RELIANCE CAPITAL

Reliance Capital Limited
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CIN : L65910MH1986PLC165645

August 6, 2021

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 001
BSE Scrip Code: 500111

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra Kurla Complex,
Bandra (East), Mumbai 400 051
NSE Scrip Symbol: RELCAPITAL

Dear Sir(s),

Sub.: Statement of Unaudited Consolidated Financial Results for the quarter ended June 30, 2021

Further to our Notice dated July 30, 2021 and pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Statement of Unaudited Consolidated Financial Results for the quarter ended June 30, 2021 along with the Limited Review Report submitted by the Statutory Auditors of the Company.

The above financial results were approved by the Board of Directors at its meeting held on August 6, 2021. The meeting of the Board of Directors of the Company commenced at 4:00 p.m. and concluded at 4:50 p.m.

The Statement of Unaudited Financial Results (Standalone) for the quarter ended June 30, 2021 along with the Limited Review Report follows by a separate letter.

Thanking you.

Yours faithfully,
For **Reliance Capital Limited**



Atul Tandon
Company Secretary & Compliance Officer

Encl.: As Above.

RELIANCE CAPITAL

Reliance Capital Limited

Statement of Consolidated unaudited financial results for the quarter ended June 30, 2021

(₹ in crore)

Sr. No.	Particulars	Quarter Ended			Year Ended
		30-Jun-21	31-Mar-21	30-Jun-20	31-Mar-21
		Unaudited	Audited	Unaudited	Audited
I	**Income**				
a	**Revenue from operations**				
	Interest income	706	686	879	3 076
	Dividend income	23	20	6	72
	Premium income	2 931	3 658	2 649	13 070
	Fees and commission income	154	215	129	737
	Net gain on fair value changes	587	523	554	2 041
	Other operating income	40	61	64	254
	Total Revenue from operations	**4 441**	**5 163**	**4 281**	**19 250**
b	**Other Income**	7	39	6	58
	Total Income (a + b)	**4 448**	**5 202**	**4 287**	**19 308**
II	**Expenses**				
	Finance cost	671	588	774	2 741
	Fees and commission expenses	161	178	139	616
	Impairment on financial instruments	467	1 188	536	6 684
	Employee benefits expenses	377	358	350	1 372
	Depreciation, amortisation and impairment	27	28	23	105
	Claims incurred (net)	1 433	1 693	1 028	5 586
	Premium paid on reinsurance ceded	984	923	915	4 223
	Change in valuation of liability in respect of life policies	726	787	906	3 754
	Other expenses	415	821	578	2 577
	Total Expenses	**5 261**	**6 564**	**5 249**	**27 658**
(III)	**Profit/(Loss) before exceptional items, [share of net profits / (losses) of investments accounted for using equity method] and tax (I - II)**	**(813)**	**(1 362)**	**(962)**	**(8 350)**
(IV)	Share of net profits/(losses) of associates accounted for using equity method	(135)	(251)	(76)	(764)
(V)	**Profit/(Loss) before exceptional items and tax (III + IV)**	**(948)**	**(1 613)**	**(1 038)**	**(9 114)**
(VI)	Exceptional items	-	-	-	-
(VII)	**Profit/(Loss) before tax [V + VI]**	**(948)**	**(1 613)**	**(1 038)**	**(9 114)**
	Tax expense				
	- Current Tax (including earlier year tax)	24	(4)	24	61
	- Deferred Tax	34	40	33	112
(VIII)	**Total tax expense**	**58**	**36**	**57**	**173**
(IX)	**Net Profit/(Loss) for the period/year (VII - VIII)**	**(1 006)**	**(1 649)**	**(1 095)**	**(9 287)**
(X)	**Other comprehensive income**				
A	(i) Items that will not be reclassified to profit or loss	-	(9)	(3)	(11)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
	Subtotal (A)	**-**	**(9)**	**(3)**	**(11)**
B	(i) Items that will be reclassified to profit or loss	(22)	(315)	234	(94)
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	(iii) Other comprehensive income attributable to Participating Policyholders of Insurance business	7	109	(79)	32
	Subtotal (B)	**(15)**	**(206)**	**155**	**(62)**
	Other comprehensive income for the period/year (A + B)	**(15)**	**(215)**	**152**	**(73)**
	Others - This includes other financial and allied services.				
(XI)	**Total comprehensive income for the period/year (IX + X)**	**(1 021)**	**(1 864)**	**(943)**	**(9 360)**
(XII)	**Net Profit/(Loss) for the period/year attributable to:**				
	- Owners	(981)	(1 664)	(1 124)	(9 404)
	- Non-controlling interests	(25)	15	29	117
(XIII)	**Other comprehensive income attributable to:**				
	- Owners	(15)	(215)	151	(72)
	- Non-controlling interests	-	-	1	(1)
(XIV)	**Total comprehensive income attributable to:**				
	- Owners	(996)	(1 879)	(973)	(9 476)
	- Non-controlling interests	(25)	15	30	116
(XV)	**Earnings per equity share face value of Rs. 10 each fully paid-up (quarter and year ended not annualised):**				
	(a) Basic	(40.10)	(65.68)	(43.57)	(369.82)
	(b) Diluted	(40.10)	(65.68)	(43.57)	(369.82)
(XVI)	**Paid-up Equity share capital**	253	253	253	253
(XVII)	**Other equity**				(11 791)

