
Defined benefit plans (gratuity benefits) : The Company’s obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter subject to frequent changes is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables in India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.
Non-financial assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.
Provision & Contingent liabilities are reviewed at each balance sheet date & adjusted to reflect the current best estimates.
Provisions and contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

1.15 Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise of cash on hand, demand deposits with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.16 Recent Accounting Developments

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2023:

i) Ind AS 101 – First-time Adoption of Indian Accounting Standards

ii) Ind AS 102 – Share-based Payment

iii) Ind AS 103 – Business Combinations

iv) Ind AS 107 – Financial Instruments Disclosures

v) Ind AS 109 – Financial Instruments

vi) Ind AS 115 – Revenue from Contracts with Customers

vii) Ind AS 1 – Presentation of Financial Statements

viii) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

ix) Ind AS 12 – Income Taxes

x) Ind AS 34 - Interim Financial Reporting

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

Reliance Realty Limited

Notes to the Financial Statements as at March 31, 2023

2.01 Investment Property

(₹ in Lacs)

Particulars	Leasehold Land	Buildings	Electrical Installations	Office Equipment	Furniture and Fixtures	Computer	Vehicles	Total	Capital Work in Progress
Gross carrying value									
As at April 1, 2021	272.82	1 63 648.16	15 328.31	1 846.65	4 330.36	3 366.30	65.26	1 88 857.86	-
Additions	-	-	-	-	-	-	-	-	-
Deductions	-	-	-	-	-	-	-	-	-
As at March 31, 2022	**272.82**	**1 63 648.16**	**15 328.31**	**1 846.65**	**4 330.36**	**3 366.30**	**65.26**	**1 88 857.86**	**-**
Additions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Deductions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
As at March 31, 2023	**272.82**	**1 63 648.16**	**15 328.31**	**1 846.65**	**4 330.36**	**3 366.30**	**65.26**	**1 88 857.86**	**-**
Accumulated Depreciation								-	
As at April 1, 2021	72.79	1 14 516.21	14 499.10	1 789.65	4 115.93	3 364.11	62.00	1 38 419.79	
Depreciation for the year	3.27	1 072.02	15.15	1.78	0.78	-	-	1 093.00	
As at March 31, 2022	**76.06**	**1 15 588.23**	**14 514.25**	**1 791.43**	**4 116.71**	**3 364.11**	**62.00**	**1 39 512.79**	
Depreciation for the year	**3.27**	**1 072.01**	**15.15**	**1.78**	**-**	**-**	**-**	**1 092.21**	
As at March 31, 2023	**79.33**	**1 16 660.24**	**14 529.40**	**1 793.21**	**4 116.71**	**3 364.11**	**62.00**	**1 40 605.00**	
Net Carrying Value									
As at March 31, 2022	196.76	48 059.93	814.06	55.22	213.66	2.19	3.26	49 345.08	
As at March 31, 2023	**193.49**	**46 987.92**	**798.91**	**53.44**	**213.66**	**2.19**	**3.26**	**48 252.88**	

2.01.01

Gross Block of Electrical installations includes ₹ 265.59 Lacs (previous year ₹ 265.59) towards Metering equipment's which are under custody and control of Maharashtra State Electricity Board.

Information regarding income and expenditure of Investment property

	For the year ended March 31, 2023	For the year ended March 31, 2022
Rental income derived from investment properties	**9 553.44**	8 790.01
Direct operating expenses (including repairs and maintenance) generating rental income	**2 078.62**	1 769.97
Direct operating expenses (including repairs and maintenance) that did not generate rental income	**474.68**	443.06

The fair value of investment property is Rs 6,284 crore considering realization value based on valuation report obtained in F.Y.2016-17 and in the earlier year the fair value was crore considering development basis valuation.

Reliance Realty Limited

Notes to the Financial Statements as at March 31, 2023

			(₹ in Lacs)
		As at March 31, 2023	As at March 31, 2022
2.02 Investments in Subsidiaries			
(valued at cost unless stated otherwise)			
In Equity Shares of Wholly Owned Subsidiary Companies			
Unquoted, fully paid up			
50 000	Reliance Infra Projects Limited of ₹ 10 each	**5.00**	5.00
(5 0000)	(Refer Note 2.40)		
In Equity Shares of Companies			
Unquoted, fully paid up			
1 80 19 900	Reliance Telecom Limited of ₹ 10 each	**1 748.83**	1 748.83
(18 01 9900)	Less: Provision for Impairment (Refer Note 2.40)	**(1 748.83)**	(1 748.83)
		-	-
		5.00	5.00

2.03 Other Non Current Assets

Capital Advances (Refer Note 2.35 & 2.41)	**2 545.27**	2 545.27
Electricity and other deposits (Refer Note 2.28)	**25 909.07**	24 530.42
	28 454.34	27 075.69

2.04 Income Tax Assets

Advance taxes and Tax deducted at source (Net) (Refer Note 2.36)	**636.46**	796.29
	636.46	796.29

(₹ in Lacs)

	As at March 31, 2023	As at March 31, 2022
2.05 Trade Receivables (Unsecured) (Refer Note 2.40)		
(Unsecured, Considered goods / unless stated otherwise)		
Considered Good	**11 590.26**	11 444.95
Credit Impaired	**5.80**	4 849.33
	11 596.06	16 294.28
Less: Provision for Credit Impaired	**5.80**	4 849.33
	11 590.26	11 444.95

Trade Receivables ageing schedule

(₹ in Lacs)

Sr.	Particulars	Less Than 6 months	6 month to 1 years	1-2 years	2-3 Years	More than 3 years	Total
	As at March 31, 2023						
(i)	**Undisputed Trade receivables considered good**	**6 807.90**	**1 512.57**	**2 772.88**	**-**	**2.29**	**11 095.64**
(ii)	**Undisputed Trade receivables which have significant increase in credit risk**	**-**	**-**	**-**	**-**	**-**	**-**
(iii)	**Undisputed Trade receivables - Credit Impaired**	**-**	**-**	**-**	**-**	**5.80**	**5.80**
(iv)	**Disputed Trade receivables considered good**	**-**	**-**	**-**	**473.78**	**20.85**	**494.63**
(v)	**Disputed Trade receivables which have significant increase in credit risk**	**-**	**-**	**-**	**-**	**-**	**-**
(vi)	**Disputed Trade receivables - Credit Impaired**	**-**	**-**	**-**	**-**	**-**	**-**
	Total - A	**6 807.90**	**1 512.57**	**2 772.88**	**473.78**	**28.94**	**11 596.07**
	Provision for allowance of credit impaired (B)	**-**	**-**	**-**	**-**	**(5.80)**	**(5.80)**
	Total - A + B	**6 807.90**	**1 512.57**	**2 772.88**	**473.78**	**23.14**	**11 590.27**
	As at March 31, 2022						
(i)	Undisputed Trade receivables considered good	2 692.68	1.65	5 499.87	6.14	1 302.11	9 502.45
(ii)	Undisputed Trade receivables which have significant increa:	-	-	-	-	-	-
(iii)	Undisputed Trade receivables - Credit Impaired	496.51	-	307.39	-	3 779.99	4 583.89
(iv)	Disputed Trade receivables considered good	-	-	906.93	161.66	873.91	1 942.50
(v)	Disputed Trade receivables which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade receivables - Credit Impaired	-	-	264.82	-	0.62	265.44
	Total - A	3 189.19	1.65	6 979.01	167.80	5 956.63	16 294.28
	Provision for allowance of credit impaired (B)	(496.51)	-	(572.21)	-	(3 780.61)	(4 849.33)
	Total - A + B	2 692.68	1.65	6 406.80	167.80	2 176.02	11 444.95

