

May 6, 2020

BSE Limited

Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

Dear Sirs,

Sub: - Audited Financial Results for the financial year ended March 31, 2020 Compliance with Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

The Board of Directors of the Company have approved the audited financial results for the financial year ended March 31, 2020, at their meeting held on Wednesday, May 6, 2020

Accordingly, as required under Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we are submitting herewith the Audited Financial Results for the financial year ended March 31, 2020 along with the Auditors Report.

You are requested to kindly take the same on your record and do the needful.

Yours faithfully,

For Reliance Securities Limited



Company Secretary

Encl. As above



May 6, 2020

To

BSE limited

PhirozeJeejeebhoy Towers

Dalal Street

Mumbai- 400001

DECLARATION

Dear Sirs/Madam,

Sub: Declaration pursuant to Regulation 52(3)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I, Lav Chaturvedi, Executive Director & CEO of Reliance Securities Limited (CIN:U65990MH2005PLC154052) having its Registered office at Reliance Centre, 4th Floor, North Wing, Off Western Express highway, Santa Cruz (East), Mumbai 400 055, hereby declare that, the Statutory Auditors of the Company, Pathak H.D. & Associates, Chartered Accountants (FRN:107783W) have issued an Audit Report with unmodified opinion on the Audited Financial Results of the Company for the year ended March 31, 2020.

This Declaration is given in compliance to the proviso to the Regulation 52(3)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016 vide notification no. SEBI/LAD-NRO/GN/2016-17/001 dated May 25, 2016 and Circular no. CIR/CFD/CMD/56/2016 dated May 27, 2016.

Kindly take this declaration on your records.

Yours faithfully,

For Reliance Securities Limited


Lav Chaturvedi

Executive Director & CEO

DIN: 02859336



RELIANCE SECURITIES LIMITED

Statement of Audited Financial Results for the Year ended March 31, 2020

(₹ in Lakhs except per share data)

S.N.	Particulars	Half year ended		Year ended	
		31st March 2020	31st March 2019	31st March 2020	31st March 2019
		Unaudited	Unaudited	Audited	Audited
I	Revenue from operations	10,285	13,289	20,668	28,607
II	Other income	157	43	165	153
III	Total Revenue (I+II)	10,442	13,332	20,833	28,760
IV	Expenses:				
	Finance Costs	680	1,249	1,774	2,723
	Fees and commission expense	987	963	1,917	2,168
	Employee Benefits Expenses	3,638	5,611	9,690	12,430
	Depreciation, amortization and impairment	343	447	697	827
	Others expenses	4,076	3,896	10,644	8,457
	Total Expenses	9,724	12,166	24,722	26,605
V	Profit before exceptional items and tax (III-IV)	718	1,166	(3,889)	2,155
VI	Exceptional items	-	-	-	-
VII	Profit before tax (V-VI)	718	1,166	(3,889)	2,155
VIII	Tax expense:				
	(1) Current Tax	-	(32)	-	469
	(2) Deferred Tax	-	(91)	-	(592)
	(3) Taxes of earlier years	(12)	(11)	(12)	-
IX	Profit for the period (VII-VIII)	730	1,300	(3,877)	2,278
X	Other Comprehensive Income				
	Items that will not be reclassified to profit or loss :				
	Re-measurement of post retirement benefit obligation	(30)	(37)	(70)	(51)
	Income tax relating to this items	7	8	17	11
XI	Total Comprehensive Income for the period (IX +X)	707	1,271	(3,930)	2,238
XII	Earning per share on Equity Shares of ₹ 10 each				
	- Basic	0.35	0.62	(1.85)	1.08
	- Diluted*	0.33	0.59	-	1.04

*On account of conversion of potential equity shares, EPS will become anti-dilutive. Accordingly it has not been presented for year ended 31st March 2020.



Notes:

- 1 The above standalone financial results for the half year ended March 31, 2020 are prepared in accordance with the recognition and measurement principles of Ind AS 34 "Interim Financial Reporting" prescribed under the Act, read with the relevant Rules made thereunder.
- 2 The standalone financial results of the company for the year ended March 31, 2020 and corresponding figures of the previous year are prepared in accordance with the Ind AS. The figures for the half year ended March 31, 2020 and corresponding half year ended in previous year as reported in these financial results are the balancing figures between audited figures in respect of full financial year and the reviewed year-to-date figures upto the end of half year of the current and previous financial year respectively.
- 3 The Company has reported segment wise information as per IND AS 108 "Operating Segment", notified under the Companies (Indian Accounting Standards) Rules, 2015. The operations of the Company are conducted within India, there is no separate reportable geographical segment and the Company reported the following business segments:

(i) **Broking Activities:** Broking activities includes Broking services to clients, research and advisory services and distribution of financial product distribution, depository services, etc.