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RELIANCE CAPITAL

Reliance Capital Limited

Statement of unaudited consolidated segment reporting for the quarter ended June 30, 2021

(₹ in crore)

Sr. No.	Particulars	Quarter Ended			Year Ended
		30-Jun-21	31-Mar-21	30-Jun-20	31-Mar-21
		Unaudited	Audited	Unaudited	Audited
1	**Segment Revenue**				
a	Finance and investments	86	281	84	163
b	General insurance	2 530	2 503	2 284	10,250
c	Life insurance	1 622	2 291	1 793	8,367
d	Commercial finance	123	122	150	535
e	Others	108	7	58	211
	Total	**4 469**	**5 204**	**4 369**	**19 526**
	Inter-segment revenue	(21)	(2)	(82)	(218)
	Total net Segment Income	**4 448**	**5 202**	**4 287**	**19 308**
2	**Segment Results**				
a	Finance and investments	(409)	(955)	(636)	(7 120)
b	General insurance	155	84	145	485
c	Life insurance	(52)	95	59	302
d	Commercial finance	(643)	(714)	(616)	(2 676)
e	Others	1	(123)	10	(105)
	Total Segment Profit / (Loss) before tax	**(948)**	**(1 613)**	**(1 038)**	**(9 114)**
	Unallocated expenses	-		-	
	Profit / (Loss) before tax	**(948)**	**(1 613)**	**(1 038)**	**(9 114)**
3	**Segment Assets**				
a	Finance and investments	9 709	9 758	16 911	9 758
b	General insurance	21 450	21 226	18 644	21 226
c	Life insurance	26 580	25 833	22 393	25 833
d	Commercial finance	7 775	8 240	10 155	8 240
e	Others	884	823	792	823
f	Inter-segment elimination	(771)	(1 002)	(3 064)	(1 002)
	Total Segment Assets	**65 627**	**64 878**	**65 831**	**64 878**
4	**Segment Liabilities**				
a	Finance and investments	23 313	22 895	21 567	22 895
b	General insurance	19 144	18 997	16 435	18 997
c	Life insurance	25 162	24 362	21 161	24 362
d	Commercial finance	12 119	11 941	11 806	11 941
e	Others	826	762	608	762
f	Inter-segment elimination	(3 126)	(3 278)	(3 132)	(3 278)
	Total Segment Liabilities	**77 438**	**75 679**	**68 445**	**75 679**

Notes

1 The consolidated financial results of the Company and its subsidiary and associates (together referred to as "the Group") have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS) 34 – "Interim Financial Reporting", notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, from time to time, and other accounting principles generally accepted in India.

The consolidated financial results of the Group for the quarter ended June 30, 2021 have been subjected to limited review by the Statutory Auditors of the Company.

The Group has reported segment as per Ind AS dealing with operating segment. The operations of the Group are conducted through its subsidiaries. All the activities are conducted in India. The Operating segments have been reported as under:

(a) Finance & Investments - This includes the corporate lending and investment activities.
(b) General Insurance - This includes the general and health insurance business.
(c) Life Insurance - This includes the life insurance business.
(d) Commercial Finance - This includes the commercial finance business.
(e) Others - This includes other financial and allied services.

2 The Listed Secured Non-Convertible Debentures of the Parent Company aggregating to ₹ 14 827 crore as on June 30, 2021 are secured by way of first pari-passu mortgage/charge on the Parent Company's immovable property and on present and future book debts, business receivables, investment property and other receivables of the Parent Company as specifically mentioned in the respective Trust Deeds. The asset cover has fallen below hundred percent of the outstanding debentures and adequate steps are being taken by the Parent Company as explained in point no. 8 (a)

3 The Listed Secured Non-Convertible Market Linked Debentures of the subsidiary viz. Reliance Financial Limited aggregating to ₹ 44 crore as on June 30, 2021 are secured by way of a first ranking pari-passu mortgage / charge over Reliance Financial Limited's immovable property and on the movable assets of Reliance Financial Limited as specifically mentioned in the respective Trust deeds and the asset cover thereof exceeds hundred per cent of the principal amount of the said debentures.