	As at March 31, 2023	As at March 31, 2022
2.06 Cash and Cash Equivalents		
Balances with Banks	**1 226.73**	388.73
Bank Deposit with less than 3 months maturity	**20.39**	18.53
	1 247.12	407.26
2.07 Bank Balances other than Cash and Cash Equivalents referred in Note 2.06 above		
Bank Deposit with Maturity for Less than 12 months	**65.45**	60.19
	65.45	60.19

Reliance Realty Limited

Notes to the Financial Statements as at March 31, 2023

		(₹ in Lacs)
	As at March 31, 2023	As at March 31, 2022
2.08 Loans (Refer Note 2.36, 2.39 & 2.40)		
(Unsecured, Considered goods / unless stated otherwise)		
Considered Good		
- Loan to Related Party	**1 18 669.22**	1 18 665.34
- Loan to Others	**1.00**	1.00
Credit Impaired	**51 591.79**	51 591.79
	1 70 262.01	1 70 258.13
Less: Provision for Credit Impaired Loans	**51 591.79**	51 591.79
	1 18 670.22	1 18 666.34

2.09 Other Financial Assets

(Unsecured, Considered good - unless stated otherwise)

Gratuity Fund (Net of Provision)	**49.11**	46.51
Other Receivable *(Refer Note 2.39 & 2.40)	**6 785.04**	32 066.53
Interest accrued on Fixed Deposit	**1.82**	13.60
	6 835.97	**32 126.64**

* The Company has paid to one fellow subsidiary during an earlier year for which terms were yet to be finanlised, accordingly no interest is charged on these recievables.

2.10 Other Current Assets

(Unsecured, Considered good -unless stated otherwise)

Advance to vendor and Others (Refer Note 2.40)	**291.31**	264.13
Credit Impaired Advances	**107.54**	107.54
	398.85	371.67
Less: Provision for Credit Impaired advances	**107.54**	107.54
	291.31	264.13
Others		
Prepaid expenses	**7.82**	13.69
Advance to Employees	**-**	0.18
	299.13	278.00

(₹ in Lacs)

	As at March 31, 2023	As at March 31, 2022
2.11 Share Capital		
Authorised		
50 00 000 Equity Shares of ₹ 10 each (50 00 000)	**500.00**	500.00
50 00 000 7.5% Redeemable Non Cumulative Non Convertible Preference Shares (50 00 000)	**500.00**	500.00
	1 000.00	1 000.00
Equity Shares Capital		
Issued, Subscribed and Paid up		
50 00 000 Equity Shares of ₹ 10 each fully paid up (50 00 000)	**500.00**	500.00
	500.00	500.00

		No. of shares	% of Total shares	% Change during the year
2.11.1	**Share held by Holding/Promoter Company**			
	Reliance Communications Limited, and its Nominee	50 00 000	100%	Nil
2.11.2	**Details of Share Holders Holding more than 5% Shares in the company**			
	Reliance Communications Limited, and its Nominee	50 00 000	100%	Nil

2.11.3 Type of Equity Share

The Company has only one class of Equity Share having at par value of ₹10 per share. Each holder of Equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all the preferential amounts, in proportion to their shareholdings.

2.11.4 Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Equity Shares	**As at March 31,2023**		As at March 31,2022	
	No. of shares	**Amount (₹ in Lacs)**	No. of shares	Amount (₹ in Lacs)
At the beginning of the year	**50 00 000**	**500.00**	50 00 000	500.00
Add / (Less) : Changes during the year	**-**	**-**	-	-
At the end of the year	**50 00 000**	**500.00**	50 00 000	500.00

Reliance Realty Limited

Notes to the Financial Statements as at March 31, 2023

(₹ in Lacs)

	As at March 31, 2023	As at March 31, 2022
2.12 Other Equity		
Reserves and Surplus		
General Reserve		
Opening Balance	**8 784.21**	8 007.48
Add : Transferred from Revaluation Reserve	**776.73**	776.73
(To the extent depreciation on revaluation)	**9 560.94**	8 784.21
Revaluation Reserve		
Opening Balance	**32 417.82**	33 194.55
Less: Transferred to General Reserve on account of Depreciation on revaluation surplus (Refer note 2.12.01)	**776.73**	776.73
	31 641.09	32 417.82
Retained Earnings		
Opening Balance	**(68 900.83)**	(69 714.35)
Add : Profit/(Loss) for the year	**(23 071.22)**	813.52
	(91 972.05)	(68 900.83)
Other Comprehensive Income		
Remeasurement of defined employee benefit plans		
Opening Balance	**35.57**	33.15
Add : Additions during the year (net of taxes)	**1.70**	2.42
	37.27	35.57
Balance Carried forward	**(50 732.75)**	(27 663.22)

2.12.01 In earlier year, the Company has revalued Buildings situated at Dhirubhai Ambani Knowledge City, Navi Mumbai as at 1st April 2006 by an amount of ₹ 1007.92 crore and an equivalent amount has been credited to Revaluation Reserve. Consequent to the revaluation, there is an additional charge of depreciation of ₹ 776.73 Lacs (Previous year ₹ 776.73 Lacs) for the year and an equivalent amount has been withdrawn from Revaluation Reserve and credited to the General Reserve.

2.13 Borrowings (Refer Note 2.38 & 2.40)		
Loan from Body Corporate (Unsecured)	**-**	45 429.71
Loan from Investing Party (Unsecured)	**44 512.75**	-
	44 512.75	45 429.71

2.14 Provision		
Long Term Provision		
Provision for Employee Benefit (Refer Note 2.32)	**8.13**	7.68
	8.13	7.68

2.15 Deferred Tax Liabilities (Net) (₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Deferred Tax Liabilities				
Related to timing difference on depreciation on fixed assets	**9 625.66**	13 345.66	**(3 720.00)**	63.63
(ii) Deferred Tax Assets				
Related to carried forward loss	**864.91**	1 925.49	**(1 060.58)**	(394.53)
MAT Credit Entitlement	**-**	1 060.97	**(1 060.97)**	406.44
Related to other disallowances	**185.21**	1 765.41	**(1 580.20)**	63.09
Net Deferred Tax Liabilities (I-II)	**8 575.54**	8 593.79	**(18.25)**	(11.37)
Deferred Tax Charge/ (Credit)			**(18.25)**	(11.37)

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. The Company has opted for new tax regme from Financial Year 2021-22.

