RELIANCE CAPITAL

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February 1, 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 and nine months ended December 31, 2020

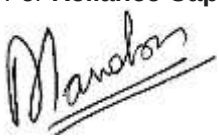
Further to our Notice dated January 24, 2021 and pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2020 alongwith 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 February 1, 2021. The meeting of the Board of Directors of the Company commenced at 4:40 p.m. and concluded at 5:40 p.m.

The Statement of Unaudited Financial Results (Standalone) for the quarter and nine months ended December 31, 2020 alongwith 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.

Pathak H.D. & Associates LLP
Chartered Accountants

Limited Review Report for the Consolidated Unaudited Financial Results of Reliance Capital Limited for the quarter and nine months ended December 31, 2020 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 and nine months ended December 31, 2020 ("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.

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 February 1, 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 December 31, 2020 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 December 31, 2020. 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 December 31, 2020. 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. Also, as per the recent RBI circular dated October 22, 2020 the Company has time till March 31, 2024 to meet the regulatory requirements with regards to Housing Finance portfolio.

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 December 31, 2020 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

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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. 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.

6. 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



Continuation sheet...

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

7. 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 14 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.

8. 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 December 31, 2020 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 December 31, 2020. RCFL and RHFL ability to meet its obligation is dependent on material uncertain events including restructuring of loan portfolio and the resolution of its debt under the ICA that may cast a significant doubt on the RCFL and RHFL ability to continue as a Going Concern. 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 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.

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Continuation sheet...

9. 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 December 31, 2020 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.

10. 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.

11. We draw attention to Note no. 17 of the Statement, as regards to the management evaluation of impact of COVID – 19 on the future performance of the Group.

12. 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 December 31, 2020 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.

13. 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 December 31, 2020 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.

14. (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. 67 Crore and Rs. 56 Crore, net profit / (loss) after tax of Rs. (851 Crore) and Rs. (2,438 Crore) and total comprehensive income / (loss) of Rs. (851 Crore) and Rs. (2,438 Crore) for the quarter and nine

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Continuation sheet...

months ended December 31, 2020 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. (161 Crore) and Rs. (519 Crore) and total comprehensive Income / (loss) of Rs. (161 Crore) and Rs. (519 Crore) for the quarter and nine months ended December 31, 2020 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.

(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. 3 Crore and Rs. 12 Crore, net profit / (loss) after tax of Rs. (2 Crore) and Rs. (10 Crore) and total comprehensive income / (loss) of Rs. (2 Crore) and Rs. (10 Crore) for the quarter and nine months ended December 31, 2020 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. (1 Crore) and Rs. (1 Crore), total comprehensive income / (loss) of Rs. (1 Crore) and Rs. (1 Crore) for the quarter and nine months ended December 31, 2020 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

Vishal D. Shah
Partner
Membership No: 119303
UDIN: 21119303AAAABD2494

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Date: February 1, 2021
Place: Mumbai

Continuation sheet...