4 The Rated, Listed, Secured, Redeemable, Non-convertible Debentures (NCDs) of the subsidiary viz. Reliance Commercial Finance Limited amounting to ₹ 1 822 crore as on June 30, 2021 are secured by way of a first charge & mortgage over Reliance Commercial Finance Limited's Gujarat immovable property and first pari-passu charge on all present and future book debts, business receivables, current assets, investments and all other assets of Reliance Commercial Finance Limited.

FATHAK H.D. & ASSOCIATES LLP
MUMBAI
CHARTERED ACCOUNTANTS

5 The Listed Secured Non-Convertible Debentures (Market Linked Debenture) of the subsidiary viz. Reliance Securities Limited (RSL) aggregating to ₹ 55 crore as on June 30, 2021 secured by way of first ranking mortgage over RSL'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 RSL as specially mentioned in the Trust deed and the asset cover thereof exceeds hundred percent of the principal amount of the said debentures.

6 The Parent Company has entered in to binding agreement as on October 11, 2019 with the existing management team of Reliance Securities Limited (RSL) and Reliance Financial Limited (RFL) for buying out the business from Company, subject to regulatory and other customary approvals. These assets also form part of Expression of Interest issued on October 31, 2020. Accordingly, the investment in RSL and RFL are not classified as assets held for sale in accordance with the Ind AS 105 "Non-Current Assets held for Sale and Discontinued operations".

7 Reliance Securities Limited (RSL) has been unable to obtain Bank Confirmation for the period ended June 30, 2021 for certain Fixed Deposit Receipts (FDRs) amounting to ₹ 8 crore from a Scheduled Commercial Bank (Yes Bank), which includes "Client Margin" FDRs amounting to ₹ 6 crore. Bank has adjusted said FDRs against amounts due and payable by the Parent Company (Reliance Capital Limited) to the Bank.

RSL has obtained legal advice / 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. RSL has initiated necessary actions against the Bank for said adjustments for Client Margin FDRs.

Hence, RSL is confident that the said Client Margin FDRs of ₹ 6 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 ₹ 2 crore have been provided for in the books of account of RSL. This matter has been referred by the Auditor in their Limited Review report as matter of emphasis.

8 The Parent Company has defaulted in repayment of its obligations to the Lenders and Debenture holders against which

(a) various lenders have filed litigations and the Parent company has incurred losses during the current and the previous year, which indicate material uncertainty exists that may cast a significant doubt on the its ability to continue as a Going Concern. The Parent Company is in the process of meeting its obligations by way of time bound monetization of its assets in cognizance with Debenture Trustee (Vistra) and Debenture holders. The Committee of Debenture holders (CoDH) have sought Expression of Interest (EoI) for submission of Asset Monetization Plans for certain subsidiaries/investments of the Parent Company. The invitation for this EoI has been issued on October 31, 2020 and accordingly the financial results of the Parent Company have been prepared on a "Going Concern" basis.

(b) Reliance Home Finance Limited (RHFL) is engaged with all its lenders for arriving at the debt resolution plan. In this regard, Certain lenders of RHFL have entered into an Inter-Creditor Agreement (ICA) in accordance with the circular dated June 7, 2019 issued by the Reserve Bank of India (RBI) on Prudential Framework for Resolution of Stressed Assets ('RBI Directions'). Majority of RHFL lenders have already executed the ICA dated July 6, 2019 with Bank of Baroda acting as the Lead Lender. The Lead Bank and the lenders forming part of ICA have appointed resolution advisors, cashflow monitoring agency, forensic auditor, valuers and legal counsel. Bank of Baroda as the Lead Lender and on behalf of the ICA lenders has as part of the debt resolution process had invited Expression of Interest (EoI) and bids from interested bidders vide newspaper advertisement dated July 29, 2020 and through the Lead Bank's website. 19 investors' initially, had expressed interest through submission of EOI's. The ICA lenders have evaluated, voted upon and selected Authum Investment & Infrastructure Limited (Authum) as the final bidder on June 19, 2021. Upon approval of Authum's bid by the ICA lenders, the same has been presented to RHFL along with the distribution mechanism. RHFL has shared the final resolution plan along with the distribution mechanism with the Debenture Trustees to call for the RHFL's Debenture Holder's meeting and seek approval on the resolution plan along with the distribution mechanism. RHFL has informed the stock exchanges that Authum's debt resolution plan is approved under the RBI Directions by the ICA lenders and the implementation of the resolution plan by the successful bidder is subject to approval of non-ICA Lenders, shareholders, regulatory authorities and, vacation of existing legal injunctions on RHFL. In view of the resolution process being in the final stages, the accounts of RHFL have been prepared on a Going Concern Basis.