(a) Amounts recognised in profit and loss

	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Tax	-	326.00
Deferred income tax liability / (asset), net including on Other Comprehensive Income	**(18.25)**	(11.37)
Earlier year Tax	**(326.00)**	(1.96)
Tax expense for the year	**(344.25)**	312.66

(b) Reconciliation of Tax Expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit/ (Loss) before Tax	**(23 415.47)**	1 126.19
Applicable Tax Rate	**25.17%**	34.94%
Computed Tax Expenses (I)	**(5 893.67)**	393.54
Add: Items not considered for Tax Computation		
MAT Credit Entitlement	-	(406.44)
On Carry forwared losses	**(864.00)**	(394.53)
On Expenses not allowed/ (allowed) for computing taxable profit	**(4 359.42)**	722.05
Short /(Excess) provision for the of earlier years	**(326.00)**	(1.96)
Sub total (II)	**(5 549.42)**	(80.88)
Income Tax Expenses charge/ (credit) to Statement of Profit and Loss (I + II)	**(344.25)**	312.66

(₹ in Lacs)

	As at March 31, 2023	As at March 31, 2022
2.16 Borrowings-Current		
Secured		
Loan from Holding Company (Refer Note 2.40 & 2.41)	**2 700.00**	-
Unsecured		
Loan from Holding Company (Refer Note 2.36, 2.40 & 2.41)	**7 650.64**	7 650.64
Current Maturity of Long Term Debt (Refer Note 2.38 & 2.40		
- Loan from Body Corporate	**-**	340.91
- Loan from Investing Parties	**442.64**	-
50,00,000 7.5% Non Cumulative Non Convertible Preference (50,00,000) Shares of ₹ 10 each (Refer Note 2.16.01 & 2.40)	**2 00 000.00**	2 00 000.00
	2 10 793.28	**2 07 991.55**

During the year, the Company has received Rs. 27 crore Loan from Reliance Communications Limited ('Rcom'), The said loan, duly approved by CoC, carries an interest rate of 10% and repayable on demand is secured by way of creation of an exclusive mortgage by the Company in favour of / for the benefit of Rcom. Charge is yet to be created with Registrar of Companies (RoC).

2.16.01 Preference Shares

(a) Details of Shareholders holding more than 5% Preference Shares

Reliance Bhutan Limited, (No. of Shares)	**50 00 000.00**	50 00 000.00

(b) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	No. of shares	No. of shares
At the beginning of the year	**50 00 000.00**	50 00 000.00
Add / (Less) : Changes during the year	-	-
At the end of the year	**50 00 000.00**	50 00 000.00

50,00,000 redeemable non-cumulative non-convertible preference shares having a face value of Rs. 10 each ("**RNCNCPS**") were issued and allotted by the Company to Reliance Infratel Limited ("**RITL**") at a premium of Rs. 3,990/- per share, aggregating to an issue price of Rs. 2,000 crore ("**Issue Price**") on December 31, 2016; which were subsequently transferred by RITL on March 30, 2017 to Reliance Bhutan Limited ("**RBL**") (a wholly owned subsidiary of RITL) for a consideration of Rs. 200 crore.

The terms of the RNCNCPS stipulate that at the time of their redemption, the RNCNCPS shall be redeemed at a 7.5% yield p.a. on the Issue Price. However, in terms of the resolution plan of Reliance Infratel Limited which was approved by the Hon'ble NCLT on December 3, 2020 in terms of Section 31(1) of the IBC and is binding on all relevant stakeholders ("**Resolution Plan**"), the value attributable to the RNCNCPS held by RBL in RRL, is limited to Rs. 800 crore, which shall be passed on to the 'Approving Financial Creditors' of RITL and shall lie solely for their benefit.

In this regard, the extract of Clause 3.3.19 of Part B of the Resolution Plan is reproduced below :

> "The Resolution Applicant (Reliance Projects and Properties Management Services Limited) further understands that Reliance Bhutan Limited (wholly owned subsidiary of the Corporate Debtor) holds preference shares in Reliance Realty Limited. The Resolution Applicant agrees that in the event Reliance Realty Limited is able to sell its real estate assets for an amount of INR 800 crore or more, then the Resolution Applicant shall cause that an amount of INR 800 crore (less any taxes and transaction costs) from the value realised from the preference shares (which for avoidance of doubt, shall not be realised for more than an aggregate of INR 800 crore) held by Reliance Bhutan Limited in Reliance Realty Limited will be distributed to the Approving Financial Creditors on a pro rata basis to their Admitted Financial Creditors Debt within 30 days of the completion of the sale and all approvals in relation thereto having been obtained. The mechanism will be mutually agreed between the Resolution Applicant, Reliance Realty Limited and the Approving Financial Creditors. If Reliance Realty puts up its assets for sale and in the event the amount expected to be realised from the sale of the real estate assets of Reliance Realty Limited is less than INR 800 crore, the Resolution Applicant or any of its Affiliates or nominee will purchase the real estate assets of Reliance Realty Limited for INR 800 crore and said amount of INR 800 crore (less any taxes and transaction costs) will be distributed to the Approving Financial Creditors on a pro rata basis to their Admitted Financial Creditor Debt by way of a mechanism that will be mutually agreed between the Resolution Applicant, Reliance Realty Limited and the Approving Financial Creditors."

Accordingly, in view of the above, since the value that may be realised from the RNCNCPS, is capped at Rs. 800 crore in terms of the Resolution Plan, there is no occasion for the accrual of any yield and / or dividend in respect of the RNCNCPS; and to that extent, the terms of the RNCNCPS shall be deemed to be modified in the manner above (in view of the treatment provided under the Resolution Plan), and the rights associated with the RNCNCPS should be construed accordingly.

2.17 Trade Payable

Due to Micro and Small Enterprises	**23.29**	25.26
Due to Related Parties (Refer Note 2.40)	**20.67**	20.46
Others	**940.64**	418.38
	984.60	464.10

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 Years	Total
As at March 31, 2023					
(i) MSME	**22.99**	**-**	**-**	**0.30**	**23.29**
(ii) Other than (i) above	**697.82**	**-**	**-**	**263.49**	**961.31**
(iii) Disputed dues - MSME	**-**	**-**			**-**
(iv) Disputed dues - other than (iii) above	**-**	**-**			**-**
Total	**720.81**	**-**	**-**	**263.79**	**984.60**
As at March 31, 2022					
(i) MSME	25.06	-	-	0.20	25.26
(ii) Other than (i) above	123.19	17.01	82.88	215.76	438.84
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - other than (iii) above	-	-	-	-	-
Total	148.25	17.01	82.88	215.96	464.10

(₹ in Lacs)

2.17.01 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED) which came into force from October 2, 2006, certain disclosures are required to be made relating to MSME. On the basis of the information and records available with the company, the following disclosures are made for the amounts due to Micro and Small Enterprises.