(ii) **Proprietary trading :** Proprietary Trading activities includes the trading in securities by the Company in its own name.

(iii) Certain assets and liabilities, which relate to the company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated"

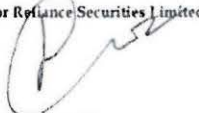
(₹ in lakh)

Particulars	Half Year ended		Year ended	Year ended
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
	Unaudited	Unaudited	Audited	Audited
Segment Revenue				
a. Broking activity	9,345	11,025	18,882	24,735
b. Proprietary trading	941	2,264	1,786	3,872
c. Unallocated	157	43	165	153
Total	10,443	13,332	20,833	28,760
Segment Results				
a. Broking activity	54	(491)	(4,731)	(461)
b. Proprietary trading	560	1,681	782	2,588
c. Unallocated	105	(24)	60	29
Total	719	1,166	(3,889)	2,156
Segment Assets				
a. Broking activity	50,805	62,778	50,805	62,778
b. Proprietary trading	171	3,995	171	3,995
c. Unallocated	2,122	1,727	2,122	1,727
Total	53,098	68,500	53,098	68,500
Segment Liabilities				
a. Broking activity	42,770	52,353	42,770	52,353
b. Proprietary trading	1,059	2,949	1,059	2,949
c. Unallocated	-	-	-	-
Total	43,829	55,302	43,829	55,302



- 4 The Listed Secured Non-Convertible Debentures (Market Linked Debenture) of the Company aggregating to Rs 5,659 Lakh as on March 31, 2020 are secured by way of first ranking mortgage over the Company's Immovable property and second charge on the present and future book debts and receivables hypothecated in favour to Banks towards Working Capital facility of the Company as specifically mentioned in the Trust deed and the asset cover thereof exceeds hundred per cent of the principal amount of the said debentures
- 5 Effective April 01, 2019, the company adopted Ind AS 116 "Leases", using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. Consequential increase in expenses been recognized in the statement of profit and loss during the year ended March 31, 2020 amounting to Rs. 68,366/-
- 6 The outbreak of COVID-19 pandemic across the globe and India has contributed to a significant decline and increased volatility in the global and Indian financial markets and slowdown in the economic activities. On March 24, 2020 the Indian Government announced a strict 21 day lockdown which has been further extended across the country to contain the spread of the virus. COVID-19 presented us operational challenges and required recalibrating the management methodology for sales, collections, operations, etc. Accordingly, the company has accounted for expected credit loss on financial assets as at March 31, 2020 aggregating to Rs. 3.55 crore (as on March 31, 2019 - Rs. NIL). The Company believes that it has taken into account all the possible impact of known events arising out of COVID-19 pandemic in the preparation of financial results. However, the impact assessment of COVID 19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions
- 7 The Board of Directors of the Company have given consent at their Meeting held on March 19, 2018, to acquire the business undertaking of the Reliance Commodities Limited pertaining to Commodities broking business including all related assets and properties, employees, investments, contracts, debts and liabilities on slump sales basis. Accordingly, the Company has entered into Business Transfer Agreement dated August 24, 2018 with the Reliance Commodities Limited to acquire Commodities broking business for a consideration of Rs. 2,53,00,000. Exchange approval for the Commodities Broking business acquisition has been received, subject to fulfilment of certain conditions. The Company is in the process of fulfilling those conditions & accounting adjustment has not been given in above result.
- 8 Pursuant to the Guidelines issued by Reserve Bank of India (RBI) vide its notification no. RBI/2019-20/186/DOR.No.BP/BC/47/21.04.048/2019-20 dated March 27, 2020 on COVID-19 - Regulator Package ("RBI Notification"), We have requested to reschedule re-payment of all instalments (including principal and / or interest components) falling due between March 1, 2020 and May 31, 2020 worth Rs. 50.50 Crore towards Principle and Rs. 4.87 Cr Interest
- 9 The Company has received request for extension for Principle and Interest repayment due in March 2020. Considering, the economic and financial impact due to COVID-19, we have accepted the request for moratorium for a period of three months on our intercorporate lending amounting to Rs. 35.50 Crore (Principle) and Rs. 7.80 crore (Interest).
- 10 The Company has been unable to obtain Bank Confirmation for the year ended 31-Mar-2020 for certain Fixed Deposit Receipts (FDRs) amounting to Rs. 7.54 crore from a Scheduled Commercial Bank, which includes "Client Margin" FDRs amounting to Rs. 5.70 Crore.
The Bank has adjusted said FDRs against amounts due and payable by the parent company (Reliance Capital Limited) to the Bank. The Company has obtained legal advise / opinion from a reputed law firm confirming that the action of the Bank to adjust "Client Margin" FDRs can be challenged as being illegal and untenable in law. The regulatory provisions from SEBI also support this position. The Company has initiated necessary actions against the Bank for said adjustments for Client Margin FDRs.
Hence, the Company is confident that the said Client Margin FDRs of Rs. 5.70 crore will be recovered from the Bank over a period of time and no adjustments are required to be made in the carrying value of the FDRs. Balance amount of FDRs of Rs. 1.84 crore have been provided for in the books of account of the Company. This matter has been referred by the Auditor in their audit report as matter of emphasis.
- 11 In term of SEBI Circular CIR/CFD/CMD/56/2016 dated May 27, 2016 the company hereby declares that the auditors have issued audit report with unmodified opinion on annual audited financial results for the year ended March 31, 2020.
- 12 Disclosures under Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given in Annexure A.
- 13 The above financial results for the year ended March 31, 2020 are audited by the statutory auditors
- 14 The above results were reviewed by the Audit Committee. The Board of Directors at its meeting held on May 06, 2020 approved the above results and its release
- 15 Previous period figures have been regrouped/ rearranged wherever necessary.