(c) Reliance Commercial Finance Limited (RCFL) has incurred losses amounting to ₹ 643 crore (Previous year ₹ 2 663 crore) it has accumulated losses of ₹ 6 656 crore (Previous year ₹ 6 013 crore).
RCFL is engaged with all its lenders for arriving at the debt resolution plan. In this regard, certain lenders of RCFL have entered into an Inter-Creditor Agreement (ICA) in accordance with the circular dated June 7, 2019 issued by the Reserve Bank of India (RBI) on Prudential Framework for Resolution of Stressed Assets ('RBI Directions'). Majority of RHFL lenders have already executed the ICA dated July 6, 2019 with Bank of Baroda acting as the Lead Lender. The Lead Bank and the lenders forming part of ICA have appointed resolution advisors, cashflow monitoring agency, forensic auditor, valuers and legal counsel. Bank of Baroda as the Lead Lender and on behalf of the ICA lenders has as part of the debt resolution process had invited Expression of Interest (EoI) and bids from interested bidders vide newspaper advertisement dated July 28, 2020 and through the Lead Bank's website. Eighteen investors' initially, had expressed interest through submission of EOI's. The ICA lenders have evaluated, voted upon and selected Authum Investment & Infrastructure Limited (Authum) as the final bidder on July 15, 2021 and the same has been intimated to the Stock Exchange by the Company through the media release dated July 19, 2021. Authum's resolution plan has been shared with the Debenture Trustees to call for the RCFL's Debenture Holder's meeting and seek approval on the resolution plan.
In view of the resolution process being in the final stage, the accounts of RCFL have been prepared on "Going Concern" basis.

(d) Reliance Money Precious Metals Private Limited (RMPML), the accumulated losses as at June 30, 2021 exceed paid up capital resulting in an erosion of its capital. The accounts have been prepared on 'Going Concern' basis on the understanding that finance will continue to be available to the RMPML for Working Capital requirements

(e) Reliance Money Solutions Private Limited, the accumulated losses as at June 30, 2021 exceed paid up capital resulting in an erosion of its capital. The accounts have been prepared on 'Going Concern' basis on the understanding that finance will continue from the Associate Company i.e. Reliance Securities Limited.

(f) Reliance Capital Pension Fund Limited during FY 2019-20, had gone for voluntary withdrawal of the certificate of registration granted by the Pension Fund Regulatory and Development Authority (PFRDA) vide dated June 04, 2019. The PFRDA vide letter dated July 31, 2019 and November 15, 2019 approved the deregistration. Hence on account of this, the books of account have not been prepared on basis of going concern basis. The assets and liabilities are accounted for at their realisable value.

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MUMBAI
CHARTERED ACCOUNTANTS

(g) Reliance Wealth Management Limited (RWML), the entire net worth has been eroded due to losses incurred. RWML's ability to meet its obligations is significantly dependent on material uncertain events including retaining and growing its current Portfolio of PMS business and distribution of Mutual fund business. RWML is confident that such cash flows would enable it to service its debt and discharge its liabilities, Also RWML got confirmation from one of fellow subsidiary for continuous support for its working capital requirement for next one year. Accordingly, the financial statement of RWML has been prepared on a going concern basis.

(h) The subsidiaries companies of Quant Capital Private Limited (QCPL), i.e Quant Securities Private Limited and Quant Investment Services Private Limited, Company's are having negative net worth. However having regard to continued financial support from the promoters, the financial statements have been prepared on going concern basis without any adjustment to the carrying value of assets and liabilities.

(i) As stated in Paragraphs 8(a) to 8(h) above, there are material uncertainties that may cast significant doubt on the Group's ability to continue as a Going Concern, however, the Group is in the process of meeting all its obligations through time bound monetization of assets, and accordingly the financial results of the Group have been prepared on a "Going Concern" Basis.

9 One of the previous auditor of the Parent Company and its subsidiary namely Reliance Commercial Finance Limited and associate company Reliance Home Finance Limited, after resigning from the office in September 2019 submitted a report under Section 143(12) of the Act with the Ministry of Corporate Affairs for matters relating to FY 2018-19. The Company has examined the matter and appointed legal experts, who independently carried out an in-depth examination of the matters and issues raised therein and have concluded that there was no matter attracting the provisions of Section 143(12) of the Act. The matter is under consideration with the Ministry of Corporate Affairs.

10 Reliance Commercial Finance Limited (RCFL) had given General Purpose Corporate Loan/Working Capital Term Loan to certain bodies corporate in the ordinary course of business, the terms of which are at arms' length basis. None of these loans constitute as transactions with related parties. However, in few cases, the RCFL's borrowers had undertaken onward lending transactions to companies which are identified as Group Companies by Parent Company in terms of the Core Investment Companies (Reserve Bank) Directions, 2016. These loans are secured and, in few cases, its further guaranteed by the Group Companies.

11 Reliance Home Finance Limited (RHFL) till April 30, 2019 had advanced loans under the 'General Purpose Corporate Loan' product to certain bodies corporate including some of the group companies. All the lending transactions undertaken by RHFL are in the ordinary course of business, the terms of which are at arms' length basis and the same do not constitute transactions with related parties. However, RHFL's borrowers in some cases have undertaken onward lending transactions and it is noticed that the end use of the borrowings from RHFL included borrowings by or repayment of financial obligations to some of the group companies. RHFL had discontinued this product and since May 01, 2019 i.e. beginning of last financial year and there have been no fresh disbursements against this product from then.