a.	Principal amount due to any supplier as at the year end	**23.29**	26.40
b.	Interest due on the principal amount unpaid at the year end to any supplier	**1.57**	1.31
c.	Amount of Interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	**-**	-
d.	Payment made to the enterprises beyond appointed date under section 16 of MSMED	**4.77**	315.19
e.	Amount of Interest due and payable for the period of delay in making payment, which has been paid but beyond the appointed day during the year, but without adding the interest specified under MSMED	**2.01**	1.97
f.	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	**3.59**	3.28
g.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED	**1.16**	0.99

	As at March 31, 2023	As at March 31, 2022
2.18 Other Financial Liabilities		
Interest accrued on borrowings (Refer note 2.40)	**34.62**	-
Provision for Expenses	**793.12**	1 262.61
Other Liabilities (Refer Note 2.36)	**87.62**	86.22
	915.36	1 348.83
2.19 Other Current Liabilities		
Statutory Dues (Refer Note 2.36)	**312.85**	335.59
Deposit received from vendors	**174.40**	174.82
Other Liabilities*	**11.36**	3 016.94
	498.61	3 527.35

* Includes advance received from customers and other payable (Refer Note 2.34)

2.20 Provisions

Provision for Employee Benefit (Refer Note 2.32)	**1.29**	5.66
	1.29	5.66

Reliance Realty Limited

Notes to the Financial Statements as at March 31, 2023

	For the year ended March 31, 2023	(₹ in Lacs) For the year ended March 31, 2022
2.21 Revenue From Operations		
Service Revenue	**9 435.28**	8 716.01
Other Operating Income	**118.16**	74.00
	9 553.44	8 790.01
2.22 Other Income		
Interest Income	**1 302.21**	1 143.61
Miscellaneous Income	**151.41**	0.24
	1 453.62	1 143.85
2.23 Employee Benefit Expenses		
Salaries (Including Managerial Remuneration) (Refer Note 2.40)	**111.78**	133.01
Contribution to Provident, Gratuity and Superannuation Fund & Others (Refer Note 2.32)	**4.89**	5.75
Employee Welfare and Other Amenities	**15.04**	14.74
	131.71	153.50

Reliance Realty Limited

Notes to the Financial Statements as at March 31, 2023

(₹ in Lacs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
2.24 Finance Costs		
Interest and Other Charges (Net) (Refer Note 2.40)	**4 742.31**	4 727.90
	4 742.31	4 727.90
2.25 Other Expenses		
Insurance	**206.84**	179.16
Rent, Rates & Taxes	**267.83**	263.90
Electricity Expenses	**1 266.59**	1 008.12
Repairs and Maintenance	**644.63**	590.01
Bad Debts	**4,850.07**	-
Less:Reversal of Provision for Credit Impaired receivables	**(4 850.07)**	-
Provision for Credit Impaired receivables	**6.54**	-
Professional Fees	**134.57**	201.76
Water Charges	**240.92**	119.26
Postage and Courier	**0.20**	0.20
Horticulture Expenses	**93.07**	84.14
Guest House Expenses	**69.54**	85.43
Catering/Lunch/Canteen Expenses	**4.80**	2.26
Security Expenses	**229.46**	244.58
Other Miscellaneous Expenses	**2.70**	10.88
Other General and Administrative Expenses	**4.62**	41.07
Payment to Auditors		
Audit Fees	**2.50**	2.50
	3 174.81	2 833.27

Note : 2.26

Previous Year

The figures for the previous year have been regrouped and reclassified, wherever required. Amount in financial statements are presented in Rupees in Lacs, except as otherwise stated.

Note 2.27

Segment Reporting

The Company is mainly engaged in the business of providing business centre facilities and other income is incidental in nature, hence in the opinion of the management there are no other reportable segments as per Ind As - 108 "Operating Segments".

Note 2.28

Contingent Liabilities and Capital Commitment (as represented by the Management)

i) Maharashtra State Electricity Distribution Co. Limited (MSEDCL) has served assessment orders, during the month of April 2015, claiming ₹ 1,184.23 crore considering commercial rate of alleged use of power at its premises for the activities other than IT\ITES service as per its registration. The matter is pending before the Bombay High Court and no provision is required.

The Company has filed a Writ Petition challenging the said order passed by MSEDCL in the purported exercise of its powers under section 126 of the Electricity Act,2003. By the said order MSEDCL has purported to demand a sum of Rs.1184.23 crores for alleged unauthorized use of electricity for the period of 18th March, 2009 to19th March, 2015. MSEDCL has filed an Interim Application dated 5th August, 2021, there by stating that, the Company had moved a Civil application in 2015 pursuant to which the ad-interim order directing a deposit of Rs.600 crores stood modified with the Hon'ble Bombay High Court granting two installments of Rs.200 crores and Rs.100 crores aggregating to Rs.300 crores. Against the said demand, the Company has paid Rs. 200 crore under protest. It is further alleged that, the Company has failed to deposit Rs.100 crores in accordance with the Order dated 20.08.2015 and the Petition and Civil Application were pending for hearing. The matter will be listed for final hearing in due course. Further, the Company has challenged the Order by which MSEDCL has purported to confirm the provisional assessment done by it and notice issued in this regard under Section 126 of the Electricity Act, 2003 requiring the Company to pay an exorbitant amount of Rs.18.77 crores interalia on the purported ground that it does not have a Registration from the Government of Maharashtra under the relevant IT/ ITES Policy. The matter will be listed in due course.

ii) During the earlier year, the Company had issued, on behalf of Holding Company Reliance Communications Limited, a Corporate Guarantee of ₹ 1,400.00 crore in favor of Department of Telecommunications. TDSAT on the basis of the joint submissions made by the counsels of both RCOM and DoT, vide its order passed on 07.01.2022 disposed off T.P.No. 189/2018. Resultantly TDSAT also orderd that the interim orders and the undertakings passed/given by/ before the Tribunal shall stand merged with this order of dismissal/disposal and shall not survive any further.In view of the above, nothing remains pending and no undertaking/corporate gurantee survives. Matter is closed for all purposes with no order and directions to comply.

iii) Company received service tax notice for ₹ 2,007.35 lakhs(Previous year ₹ 2,007.35 lakhs) for the period October 2014 to June 2017.

iv) Company received Goods and Service Tax notice for ₹ 108.08 lakhs for FY 2019-20 and ₹ 106.96 lakhs for the FY 2017-18 (July onwards).

Note 2.29

2.29.1 Financial Instruments

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

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

Fair value of cash, trade and other short term receivables, trade payables, other current liabilities, short term borrowings approximate their carrying amounts largely due to the short term maturities of these instruments.