RELIANCE CAPITAL

Reliance Capital Limited

Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2020

(₹ in Crores)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31/Dec/20	30/Sep/20	31/Dec/19	31/Dec/20	31/Dec/19	31/Mar/20
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Income						
a	Revenue from operations						
	Interest income	684	827	1 400	2 390	4 263	5 197
	Dividend income	15	31	9	52	128	153
	Premium income	2 985	3 778	2 587	9 412	9 038	11 924
	Fees and commission income	214	179	181	522	604	764
	Net gain on fair value changes	945	19	383	1 518	425	-
	Other operating income	38	91	31	193	84	285
	Total Revenue from operations	4 881	4 925	4 591	14 087	14 542	18 323
b	Other income	9	4	9	19	25	36
	Total income (a + b)	4 890	4 929	4 600	14 106	14 567	18 359
II	Expenses						
	Finance cost	705	674	1 072	2 153	3 314	3 969
	Fees and commission expenses	157	142	132	438	456	585
	Net loss on fair value changes	-	-	-	-	-	2 024
	Impairment on financial instruments	3 232	1 728	229	5 496	3 619	4 510
	Employee benefits expenses	359	305	400	1 014	1 197	1 507
	Depreciation, amortisation and impairment	29	25	25	77	72	123
	Claims incurred (net)	1 504	1 361	1 538	3 893	4 332	6 296
	Premium paid on reinsurance ceded	826	1 559	686	3 300	2 905	3 605
	Change in valuation of liability in respect of life policies	1 210	851	467	2 967	1 172	573
	Other expenses	640	538	182	1 756	1 575	1 296
	Total Expenses	8 662	7 183	4 731	21 094	18 642	24 488
(III)	Profit/(Loss) before exceptional items, [share of net profits / (losses) of investments accounted for using equity method] and tax (I - II)	(3 772)	(2 254)	(131)	(6 988)	(4 075)	(6 129)
(IV)	Share of net profits/(losses) of associates accounted for using equity method	(157)	(280)	(5)	(513)	114	5
(V)	Profit/(loss) on sale of subsidiaries / associates	-	-	-	-	4 901	4 901
(VI)	Profit/(Loss) before exceptional items and tax (III + IV + V)	(3 929)	(2 534)	(136)	(7 501)	940	(1 223)
(VII)	Exceptional items	-	-	-	-	-	-
(VIII)	Profit/(Loss) before tax [VI + VII]	(3 929)	(2 534)	(136)	(7 501)	940	(1 223)
	Tax expense						
	- Current Tax (including earlier year tax)	18	23	5	65	45	56
	- Deferred Tax	19	20	4	72	(85)	(80)
(IX)	Total tax expense	37	43	9	137	(40)	(24)
(X)	Net Profit/(Loss) for the period/year (VIII - IX)	(3 966)	(2 577)	(145)	(7 638)	980	(1 199)
(XI)	Other comprehensive income						
A	(i) Items that will not be reclassified to profit or loss	-	1	(11)	(2)	(38)	(118)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	1	-	2	2
	Subtotal (A)	-	1	(10)	(2)	(36)	(116)
B	(i) Items that will be reclassified to profit or loss	100	(113)	41	221	302	356
	(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	(35)	37	(14)	(77)	(106)	(124)
	Subtotal (B)	65	(76)	27	144	196	232
	Other comprehensive income for the period/year (A + B)	65	(75)	17	142	160	116
(XII)	Total comprehensive income for the period/year (X + XI)	(3 901)	(2 652)	(128)	(7 496)	1 140	(1 083)
(XIII)	Net Profit/(Loss) for the period/year attributable to:						
	- Owners	(4 018)	(2 598)	(135)	(7 740)	1 049	(1 075)
	- Non-controlling interests	52	21	(10)	102	(69)	(125)
(XIV)	Other comprehensive income attributable to:						
	- Owners	65	(73)	21	143	173	155
	- Non-controlling interests	-	(2)	(4)	(1)	(13)	(39)
(XV)	Total comprehensive income attributable to:						
	- Owners	(3 953)	(2 671)	(114)	(7 597)	1 222	(920)
	- Non-controlling interests	52	19	(14)	101	(82)	(164)
(XVI)	Earnings per equity share face value of Rs. 10 each fully paid-up (quarter and nine months ended not annualised):						
	(a) Basic	(157.92)	(102.65)	(5.85)	(304.14)	38.96	(47.79)
	(b) Diluted	(157.92)	(102.65)	(5.85)	(304.14)	38.96	(47.79)
(XVII)	Paid-up Equity share capital	253	253	253	253	253	253
	Other equity						(2 547)

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RELIANCE CAPITAL

Reliance Capital Limited

Statement of Unaudited Consolidated Segment Reporting for the quarter and nine months ended December 31, 2020