12 Reliance Home Finance Limited (RHFL) is mainly engaged in the housing finance business and all other activities revolve around the main business of RHFL. Further, all activities are conducted within India and as such there is no separate reportable segment, as per the Ind AS 108 - "Operating Segments" specified under Section 133 of the Act. The proportion of non-housing loan is more than the proportion of housing loan. The debt resolution process of RHFL under circular dated June 7, 2019 issued by the Reserve Bank of India (RBI) on Prudential Framework for Resolution of Stressed Assets is in final stages. RHFL post finalization and implementation of the final debt resolution plan, will increase the housing loan portfolio and is confident of the achieving the same in due course.

13 Quant Securities Private Limited has applied for surrender of its Broking license with Bombay Stock Exchange (BSE) as well as National Stock Exchange (NSE), however approval from BSE & NSE is still awaited.

14 In respect of Reliance Exchangenext Limited which has made investment in Indian Commodity Exchange Limited and petition filed by MMTC Limited in Company Law Board against this investment. Outcome of the petition is awaited from the National Company Law Tribunal.

15 In the view of the Supreme Court interim Order dated September 3, 2020, in the Public Interest Litigation (PLI) by Gajendra Sharma Vs Union of India and ANR, no customer who had been granted moratorium have been classified as Non Performing Asset (NPA) which were not declared as NPA till August 31, 2020. Further in light of the Interim Order, even accounts that would have otherwise been classified as NPA post August 31, 2020 have not been and till such time the Hon'ble Supreme Court rules finally on the matter. The Interim order granted to not to declare accounts as NPA stood vacated on March 23, 2021 vide the judgement of the Hon'ble Supreme Court in the matter of Small Scale Industrial Manufacturers Association vs UOI & Ors and other connected matters. In accordance with the instructions in paragraphs 5 of the RBI circular dated April 7, 2021 issued in connection, the Group has continued with the asset classification of the borrower accounts as per RBI Instructions / IRAC norms. In accordance with the instructions in the aforesaid circular dated April 7, 2021, Reliance Commercial Finance Limited (RCFL) and Reliance Home Finance Limited (RHFL) shall refund / adjust interest on interest to ll borrowers including those who has availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partly availed or not availed. Pursuant to these instructions RCFL and RHFL are currently in progress of suitably implement the guidelines as prescribed by RBI. Accordingly, the group has assessed the said amount and has made provision of Rs. 12 crore for refund /adjustment.

16 The Parent Company had pledged its entire equity holding in Reliance General Insurance Company Limited (RGIC) in favour of IDBI Trusteeship Services Limited (Trustee) against dues guaranteed by the Parent Company. The Trustee, on November 19, 2019, invoked the pledge and presently holds the shares of RGIC in their custody. Vide orders dated December 4, 2019 and December 27, 2019, Insurance Regulatory and Development Authority of India (IRDAI), has informed the Parent Company that the shares are being held by the Trustee in the capacity as Trustee and the shares have not been transferred. The said order was challenged in Securities Appellate Tribunal, Mumbai (SAT) and SAT vide its Order dated February 27, 2020 also confirmed that the Trustee is also holding shares as Trustee / custodian and will not exercise any control over RGIC and cannot exercise any voting rights on shares of RGIC. Accordingly, RGIC continues to be a wholly owned subsidiary of the group.

17 The Parent Company had pledged 3.35% comprising of 2,04,97,423 equity shares of Nippon Life India Asset Management Limited (NLIAML) in favour of IndusInd Bank Limited (IBL). IBL has illegally invoked the pledge, which has been challenged by the Parent Company before the Hon'ble High Court of Bombay. The High Court has referred the matter to the arbitration who upon hearing the Interim Applications filed by the Partent Company. Sole Arbitrator passed an interim order on April 23, 2020 wherein it stated that a status quo (as ordered by Bombay High Court vide Order dated December 11, 2019) will continue and the NLIAML shares, whose pledge was invoked by IndusInd Bank, will remain in a separate demat account, where they are lying currently. Accordingly, the Parent Company continues to consider its rights on the above referred shares.

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18 Previous period figures have been regrouped / rearranged wherever necessary.

19 In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 22, 2020, the Group had adopted and is complying with the Board policy for granting moratorium on the payment of all instalments and / or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 and also on the payment of all instalments and / or interest, as applicable, falling due between June 1, 2020 and August 31, 2020 to all eligible borrowers. The Group is analysing the effect of moratorium and possible effects that may have resulted from the present COVID-19 pandemic on its financial condition and are taking necessary steps so as to minimise the effect of this unprecedented situation.