For Reliance Securities Limited


Lax Chaturvedi
Executive Director & CEO
DIN : 02859336
Place : Mumbai
Date : May 06, 2020



RELIANCE SECURITIES LIMITED

Disclosures pursuant to Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2020

(₹ in lakh except per share data)

1 Credit Rating

Instrument	Rating Agency	Rating
Market Linked Debentures	CARE Ratings Limited	CARE PP-MLD BB- (Credit watch with developing implications)

2 Asset cover available in case of non convertible debt securities.

A Assets Available	20,346
B Secured Debt	6,204
(a) Long-Term Secured borrowing	6,204
(b) Short-Term Secured borrowing	-
*Security coverage ratio (A/B)	3.28
C Total secured borrowing other than Non Convertible Market Linked Debentures (MLD's)	-
D Total assets available for market linked debenture (A-C)	20,346
E Non Convertible Market Linked Debentures (MLD's)	6,204
**Security coverage ratio for non convertible debenture (D/E)	3.28

3 Debt-equity ratio as on March 31, 2020:

1.21

Previous due date for the payment of interest/principal: Principal along with interest has been paid on the due From 1st October 2019 to 31st March 2020.

4

ISIN	BSE Scrip code	From 1st October 2019 to 31st March 2020	
		Interest	Principal paid along with interest on
INE923107015	957648	N.A.	15-Oct-19
INE923107015	957648	N.A.	23-Oct-19
INE923107015	957648	N.A.	08-Nov-19
INE923107015	957648	N.A.	28-Nov-19
INE923107098	958169	N.A.	26-Dec-19

5 Next due date for the payment of interest/principal:

Principal along with interest would be payable on the due From 1st April 2020 to 30th September 2020.

Nil

6 Debt service coverage ratio:

a. Earning before interest and tax (EBIT)	(2,115)
b. Debt outstanding along with interest	11,741

Note - Since EBIT is negative, debt service ratio cannot be worked out.