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

Fair value hierarchy

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

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

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

The carrying value and fair value of financial instruments by categories as of March 31, 2023 and March 31,2022 were as follows:

(₹ in Lacs)

Particulars	As at March 31 ,2023	As at March 31 ,2022
Financial assets at amortized cost:		
Cash and cash equivalents (Refer Note 2.06)	**1 247.12**	407.26
Loans (Refer Note 2.08)	**1 18 670.22**	1 18 666.34
Trade receivables (Refer Note 2.05)	**11 590.26**	11 439.01
Bank Balance (Refer Note 2.07)	**65.45**	60.19
Other financial assets (Refer Note 2.03 & 2.09)	**6 835.97**	32 126.63
Total	**1 38 409.02**	1 62 699.43
Financial assets at fair value through Profit and Loss:	**Nil**	Nil
Financial assets at fair value through other Comprehensive Income:	**Nil**	Nil
Financial liabilities at amortized cost:		
Trade payables (Refer note 2.17)	**984.60**	464.09
Other financial liabilities (Refer Note 2.18)	**915.36**	1 348.83
Borrowings (Refer Note 2.13 & 2.16)	**2 55 306.02**	2 53 421.26
Total	**2 57 205.98**	2 55 234.18
Financial liabilities at fair value through Profit and Loss:	**Nil**	Nil
Financial Liabilities at fair value through other Comprehensive Income:	**Nil**	Nil

2.29.2 Financial Risk Management Objectives and Policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Company's financial liabilities comprise of borrowings, trade payable and other liabilities to manage its operation and financial assets includes trade receivables, cash and bank balances, other receivables etc. arises from its operation.

Financial risk management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at amortized cost	Ageing analysis	Diversification of bank deposits, Letters of Credit
Liquidity Risk	Borrowing and other liabilities	Rolling cash flow forecasts	Availability of borrowing facilities
Market risk-foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee	Sensitivity analysis	Unhedged
Market risk -interest rate	Long -term borrowing at variable rates	Sensitivity analysis	Not applicable
Market risk -price risk	Unquoted investment in equity shares of subsidiaries and associates- not exposed to price risk fluctuations	-	-

Market risk

The Company operates in domestic market only and all business transactions are carried out through domestic currencies and therefore the Company is not exposed to foreign exchange risk. Market Risk is the risk that changes in market prices such as foreign exchange rates, interest rates.

Interest Rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to Interest Rate Risk

Interest rate risk of the Company arises from borrowings. The Company adopts a policy of ensuring that maximum of its interest rate risk exposure is at fixed rate. Interest rate profile of interest-bearing financial instruments of the Company is as follows.

The Company's interest-bearing financial instruments are reported as below

(₹ in Lacs)

	As at March 31, 2023	As at March 31, 2022
Fixed Rate Instruments		
Financial Assets	**85.83**	78.73
Financial Liabilities	**2,47,655.38**	2,45,770.62
Variable Rate Instruments		
Financial Assets	-	-
Financial Liabilities	-	-

Credit risk

Credit risk refers to the risk of default on its obligation by the customer/ counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is carrying value of respective financial assets.

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables.

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Ageing of Trade Receivable

(₹ in Lacs)

Particulars	**As at March 31,2023**			As at March 31,2022		
Days	**Gross Amount**	**Weighted Average Rate**	**Credit Impaired**	Gross Amount	Weighted Average Rate	Credit Impaired
0-90	**6 059.38**	**-**	**-**	3 189.19	15.57%	496.51
91-181	**748.52**	**-**	**-**	-	0.00%	-
181-365	**1 512.57**	**-**	**-**	1.65	0.00%	-
Above 365	**3 275.59**	**0.18%**	**5.80**	13 097.50	33.23%	4 352.82
Total	**11 596.06**	**0.18%**	**5.80**	16 288.34	48.80%	4 849.33

Movement of Provision for Credit Impaired	**For the year ended March 31,2023**	For the year ended March 31,2022
Opening Balance	**4 849.33**	4 352.82
Add: Provision during the year	**6.54**	496.51
Less: Reversal of Provision during the year	**4,850.07**	-
Closing Balance	**5.80**	4 849.33

Liquidity risk

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. Working capital of the company is negative but the company believes that it will be sufficient by obtaining further borrowing to meet its current requirements. Accordingly, no liquidity risk is perceived. The Company closely monitors its liquidity position and maintains adequate source of funding.

The table below provides details regarding the contractual maturities, within one year, of significant financial liabilities are as under:

(₹ in Lacs)

Particulars	**As at March 31, 2023**	As at March 31, 2022
Borrowings	**10 793.28**	7 991.55
Trade payables	**984.60**	464.10
Other financial liabilities	**915.36**	1 348.83

Reliance Realty Limited

Notes to the Financial Statements as at March 31, 2023
Note 2.30

Earnings per Share (EPS)		For the year ended March 31, 2023	For the year ended March 31, 2022
Basic and Diluted EPS			
(a)	Profit/(Loss) attributable to Equity Shareholders (₹ in lacs) (used as numerator for calculating Basic & Diluted EPS)	**(23 071.22)**	813.53
(b)	Weighted average number of Equity Shares (in lacs) (used as denominator for calculating Basic EPS)	**50.00**	50.00
(c)	Profit/(Loss) attributable to Equity Shareholders (` in lacs) (used as numerator for calculating Diluted EPS)	**(23 071.22)**	813.53
(d)	Weighted average number of Equity Shares(in lacs) (used as denominator for calculating Diluted EPS)	**50.00**	50.00
(e)	Basic Earnings per Share of ₹ 5 each (₹)	**(461.42)**	16.27
(f)	Diluted Earnings per Share of ₹ 5 each (₹)	**(461.42)**	16.27

Note 2.31

Corporate Social Responsibility (CSR) Expenses

The Company is not required to spend towards Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013, since there is no average profit in the last 3 years calculated as per the provisions of the Act.

Note 2.32

Employee Benefits

Gratuity: In accordance with the applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity Plan) for all its employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on respective employees last drawn salary and for the years of employment with the Company.

The gratuity plan is governed by the Payment of Gratuity Act, 1972 (Gratuity Act).The Company is bound to pay the statutory minimum gratuity as prescribed under Gratuity Act. There are no minimum funding requirements for a gratuity plan in India. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of underfunding of the plan vis-a-vis settlements. The management is responsible for the overall governance of the plan. The management have outsourced the investment management of the fund to insurance company which in turn manage these funds as per the mandate provided to them by the trustees and applicable insurance and other regulations.

The Company operates its gratuity and superannuation plans through separate trusts which is administered and managed by the Trustees. As on March 31, 2023 and March 31, 2022, the contributions towards the plans have been invested in Insurer Managed Funds.

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular , there is a risk for the Company that any significant change in salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future.

The define benefit plan exposed the Company at actuarial risk such as logentivity risk. interest risk and market (Investment) risk

The following table set out the status of the Gratuity Plan as required under Indian Accounting Standard ("Ind AS") 19 "Employee Benefits".