The COVID-19 pandemic has effect across the world, including India, the pandemic and consequent lockdown imposed by the Central and State Governments considerably impacted the Group's business operations. The pandemic has also resulted in a significantly constrain on recovery of overdues from customers.

The extent to which the COVID-19 pandemic will continue to impact the Group's results will depend on future developments, which are highly uncertain, including , among other things, any new information considering the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact.

20 The Group Expected Credit Loss (ECL) provisions as on June 30, 2021 against the potential impact of COVID-19 based on the information available at this point in time. The ECL provisions held by the Group are in excess of the prescribed norms by RBI.

21 In accordance with the Reserve Bank of India guidelines relating to 'COVID-19 Regulatory Package' dated March 27, 2020, April 17, 2020 and May 23, 2020 ('RBI Guidelines'), the Group had offered moratorium to its customers between March 1, 2020 and August 31, 2020. For all such accounts where the moratorium is granted, the assets classification shall remain stand still during the moratorium period (i.e. the number of days past due shall excludes the moratorium period for the purposes of assets classification under the Income Recognition, Assets Classification and Provisioning norms).

The Government of India, Ministry of Finance, vide its notification dated October 23, 2020 had announced COVID-19 Relief Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (Scheme), as per the eligibility criteria and other aspects specified therein and irrespective of whether the moratorium was availed or not. The group has commenced work on operational aspects and implementation of the Scheme.

22 Disclosure pursuant to RBI circular – RBI 2020-21/16 DOR No. BP.BC/3/21.04.048/2020-21 dated August 6, 2020:

(₹ in crore)

Type of Borrower	Number of accounts where resolution plan has been implemented under this window	Exposure to accounts mentioned at (A) before implementation of the plan	Of (B) aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any including between invocation of the plan and implementation	Increase in provisions on account of the implementation of the resolution plan
Personal loans	6	7	-	-	1
Corporate persons	-	-	-	-	-
Of which MSMEs	1	2	-	-	-
Others	-	-	-	-	-
Total	**7**	**9**	**-**	**-**	**1**

23 The figures for the quarter ended March 31, 2021 are the balancing figures between the audited figures in respect of full financial year and published year to date figures up to the third quarter of that financial year.

24 The above results were reviewed by the Audit Committee. The Board of Directors at its meeting held on August 6, 2021 approved the above results and its release.

25 The Standalone financial results of the Parent Company for the quarter ended June 30, 2021 are available on the Company's website (www.reliancecapital.co.in) and on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com).

Key standalone financial information is given below:

(₹ in crore)

Particulars	Quarter Ended			Year Ended
	30-Jun-21	31-Mar-21	30-Jun-20	31-Mar-21
Total revenue	2	2	277	563
Profit/ (Loss) before tax	(333)	(3 865)	(387)	(10 972)
Profit / (Loss) after tax	(333)	(3 865)	(387)	(10 972)

for **Reliance Capital Limited**

Dhananjay Tiwari
Director & Chief Executive Officer

Mumbai, August 6, 2021

PATHAK H.D. & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

Pathak H.D. & Associates LLP
Chartered Accountants

Limited Review Report for the Consolidated Unaudited Financial Results of Reliance Capital Limited for the quarter ended June 30, 2021 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Reliance Capital Limited

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of Reliance Capital Limited ('the Parent Company') and its subsidiaries (the Parent Company and its subsidiaries together referred to as the 'Group'), and its share of net profit / (loss) after tax and total comprehensive income/ loss of its associates for the quarter ended June 30, 2021 ("the Statement") attached herewith, being submitted by the Parent Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. Attention is drawn to the fact that the figures for the quarter ended March 31, 2021 as reported in the Statement are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

2. This Statement which is the responsibility of the Parent Company's Management and approved by the Parent's Board of Directors in their meeting held on August 6, 2021, has been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 ("the Act") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We draw attention to Note no. 11 of the Statement with reference to M/s Reliance Home Finance Limited (RHFL) an associate company, wherein the statutory auditor of RHFL has modified its opinion on the financial results with regards to the loan advanced under the 'General Purpose Corporate Loan' product with significant deviations to certain bodies corporate including group companies and outstanding as at June 30, 2021 aggregating to Rs. 7,965 Crore and secured by charge on current assets of borrowers. As stated in the said note, majority of RHFL borrowers have undertaken onward lending transaction and end use of the borrowings from the RHFL included borrowings by or for repayment of financial obligation to some of the group companies. There has been overdue of Rs. 7,773 Crore (including non-performing assets of Rs.4,778 Crore) of these loans as on June 30, 2021. We are unable to substantiate the management assertion on the recoverability of principal and interest including time frame of recovery of aforesaid loans outstanding as on June 30, 2021. The RHFL's exposure to the borrowers are secured against charge on current assets and is dependent on the recovery of onward lending of the borrowers which depends on external factors not wholly within control of the RHFL/borrower. Further we draw attention to Note no 12 of the Statement on the material shift in primary business of RHFL from Housing Finance to Non-Housing Finance which comprise more than 50% of total loan portfolio raising concern about RHFL continuing as a Housing Finance Company.