RELIANCE SECURITIES LIMITED

Disclosures pursuant to Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 For the year ended March 31, 2020

(in lakh except per share data)

7	Interest service coverage ratio:	
	a. Earning before interest and tax (EBIT)	(2,115)
	b. Interest cost	1,774
	Note - Since EBIT is negative, interest service coverage ratio cannot be worked out.	
8	<u>Outstanding redeemable preference shares</u>	
	- No. of Preference Shares outstanding:	Nil
	- Amount:	Nil
9	Debenture redemption reserve(DRR):	528
10	Net worth as on March 31, 2020: (Net worth = Total equity)	9,269
11	Net Profit After Tax	(3,877)
12	Earnings per share	
	Basic EPS	(1.85)
	Diluted EPS*	-
	*On account of conversion of potential equity shares, EPS will become anti-dilutive. Accordingly it has not been presented	



RELIANCE SECURITIES LIMITED
Audited Balances Sheet As at March 31, 2020

(₹ in lakh)

S.N.	Particulars	As at	As at
		March 31, 2020	March 31, 2019
		Audited	Audited
	ASSETS		
	1) Financial Assets		
(a)	Cash and cash equivalents	4,291	5,221
(b)	Bank balance other than cash and cash equivalents above	24,772	26,562
(c)	Derivative financial instruments	9	-
(d)	Receivables		
(i)	Trade receivables	3,775	12,190
(ii)	Other receivables	646	1,191
(e)	Loans	4,762	13,955
(f)	Investments	31	3,126
(g)	Other Financial assets	10,759	1,427
	2) Non-financial Assets		
(a)	Inventories	61	771
(b)	Current tax assets (net)	1,067	592
(c)	Deferred tax assets (net)	844	844
(d)	Investment property	14	14
(e)	Property, plant and equipment	753	1,054
(f)	Other intangible assets	646	875
(g)	Other non-financial assets	670	678
	Total Assets	53,100	68,501
	LIABILITIES AND EQUITY		
	LIABILITIES		
	3) Financial Liabilities		
(a)	Derivative financial instruments	987	2,784
(b)	Payables		
(i)	Trade payables		
(i)	total outstanding dues of micro enterprises and small enterprises	-	-
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	24,528	25,530
(II)	Other payables		
(i)	total outstanding dues of micro enterprises and small enterprises	-	-
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
(c)	Debt Securities	6,204	10,933
(d)	Borrowings (Other than Debt Securities)	5,050	8,803
(e)	Subordinated Liabilities	-	-
(f)	Other financial liabilities	2,215	1,665
	4) Non-Financial Liabilities		
(a)	Provisions	231	358
(b)	Other non-financial liabilities	4,615	5,229
	5) EQUITY		
(a)	Equity Share capital	21,000	21,000
(b)	Instruments entirely equity in nature	2,500	2,500
(c)	Other Equity	(14,230)	(10,301)
	Total Liabilities and Equity	53,100	68,501



INDEPENDENT AUDITOR'S REPORT

To The Board of Directors of
Reliance Securities Limited

Report on the audit of the Standalone Financial Results

We have audited the accompanying standalone financial results of Reliance Securities Limited (the company) for the half year and year ended March 31, 2020 ('standalone financial results') attached herewith, being submitted by the company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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

- i. are presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the half year and year ended March 31, 2020

Basis for Opinion

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



Emphasis of Matter

We draw attention to Note no. 10 of the financial results, regarding non receipt of confirmation against certain fixed deposits (FDs) amounting to Rs. 7,54,02,643/- by the Company from a Scheduled Commercial Bank (Bank) as on 31st March, 2020 for the reasons stated in the said note. These FDs include "Client Margin" FDRs of Rs.5,70,00,000/-. Based on the facts fully described in the aforesaid note, view of the Company and legal opinion obtained by the Company from an independent legal experts, the management of the Company is confident that they will be in a position to recover said Client Margin FDRs from the Bank over a period of time and no adjustments are required in the carrying amount of said "Client Margin" FDRs .

Our opinion is not modified in respect of the above matter.

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

These standalone financial results have been prepared on the basis of the standalone financial statements. The Company's Management and Board of Directors are responsible for the preparation of these standalone financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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



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

Auditor's Responsibilities for the Audit of the Standalone Financial Results

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

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

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



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

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

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

Other Matter

The standalone financial result include the results for the half year ended March 31, 2020 and corresponding half year ended in previous year as reported in these financial results are the balancing figures between audited figures in respect of full financial year and published year to date figures up to the half year of current and previous financial year respectively, which has been reviewed and not subjected to audit.

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

Parimal Kumar Jha

Parimal Kumar Jha
Partner
Membership No: 124262
UDIN: 20124262AAAABK4318

Date: May 06, 2020
Place: Mumbai