(₹ in Crores)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31/Dec/20	30/Sep/20	31/Dec/19	31/Dec/20	31/Dec/19	31/Mar/20
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Segment Revenue**						
a	Finance and investments	(155)	(47)	583	(118)	1 372	1 482
b	General insurance	2 333	3 130	1 971	7 747	7 195	9 057
c	Life insurance	2 521	1 762	1 396	6 076	3 968	5 755
d	Commercial finance	171	92	164	413	696	828
e	Home finance	-	-	442	-	1 322	1 322
f	Others	78	68	65	204	184	209
	Total	**4 948**	**5 005**	**4 621**	**14 322**	**14 737**	**18 653**
	Inter segment	(58)	(76)	(21)	(216)	(170)	(294)
	Total net Segment Income	**4 890**	**4 929**	**4 600**	**14 106**	**14 567**	**18 359**
2	**Segment Results**						
a	Finance and investments	(3 430)	(2 099)	(85)	(6 165)	1 880	552
b	General insurance	102	154	63	401	(12)	47
c	Life insurance	107	41	51	207	1	(104)
d	Commercial finance	(715)	(631)	(76)	(1 962)	(665)	(1,441)
e	Home finance	-	-	(107)	-	(206)	(206)
f	Others	7	1	18	18	(58)	(71)
	Total Segment Profit / (Loss) before tax	**(3 929)**	**(2 534)**	**(136)**	**(7,501)**	**940**	**(1,223)**
	Unallocated expenses	-	-		-	-	-
	Profit / (Loss) before tax	**(3 929)**	**(2 534)**	**(136)**	**(7 501)**	**940**	**(1 223)**
3	**Segment Assets**						
a	Finance and investments	10 495	14 425	17 701	10 495	17 701	16 963
b	General insurance	21 006	21 242	12 708	21 006	12 708	17 484
c	Life insurance	24 913	23 288	22 498	24 913	22 498	21 371
d	Commercial finance	8 930	9 764	11 746	8 930	11 746	10 989
e	Home finance	-	-	16 085	-	16 085	-
f	Others	892	799	785	892	785	756
g	Inter-Segment Elimination	(1 210)	(2 114)	(2 969)	(1 210)	(2 969)	(2 781)
	Total Segment Assets	**65 026**	**67 404**	**78 554**	**65,026**	**78 554**	**64 782**
4	**Segment Liabilities**						
a	Finance and investments	22 456	22 002	20 615	22 456	20 615	21 085
b	General insurance	18 635	18 994	10 831	18 635	10 831	15 520
c	Life insurance	23 537	22 019	21 169	23 537	21 169	20 200
d	Commercial finance	11 917	12 047	12 005	11 917	12 005	12 024
e	Home finance	-	-	14 379	-	14 379	-
f	Others	698	611	597	698	597	581
g	Inter-Segment Elimination	(3 281)	(3 226)	(2 928)	(3 281)	(2 928)	(2 955)
	Total Segment Liabilities	**73 962**	**72 447**	**76 668**	**73 962**	**76 668**	**66 455**

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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 Companies (Indian Accounting Standards) Rules, 2015 as amended as prescribed under section 133 of the Companies Act, 2013.

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) Home Finance - This includes the home finance business, ceased to be subsidiary w.e.f March 5, 2020.

(f) Others - This includes other financial and allied services.

2 The Listed Secured Non-Convertible Debentures of the Parent Company aggregating to ₹ 14,827 crores as on December 31, 2020 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 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 Company as explained in point no. 8(a).

3 The Listed Secured Non-Convertible Market Linked Debentures (MLD) of the subsidiary viz. Reliance Financial Limited aggregating to ₹ 43 crores as on December 31, 2020 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 ("Secured NCDs") of the subsidiary viz. Reliance Commercial Finance Limited amounting to ₹ 1,819 crores as on December 31, 2020 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.

5 The Listed Secured Non-Convertible Debentures (Market Linked Debenture) of the subsidiary viz. Reliance Securities Limited aggregating to ₹ 55 crores as on December 31, 2020 secured by way of first ranking mortgage over Reliance Securities Limited'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 Reliance Securities Limited 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 with the existing management team of

PATHAK H.D. & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

Reliance Securities Limited and Reliance Financial Limited for buying out the business from Company, subject to regulatory and other customary approvals. Accordingly, the investment in Reliance Securities Limited and Reliance Financial Limited 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 December 31, 2020 for certain Fixed Deposit Receipts (FDRs) amounting to ₹ 8 crores from a Scheduled Commercial Bank (Yes Bank), which includes "Client Margin" FDRs amounting to ₹ 6 crores. 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 crores will be recovered from the Bank over a period and no adjustments are required to be made in the carrying value of the FDRs. Balance FDRs of ₹ 2 crores have been provided for in the books of account of RSL.

8 (a) The Parent Company has defaulted in repayment of obligation to the Lenders and Debenture holders against which various lenders have filed litigations and the company has incurred losses during the period, which indicate material uncertainty exists that may cast a significant doubt on the Company's 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) & Debenture holders. Committee of Debenture Holders have received Expression of Interest for submission of Asset Monetization Plans for certain subsidiaries/investments of the Company and accordingly the financial results of the Company have been prepared on a "Going Concern" basis.