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4. We draw attention Note no. 10 of the Statement with reference to M/s Reliance Commercial Finance Limited (RCFL) a subsidiary company, wherein the statutory auditors of RCFL has modified the opinion on the financial results with regards to the loans sanctioned under corporate loan book with significant deviations to certain bodies corporates including group companies and outstanding as on June 30, 2021 aggregating to Rs. 4,980 Crore and secured by charge on current assets of borrowers. As stated in the said note, in certain cases the corporate borrowers of RCFL's have undertaken onward lending transactions and end use of the borrowings from RCFL included borrowings by or for repayment of financial obligation to some of the group companies. These exposures to borrowers are secured against charge on current assets including in certain cases it's further guaranteed by the Group Companies. The recovery against these loans is dependent on the recovery of onward lending of the borrowers which further depends on external factors not wholly within control of the RCFL/borrower. We were unable to obtain sufficient audit evidence about the recoverability of the aforesaid loans. Accordingly, we were unable to determine the consequential implications arising therefrom and it may have implications of adjustments, disclosures or compliances on certain elements in the financial results of RCFL.

5. RCFL has entered into an Inter Creditor Agreement (ICA) dated July 6, 2019 under the framework of the circular issued by the Reserve Bank of India on "Prudential Framework for Resolution of Stressed Assets" dated June 7, 2019. In view of ICA agreement, RCFL has not recognised any penal interest and additional interest due to default and downgrade of the credit rating. Subject to balance confirmation and their reconciliation from banks / lenders other than principal amount, there is material unreconciled balance as per books of RCFL and lenders/banks as at June 30, 2021. The impact, if any, due to non recognition of the penal interest and additional interest as explained above, in the financial statements is not ascertainable at present. Accordingly, we are unable to comment on the completeness and accuracy of the bank balances, borrowings and interest expense thereof as at June 30, 2021, for the quarter ended on that date respectively.

6. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended to the extent applicable.

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7. The Statement includes the results of the following entities:

A. Subsidiaries (Including step-down subsidiaries)

Sr. No.	Name of the Company
1.	Reliance Capital Pension Fund Limited
2.	Reliance General Insurance Company Limited
3.	Reliance Nippon Life Insurance Company Limited
4.	Reliance ARC-SBI Mansarovar Trust
5.	Reliance Commercial Finance Limited
6.	Reliance Health Insurance Limited
7.	Reliance Securities Limited
8.	Reliance Wealth Management Limited
9.	Reliance Exchangenext Limited
10.	Reliance Corporate Advisory Services Limited
11.	Quant Capital Private Limited
12.	Quant Broking Private Limited
13.	Quant Securities Private Limited
14.	Quant Investment Services Private Limited
15.	Reliance Commodities Limited
16.	Reliance Financial Limited
17.	Reliance Money Precious Metals Private Limited
18.	Reliance Money Solutions Private Limited
19.	Gullfoss Enterprises Private Limited
20.	Reliance Underwater Systems Private Limited

B. Associates

Sr. No.	Name of the Company
1.	Reliance Home Finance Limited
2.	Ammolite Holding Limited
3.	Reliance Asset Reconstruction Company Limited
4.	Global Wind Power Limited
5.	Reinplast Advance Composites Private Limited

8. Based on our review conducted and procedures as stated in paragraph 5 above and based on the consideration of the review reports of other auditors referred to in paragraph 15 below, except for the possible effects of the matters stated in paragraphs 3 and 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Accounting Standards i.e. Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended including the manner in which it is to be disclosed, or that it contains any material misstatement.

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9. We draw attention to Note no. 8 of the Statement in respect of:

   a. Reliance Commercial Finance Limited (RCFL) and Reliance Home Finance Limited (RHFL) have defaulted in repayment of the obligation to the Lenders and Debenture holders which is outstanding as at June 30, 2021 and Lenders and Debenture holders of RCFL and RHFL have also entered an Inter Creditor Agreement (ICA). RCFL and RHFL also have incurred losses and it has accumulated losses as at June 30, 2021. RCFL and RHFL ability to meet its obligation is dependent on material uncertain events including restructuring of loan portfolio and implementation of the resolution of its debt under the ICA and revival of business of RHFL and RCFL that may cast a significant doubt on the RHFL and RCFL to continue as a going concern. In view of the steps taken by RHFL and RCFL the accounts however has been prepared on a Going concern basis for the factors more described in Note no .8(b) & 8(c).

   b. The Parent Company has defaulted in repayment of obligation to the Lenders and Debenture holders and has incurred losses during the period as well as during the previous year, and in addition to matter stated in paragraph a above in respect of subsidiary and associate of the Parent Company, the consequential impact of these events and conditions, along with matters stated in Note no .8 (a) of the Statement indicate material uncertainty exists that may cast a significant doubt on the Group's ability to continue as a Going Concern. The Group is in the process of formulating a comprehensive plan for meeting all its obligations through time bound monetization of its assets more described in the aforesaid note, and accordingly the unaudited financial results of the Group have been prepared on a "Going Concern" basis.