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Obligation at beginning of the year	**19.87**	18.81
Service cost	**1.41**	1.90
Interest cost	**0.99**	0.85
Actuarial (gain)/ loss -Due to change in Demographic Assumptions	**-2.89**	-
Actuarial (gain)/ loss - Due to Change In Financial Assumptions	**-0.66**	-0.13
Actuarial (gain)/ loss - Due to Experience	**2.46**	-0.90
Benefits paid	**-7.61**	-0.66
Obligation at year end	**13.58**	19.87

Defined benefit obligation liability as at the balance sheet is wholly funded by the Company

(₹ in Lacs)

Particulars	**As at March 31, 2023**	As at March 31, 2022
(ii) Change in plan assets		
Plan assets at beginning of the year, at fair value	**66.39**	62.81
Actual return on plan assets	**3.91**	4.24
Interest Income Expected Contributions by the Employee	**-**	-
Benefits Paid from the Fund	**-7.61**	-0.66
Plan assets at year end, at fair value	**62.69**	66.39
(iii) Reconciliation of present value of the obligation and the fair value of the plan assets		
Fair value of plan assets at the end of the year	**62.69**	66.39
Present value of the defined benefit obligations at the end of the year	**-13.58**	-19.87
Asset recognized in the Balance Sheet	**49.11**	46.52
(iv) Expenses Recognized in Statement of Profit or Loss		
Service Cost	**1.41**	1.90
Interest Cost	**-2.31**	-2.00
Total	**-0.90**	-0.10
(v) Amount Recognized in Other Comprehensive Income		
Actuarial (gain)/ loss for the year on PBO	**-1.09**	-1.03
Actuarial (gain)/ loss for the year on Asset	**-0.61**	-1.39
Total	**-1.70**	-2.42
(vi) Experience adjustment		
On Plan Liabilities (Gain)/Loss	**-2.46**	0.90
On Plan Assets Gain / (Loss)	**-0.61**	(1.39)
(vii) Investment details of plan assets		
100% of the plan assets are invested in balanced Fund Instruments		
(viii) Actual return on plan assets	**3.91**	4.24
(ix) Assumptions		
Interest rate	**7.21%**	4.97%
Estimated return on plan assets	**7.21%**	4.97%

(x) Particulars of the amounts for the year and previous years

	Gratuity for the year ended March 31,				
	2023	2022	2021	2020	2019
Present Value of benefit obligation	**13.58**	19.87	18.81	18.13	49.93
Fair value of plan assets	**62.69**	66.39	62.81	59.43	66.30
Excess of (obligation over plan assets) / plan assets over obligation	**(49.11)**	(46.52)	(44.00)	(41.30)	(16.38)

*The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

(ix) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(Amount in ₹)

	As at March 31,2023	As at March 31,2022
Discount rate (+0.50% movement)	**(34 046.00)**	(29 626.00)
Discount rate (-0.50% movement)	**35 562.00**	30 186.00

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(x) Maturity analysis of defined benefit plan (fund)

	As at March 31,2023	As at March 31,2022
1st following year	**1 63 102**	8 48 778
2nd following year	**98 781**	7 12 112
3rd following year	**91 691**	2 15 438
4th following year	**84 406**	1 19 576
5th following year	**78 683**	46 229
6th following year	**1 86 382**	22 879
Sum of 6 years and above	**6 55 001**	22 312

(xi) Provident Fund :Under this scheme, the employee and employer each make monthly contribution to the plan equal to 12% of the covered employee's basic salary. Contributions are made to the trust established by the Company. upto 31.05.2020. from 01.06.2019 the PF deducted of employee is deposited with RPFC as per order received from the PF Commissioner Dated 11.06.2019 PF decucted from the month of June 2019, the employee and employer monthly contribution to the PF equal to 12% of the covered employee's basic salary is deposited with Regional Provident Fund Commissioner (RPFC)

For the year ended March 31, 2023, the Company has contributed Rs 2.30 Lakh towards PF Trust and Rs 4.41 Lakh towards Provident Fund to RPFC.

The assumption made for the above are discount rate of 5.04%, average remaining tenure of Investment Portfolio is 8 years and guaranteed rate of return is 8.65%

Note 2.33

The Company in the capacity of agent recovers only the actual amount towards electricity consumed by customer and therefore, as legally adviced electricity expenses are shown net of said reimbursements of ₹ 4989.00 Lakh from Globalcom IDC Limited.

Note 2.34

Pursuant to an agreement for assignment entered into between the Company, and STT Global Data Centres India Private Limited (STT) in an earlier year for transfer of leasehold right, title and interest of Land admeasuring 34873 sq. mts forming part of the larger land located at DAKC along with building (Larger land) thereupon and substation to be constructed on the land, the Company had received an amount of Rs 26.99 crore from STT which was reflected as Advance Received from Customer under Other Liabilities in the consolidated financial statements.

During the previous year, STT (the Claimant) invoked arbitration proceedings against the Company in accordance with the terms of the agreement for assignment and filed its Claim before the Arbitral Tribunal seeking claim comprising of Loss of Profit Rs.36.05 crore and Interest at the rate of 18% p.a. to the tune of Rs.14.28 crore and Legal costs incurred by the Claimant.

During the year, the Company has settled the above claim and paid an amount of Rs 27 crore to STT by obtaining loan from RCOM, the said Settlement were filed before the High Court, in the Commercial Arbitration Petition No. 5 of 2023 by way of Consent Terms dated 15.02.23. (Refer Note 2.16)

Note 2.35

During an earlier year, the Company had entered into a Development agreement with Reliance Globalcom Limited (RGL) for completion of Internet Data Centre 5 (IDC 5) building and paid Rs 25.45 crore to RGL for completion of construction of IDC 5 building which has been reflected as Capital Advance under other non current assets in the financial statements pending verification of invoices and of work completion certification .

Note 2.36

On completion of the corporate insolvency resolution process of the Holding Company, the Company will carry out a comprehensive review of all the assets and liabilities and accordingly provide for impairment of assets and write back of liabilities, if any.Consistent with the practice followed in earlier years, interest has not been charged/provided on loans given/availed to/from holding company and fellow subsidiaries company .Receivable and Payable balances are subject to confirmation from the respective parties.

Notes to the Financial Statements as at March 31, 2023

Note 2.37

During the earlier year ended March 31, 2019, the Holding Company was in the process of finalising and implementing its asset monetization and debt resolution plan, comprising the Holding Company's real estate development plan and restructuring of Debt. Accordingly as required by the lenders and also to safeguard the development of real estate and the business taken up by the Company, it was felt necessary that control of the Company be conferred on ADA Group.

Note 2.38

During the earlier year, the Company has entered into a Long Term Lease agreement with a Customer for two buildings named Corporate Head Quarters (CHQ) and Business Head Quarters situated within the complex of Dhirubahi Ambani Knowledge City (DAKC) for the period from July 2019 to March 2041. The said Lease Agreement has been discounted @10% per annuam and received ₹ 461.74 crore. Further, Monthly Lease Rental receivables have been assigned against payment of installment due on discounting.

Note 2.39

During the earlier year, the Company had extended loans to Fellow subsidiaries amounting to Rs 1,18,169 Lakh and Rs 500 lakhs to Reliance Bhutan Limited for which terms are not decided,accordingly no interest is charged to them.

