

To,

Board of Directors,
Reliance Commercial Finance Limited
Reliance Center,
6th Floor, South Wing,
Off Western Express Highway
Mumbai – 400 055

Dear Sirs,

Re: End use of funds given to Potentially Indirectly Linked Entities which are outstanding as on October 31, 2019

We have performed the procedures agreed with Reliance Commercial Finance Limited (“the Company”) registered under the Companies Act, 1956 having its registered office at Reliance Centre, 6th Floor, South Wing, Off Western Express Highway, Santacruz (East), Mumbai-400055 vide our engagement letter dated 24th January 2020 with respect to end use of funds given to Potentially Indirectly Linked Entities (herein after referred as “PILE”) which are outstanding as on 31st October 2019. Our engagement was undertaken in accordance with the Standard on Related Services (SRS) 4400 on “Engagement to Perform Agreed-Upon Procedures Regarding Financial Information” issued by the Institute of Chartered Accountants of India. The sufficiency of these procedures is solely the responsibility of the Management of the Company, consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose of our report or for any other purpose. The procedures were performed solely to assist the Company in evaluating the validity of the information stated in Annexure 1 as certified by the Management which are summarized as follows:

1. We have obtained the list of outstanding transactions with PILE Entities from the Management of the Company.
2. We have obtained the bank statements and other records of the Company, PILE Entities and Group Companies from the Management of the Company.
3. We have traced the information given in Annexure 1 which is based on the bank statements and records provided by the Company with respect to PILE Entities and Group Companies and have found the same to be in accordance therewith.
4. The outstanding receivable as on 31st October 2019 was Rs. 4,399.70 Crore. The funds of Rs. 4,359.40 Crore has been utilized towards the repayment of borrowings i.e. loans/debts, other hybrid instruments, interest and other borrowing charges of PILE Entities / Group Companies and Rs. 40.30 Crore has been utilized for statutory dues, operational expenses and other corporate purposes of PILE Entities / Group Companies and the Company. The details are attached in Annexure 1.
5. We have not independently evaluated the appropriateness of accounting of the loan book as required under various rules and regulations, as applicable.
6. We have not independently reviewed the appropriateness and / or the nature of transaction amongst the PILE Entities and Group Companies
7. We have not independently obtained the bank statements of the Company, PILE Entities or Group Companies from other sources, through circulation procedures or any other means for the purpose of our engagement and have relied on the bank statements procured and furnished by the Company.
8. Our findings are based on explanations and representations provided by the appropriate personnel of the Company for transactions of PILE Entities and Group Companies. Our engagement does not involve discussion or obtaining representations from appropriate personal of those PILE Entities or Group Companies

Because the above procedures do not constitute either an audit or a review made in accordance with the generally accepted auditing standards in India, we do not express any assurance on the information contained in the relevant Annexures. Our Engagement does not envisage commenting on the compliance of any loan documents and its covenants entered by the Company with its lenders and borrowers. Accordingly, our engagement cannot be relied upon to disclose errors, fraud, or other illegal acts that may exist.

Our report is solely for the purpose as set forth in this report and for your information and is not to be used for any other purpose or to be distributed to any other parties.

We have no responsibility to update this report for any events and circumstances occurring after the date of this report.

For Brahmayya & Co.,
Chartered Accountants
Firm Registration No. 000511S



Lokesh Vasudevan
Partner
Membership No. 222320
UDIN : 20222320AAAAAO6293
Place : Coonoor
Date : 7th May 2020