10. We draw attention to Note no. 7 of the Statement, wherein Reliance Securities Limited (RSL) has been unable to obtain confirmation against certain fixed deposits (FDs) amounting to Rs.8 Crore from a Scheduled Commercial Bank (Bank) as on June 30, 2021 for the reasons stated in the said note. These FDs include "Client Margin" FDRs of Rs.6 Crore. Based on the facts fully described in the aforesaid note, view of the RSL and legal opinion obtained by RSL from an independent legal experts, the management of RSL 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.

11. We draw attention to Note no. 9 of the Statement referring, to filing under Section 143(12) of the Companies Act, 2013 to Ministry of Corporate Affairs by one of the previous auditors of the Parent Company, Reliance Home Finance Limited and Reliance Commercial Finance Limited for the financial year 2018-19. Based on the facts fully described in the aforesaid note, views of those companies, in-depth examination carried out by the independent legal experts of the relevant records, there were no matters attracting the said Section.

12. We draw attention to Note no. 19 of the Statement, as regards to the management evaluation of impact of COVID – 19 on the future performance of the Group.



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13. M/s Reliance Nippon Life Insurance Company Limited ('RNLICL'), a subsidiary of the Parent Company which jointly reviewed by us with other auditor, have included the following Other Matter paragraph in their review report:

"The Actuarial Valuation of liabilities for the life policies in force where premium is discounted is the responsibility of the RNLICL's Appointed Actuary. The actuarial valuation of these liabilities as at June 30, 2021 has been duly certified by the appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with generally accepted actuarial principles and practice requirements of the Insurance Act, regulations notified by IRDAI and Actuarial Practice Standard issued by the Institute of Actuaries of India in concurrence with the IRDAI. We have relied upon the appointed Actuary's Certificate in this regard." Our conclusion is not modified in respect of this matter.

14. M/s Reliance General Insurance Company Limited ('RGICL'), a subsidiary of the Parent Company, which jointly reviewed by us with other auditor have included the following Other Matter paragraph in their review report:

"The actuarial valuation of liabilities for Incurred but Not Reported (IBNR) and Incurred but Not Enough Reported (IBNER) policies and Premium Deficiency Reserve (PDR) policies in force is the responsibility of the RGICL's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of liabilities for policies in force as on June 30, 2021 has been duly certified by the Appointed Actuary. We have relied on the Appointed Actuary's certificate in this regard." Our conclusion is not modified in respect of this matter.

15. (i) We did not review the financial information of 2 subsidiaries included in the consolidated unaudited financial results, whose financial information reflect total revenues of Rs. 124 Crore, net profit / (loss) after tax of Rs. (643 Crore) and total comprehensive income / (loss) of Rs. (643 Crore) for the quarter ended June 30, 2021 respectively as considered in the consolidated unaudited financial results whose financial information has not been reviewed by us. The consolidated unaudited financial results also include the Group's share of net profit / (loss) after tax of Rs. (139 Crore) and total comprehensive Income / (loss) of Rs. (139 Crore) and for the quarter ended June 30, 2021 respectively as considered in the consolidated unaudited financial results, in respect of 1 associate, whose financial information has not been reviewed by us. These financial information have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far it relates to amounts and disclosures included in respect of these subsidiaries and associates, is solely based on the reports of the other auditors and the procedures performed by us as stated in paragraph 5 above.



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(ii) The consolidated unaudited financial results includes financial information of 14 subsidiaries which have not been reviewed by their auditors, whose financial information reflect total revenues of Rs. (2 Crore), net profit / (loss) after tax of Rs. (6 Crore) and total comprehensive income / (loss) of Rs. (6 Crore) for the quarter ended June 30, 2021 respectively as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net profit / (loss) after tax of Rs.Nil, total comprehensive income / (loss) of Rs. Nil for the quarter ended June 30, 2021 respectively, as considered in the consolidated unaudited financial results, in respect of 3 associates whose financial information has not been reviewed by their auditors. These unaudited financial information have been furnished to us by the management and our conclusion on the Statement in so far it relates to the amounts and disclosures included in respect of these subsidiaries and associates is based solely on such unaudited financial information. In our opinion and according to the information and explanation given to us by the management, these financial information are not material to the Group.

Our Conclusion on the Statement is not modified in respect of the matters stated in paragraphs 8 to 14 above.

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

JTShah

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Partner
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Date: August 06, 2021
Place: Mumbai

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