Reliance Realty Limited

Notes to the Financial Statements as at March 31, 2023

Note 2.40 Related Parties

As per Indian Accounting Standard 24, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties are given below :

i) **List of related parties and their relationships :**

Holding Company

1 Reliance Communications Limited

100% Subsidiary (w.e.f. 23 July 2018)

2 Reliance Infra Projects Limited

Fellow Subsidiary Companies with whom transactions have taken place

3 Reliance Webstore Limited
4 Reliance Communications Infrastructure Limited
5 Reliance Infratel Limited (RITL) (ceased w.e.f December 22, 2022)
6 Reliance Tech Services Limited (ceased w.e.f March 03, 2023)
7 Reliance Telecom Limited
8 Globalcom IDC Limited (ceased w.e.f December 12, 2022)
9 Reliance Globalcom Limited
10 Reliance Infra Project Limited
11 Internet Exchangenext.Com Limited
12 Campion Properties Limited
13 Reliance Wimax Limited
14 Worldtel Tamilnadu Private Limited
15 Reliance Mobile Commerce Pvt Limited
16 Towercom Infrastructure Private Limited
17 Reliance Communications Tamilnadu Limited
18 Reliance Bhutan Limited. (Up to December 21,2022)

Investing Party

18 Reliance Bhutan Limited. (w.e.f December 22,2022)

Fellow Subsidiary of Investing Party

19 Reliance Ventures Limited (w.e.f December 22, 2022)

Enterprise over which promoter of Holding Company having control

20 Reliance Capital Limited
21 Reliance General Insurance Company Limited
22 Reliance Home Finance Limited
23 Reliance Commodities Limited
24 Reliance Wealth Management Limited
25 Reliance Financial Limited
26 Reliance Money Services Private Limited
27 Reliance Securities Limited
28 Reliance Infrastructure Limited
29 Reliance Power Limited
30 Sasan Power Limited
31 Vidarbha Industries Power Limited
32 Rosa Power Supply Company Limited
33 Reliance Nippon Life Insurance Company Limited
34 Reliance Commercial Finance Limited (ceased w.e.f. Octomber 14,2022)
35 Reliance Health Insurance Limited
36 Reliance Defence Limited
37 Unlimit IOT Private Limited
38 Reliance Transport & Travels Private Limited

Employee Benefit Trust

39 Chemical and Fibers of India Limited Providend Fund

Promoter having significant influence over Holding Company

40 Shri Aniil D. Ambani

ii) **Key Managerial Person**

1 Manish Kumar Vyas - Company Secretary and Manager

Note : Related party transaction is as identified by the company and relied upon by the Auditors.

Reliance Realty Limited

Notes to the Financial Statements as at March 31, 2023

ii) Transaction with the related parties :-

During the Financial Year 2022 - 23 **(₹ in Lacs)**

Sr. No.	Nature of Transactions	Holding Company	Subsidiary	Fellow Subsidiaries	Enterprise over which promoter of holding Company having control	Investing Parties	Key Managerial Personnel / Employee Bebefit Trust	Total
A	**Allotment of Shares**							
	Equity Shares							
	Balance as at	**500.00**	-	-	-	-	-	**500.00**
	April 1, 2022	(500.00)	(-)	(-)	(-)	(-)	(-)	(500.00)
		-	-	-	-	-	-	-
	Allotted during the year	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	Balance as at March 31,	**500.00**	-	-	-	-	-	**500.00**
	2023	(500.00)	(-)	(-)	(-)	(-)	(-)	(500.00)
	Preference Share (Including Share Premium)							
	Balance as at April 1, 2022/w.e.f	-	-	-	-	**2 00 000.00**	-	**2 00 000.00**
	December 22, 2022	(-)	(2 00 000.00)	(-)	(-)	(-)	(-)	(2 00 000.00)
	Allotted during the year	-	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)
	Balance as at March 31, 2023	-	-	-	-	**2 00 000.00**	-	**2 00 000.00**
		(-)	(2 00 000.00)	(-)	(-)	(-)	(-)	(2 00 000.00)
B	**Borrowings (Loans) ***							
	Balance as at April 1, 2022/w.e.f	**7 650.64**	-	-	-	**45,770.62**	-	**53 421.26**
	December 22, 2022	(7 650.64)	(-)	(-)	(-)	(-)	(-)	(7 650.64)
	Addition during the year	**2 700.00**	-	-	-	-	-	**2,700.00**
		(-)	(-)	(-)	(-)	(-)	(-)	(-)
	Repayment/Adjustment of	-	-	-	-	**815.23**	-	**815.23**
	Loan	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	Balance as at March 31,	**10 350.64**	-	-	-	**44,955.39**	-	**55 306.03**
	2023	(7 650.64)	(-)	(-)	(-)	(-)	(-)	(7 650.64)
C	**Investments**							
	Balance as at	-	-	**5.00**	-	-	-	**5.00**
	April 1, 2022	(-)	(-)	(-)	(-)	(-)	(-)	(-)
		-	-	-	-	-	-	-
	Purchased during the year	(-)	(-)	(-)	(-)	(-)	(-)	(-)
		-	-	-	-	-	-	-
	Provision for Imapirment	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	Balance as at March 31,	-	-	**5.00**	-	-	-	**5.00**
	2023	(-)	(-)	(-)	(-)	(-)	(-)	(-)

Reliance Realty Limited

Notes to the Financial Statements as at March 31, 2023

(₹ in Lacs)

Sr. No.	Nature of Transactions	Holding Company	Subsidiary	Fellow Subsidiaries	Enterprise over which promoter of holding Company having control	Investing Parties	Key Managerial Personnel / Employee Bebefit Trust	Total
D	**Trade Receivables***	**279.24**	-	**10 762.47**	**-**	-	-	**11 041.71**
		(-)	(-)	(11 031.78)	(.59)	(-)	(-)	(11 032.37)
E	**Trade Payables ***	-	-	-	**20.46**	-	-	**20.46**
		(-)	(-)	(-)	(20.46)	(-)	(-)	(20.46)
F	**Loan to related party**	-	-	**1 18 169.00**	-	**500.00**	-	**1 18 669.00**
		(-)	(-)	(1 18 667.34)	(-)	(-)	(-)	(1 18 667.34)
G	**Other Receivable**	-	-	**6 785.04**	-	-	-	**6 785.04**
		(-)	(-)	(32 066.53)	(-)	(-)	(-)	(32 066.53)
H	**Advance From Customers**	-	-	-	-	-	-	-
		(164.93)	(-)	(-)	(-)	(-)	(-)	(164.93)
I	**Advance to Others**	-	-	-	**251.41**	-	-	**251.41**
		(-)	(-)	(-)	(251.32)	(-)	(-)	(251.32)
J	**Capital Advance**	-	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)
K	**Other Financial Liability**	**34.62**	**-**	**-**	**-**	**-**	**-**	**34.62**
		(-)	(-)	(-)	(-)	(-)	(-)	(-)
L	**Other Expenses**	**-**	-	-	-	-	-	**-**
		(200.85)	(-)	(-)	(-)	(-)	(-)	(200.85)
M	**Revenue from Operation**							
		1 148.72	-	**63.35**	-	-	-	**1 212.07**
	Facility usage charges/ Rent	(1 148.72)	(-)	**(2 146.51)**	-	(-)	(-)	**(3 295.23)**
N	**Interest Expenses**	**38.47**	**-**	**-**	**-**	**4,703.85**	**-**	**4,742.32**
		(-)	(-)	(-)	(-)	(4 727.90)	(-)	(4 727.90)
O	**Managerial Remuneration****	-	-	-	-	-	**-**	**-**
		(-)	(-)	(-)	(-)	(-)	(9.44)	(9.44)

* Includes non cash transactions

** Reimbursable to Holding Company

Note : Figures in bold represents current year figures.