(b) Reliance Home Finance Limited (RHFL) has engaged with all its lenders for arriving at the debt resolution plan. In this regard, the lenders 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. Majority of our lenders have already executed the ICA dated July 6, 2019 with Bank of Baroda acting as the lead lender. The lenders had appointed the resolution advisors, cashflow monitoring agency, forensic auditor, valuers and legal counsel. The timeline of 180 days as envisaged in the Circular were expired on January 3, 2020 and the lenders have initially extended the ICA till March 31, 2020, subsequently till June 30, 2020 then September 30, 2020 then December 31, 2020 and presently till March 31, 2021. RHFL is confident of achieving Resolution and in view of the steps taken by the Company, the accounts of the RHFL have been prepared on Going Concern Basis.

(c) Reliance Commercial Finance Limited (RCFL) has incurred losses amounting to ₹ 1,951 crores (March 31, 2020 ₹ 1,441 crores) it has accumulated losses of ₹ 5,284 crores (March 31, 2020 ₹ 3,333 crores). Pursuant to Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019 vide RBI circular dated June 7, 2019, the RCFL has entered into an Inter-Creditor

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Agreement (ICA) on July 6, 2019 for the resolution of its debts. The timeline of 180 days given in the Circular were expired on January 3, 2020. Management expects that ICA is likely to be extended from January 31, 2021 to March 31, 2021. The RCFL is confident of implementing its Resolution Plan within the said extended period. In view of the steps taken by RCFL as mentioned above, the accounts of RCFL have been prepared on "Going Concern" basis.

(d) As stated in Paragraphs (a) to (c) 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 company 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 Companies Act, 2013 with the Ministry of Corporate Affairs for matters relating to F.Y. 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 Companies Act, 2013. 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.

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 Company is presently undergoing a debt resolution process and certain lenders have entered into an Inter-Creditor Agreement (ICA) in accordance with the circular

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CHARTERED ACCOUNTANTS

dated June 7, 2019 issued by the Reserve Bank of India (RBI) on Prudential Framework for Resolution of Stressed Assets.

13 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 will not be, classified as NPA till such time the Hon'ble Supreme Court rules finally on the matter. However, Reliance Home Finance Limited (RHFL) and Reliance Commercial Finance Limited (RCFL) has provided stage 3 provisioning on all such cases.

14 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 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 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. However, Trustee has filed an appeal in SAT for certain document and SAT vide its final order dated December 18, 2020 directed the RGIC to provide the document. RGIC has preferred an appeal on the said SAT Order in Hon'ble Supreme Court of India. Accordingly, RGIC continues to be a wholly owned subsidiary of the group.

15 The Parent Company had pledged 3.35% comprising of 2,04,97,423 equity shares of Nippon Life India Asset Management Limited (NLAML) in favour of IndusInd Bank Limited (IBL). IBL has illegally invoked the pledge, which has been challenged by the 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 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 NLAML 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.

16 The Scheme of Amalgamation of Reliance Health Insurance Limited (RHIL), 100% subsidiary of the Company with Reliance General Insurance Company Limited (RGICL) has been approved by board of directors of RHIL and RGICL. The application for approval of amalgamation has been filed with Insurance Regulatory and Development Authority of India (IRDAI) on January 13, 2020 and on December 24, 2020,the application was not approved by IRDAI.

17 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

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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.

18 The figures for the previous period /years have been regrouped /rearranged wherever necessary.

19 The financial results for the quarter and nine months ended December 31, 2020 of the Group have been subject to a "Limited Review" by the Statutory Auditors of the Company.

20 The above results were reviewed by the Audit Committee. The Board of Directors at its meeting held on February 1, 2021 approved the above results and its release.

21 The Standalone financial results of the Parent Company for the quarter and nine months ended December 31, 2020 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 crores)

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31-Dec-20	30-Sep-20	31-Dec-19	31-Dec-20	31-Dec-19	31-Mar-20
Total revenue	10	274	358	561	1 037	1 393
Profit/ (loss) before tax	(4 244)	(2 475)	(28)	(7 107)	(2 964)	(5 465)
Profit /(loss) after tax	(4 244)	(2 475)	(28)	(7 107)	(2 964)	(5 465)

for **Reliance Capital Limited**

Mumbai, February 1, 2021

Dhananjay Tiwari
Director & Chief Executive Officer

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