Reliance Realty Limited

Notes to the Financial Statements as at March 31, 2023

Note 2.41 Going Concern

The Company has incurred losses during the year and also in earlier years and its net worth is fully eroded as at March 31, 2023. The Company's current liabilities exceeded its Current assets by ₹ 744.85 Crore. The Company is wholly owned subsidiary company of Reliance Communication Limited. Reliance Communication Limited is under resolution process under the Insolvency and Bankruptcy Code 2016 (IBC). As a consequence, management and operation of the Holding Company are under the control and custody of Resolution Professional (RP) appointed vide Hon'ble NCLT order dated May 18, 2019. On finalisation and implementation of resolution process of Holding Company, the Company will carry out a comprehensive impairement review of its Tangible Assets and other Financial/ Non Financial Assets which are pending for confirmation. These factors, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern, however, the Company does not have any intention to suspend the operational activities. The company does not have any external borrowing from Banks/ Financial Institutions and current liabilities consists of mainly borrowings from the holding and fellow subsidiary companies. The company is in process of exploring the opportunity for renting out the property. In view of the management's expectation of the successful renting of the property in near future, the financial statements have been prepared on a going concern basis.

Note 2.42 Exceptional Items

During the year, Receivables from RITL have been written off consequent to implementation of the approved resolution plan of RITL on December 22, 2022. Accordingly, RITL has ceased to be a subsidiary of Reliance Communications Limited w.e.f December 22, 2022. During the year ended March 31, 2023, Loss on de-subsidiarisation is Rs 25,281.49 Lakh and is shown as Exceptional Items.

Note 2.43 Capital Management

Capital of the Company, for the purpose of capital management, includes issued equity capital and all other equity reserves attributable to equity shareholders of the Company. The primary objective of the Company's capital management is to maximise shareholders value.
The funding requirement is met through a mixture of equity, internal accruals and short term borrowings.
The Company monitors capital using gearing ratio, which is debt divided by total capital plus debt.

(₹ in Lacs)

		As at March 31,2023	As at March 31,2022
(a)	Equity	**(50 232.75)**	(27 163.22)
(b)	Debt	**2 55 306.02**	2 53 421.26
(c)	Equity and Debt (a + b)	**2 05 073.27**	2 26 258.04
(d)	Debt to Equity Ratio (b / a)	**(5.08)**	(9.33)
(d)	Capital Gearing Ratio (b / c)	**1.24**	1.12

Decreasing capital gearing ratio reflects reduction in equity on account of net losses incurred and increase in borrowings during the year.

Note 2.44 Ratio

Sr.no	**Ratios**	**Numerator**	**Denominator**	**March'23**	**March'22**	**Variance(%)**
1)	Current Ratio (in times)	Current assets	Current Liabilities	**0.65**	0.76	(14.84)
2)	Debt Equity ratio (in times)	Total Debt	Equity	**-5.08**	-9.33	(45.52)
3)	Return on equity (%)	Net Profit	Equity	**-46%**	-2.99%	(1 433.54)
4)	Trade Receivable turnover ratio (in times)	Turnover	Average Trade Receivable	**0.83**	0.74	12.55
5)	Trade Payable turnover ratio (in times)	Net Credit Purchases	Average Trade Payable	**4.38**	3.76	16.57
6)	Net Capital Turnover ratio (in times)	Turnover	Working Capital	**-0.13**	-0.17	(26.53)
7)	Net profit ratio (%)	Net Profit	Turnover	**-241%**	9.26%	(2 709.34)
8)	Return on Capital employed (%)	Profit before tax	Equity	**-817.67%**	4.19%	(19 607.45)
9)	Debt Service Coverage ratio (in times)	Earning available for debt service	Total Debt Service	**-1.77**	0.69	(358.36)

Notes:

1) Inventory turnover ratio is not applicable as there is no inventory.

2) Return on Equity ratio and Capital Employed, Net Profit Ratio, Net Capital Turnover Ratio and Debt Service Coverage Ratio is decreased due to loss on desubsidiarisation.

Note 2.45

All the title deeds are held in the name of the Company.

Note 2.46

The company does not have any lease. Hence Ind AS 116 is not applicable to the company.

Note 2.47

The company has not been declared wilful defaulter.

Note 2.48 Additional Regulatory Information

1) Utilisation of Borrowed funds and share premium:
During the year, there is no fresh borrowings and Share premium

2) During the year, the Company has not received as well as given advances (excluding transactions in the normal course of business) or loans or invested funds or provided any guarantee, security or the like from/ to any other person(s) or entity(ies), directly or indirectly, including any foreign entity(ies).

3) During the year, the Company has not surrendered or disclosed any income, previously unrecorded in the books of account as income, in the tax assessments under the Income Tax Act, 1961.

4) Relationship with Struck off Companies
There is no any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,

5) Registration of charges or satisfaction with Registrar of Companies (ROC)
During the year, the Company has received Rs. 27 crore Loan from Reliance Communications Limited ('Rcom'), The said loan is secured by way of creation of an exclusive mortgage by the Company in favour of / for the benefit of Rcom. Charge is yet to be created with Registrar of Companies (RoC).
No other MCA filing is pending for the financial year ending March 31, 2023 of Registration of charges or satisfaction of charge with RoC.

6) Compliance with number of layers of companies
Company has complied with the number of layers of subsidiary companies as required under clause (87) of section 2 of Companies Act, 2013 and rules made thereunder

Note 2.49 Post Reporting Events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

Note 2.50 Authorisation of Financial Statements

The financial statements for the year ended March 31, 2023 were approved by the Board of Directors on May 26, 2023.

As per our Report of even date

For Pathak H.D. & Associates LLP
Chartered Accountants
Firm Registration No.107783W/W100593

Jigar T. Shah
Partner
Membership No. 161851

Place : Mumbai
Dated : May 26, 2023

For and on behalf of the Board

Sandeep Garg
Director
DIN : 09513285

Dolly Dhandhresha
Director
DIN : 07746698

Manish Kumar Vyas
Company Secretary & Manager
Membership No. A53817