RELIANCE CAPITAL

Reliance Capital Limited
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July 31, 2020

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, 2020

Further to our Notice dated July 24, 2020 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, 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 July 31, 2020. The meeting of the Board of Directors of the Company commenced at 4:00 p.m. and concluded at 4:35 p.m.

The Statement of Unaudited Financial Results (Standalone) for the quarter ended June 30, 2020 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.

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, 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 ended June 30, 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. Attention is drawn to the fact that the figures for the quarter ended March 31, 2020 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 July 31, 2020, 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, 2020 aggregating to Rs. 7,966 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. 7,718 Crore (including non-performing assets of Rs.4,779 Crore) of these loans as on June 30, 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 June 30, 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.

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

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loan book with significant deviations to certain bodies corporates including group companies and outstanding as on June 30, 2020 aggregating to Rs 5,188 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 loan 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

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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

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 matter 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 June 30, 2020 and Lenders and Debenture holders of RCFL and RHFL have also entered an Inter Creditor Agreement (ICA). RCFL and RHFL ability to meet its obligation 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 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, alongwith matters stated in Note 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, and accordingly the unaudited financial results of the Group have been prepared on a "Going Concern" basis.

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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 June 30, 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 June 30, 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 June 30, 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. 156 Crore, net profit / (loss) after tax of Rs. (792) Crore and total comprehensive income / (loss) of Rs. (792)



Crore for the quarter ended June 30, 2020 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. (78) Crore and total comprehensive Income / (loss) of Rs. (78) Crore for the quarter ended June 30, 2020 as considered in the consolidated unaudited financial results, in respect of 1 associates, 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, net profit / (loss) after tax of Rs. (0.33) Crore and total comprehensive income / (loss) of Rs. (0.42) Crore for the quarter ended June 30, 2020 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 and total comprehensive income / (loss) of Rs. Nil for the quarter ended June 30, 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: 20119303AAAAEK9313

Date: July 31, 2020
Place: Mumbai

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Reliance Capital Limited

Statement of Consolidated unaudited financial results for the quarter ended June 30, 2020

(₹ in Crores)

Sr. No.	Particulars	Quarter Ended			Year Ended
		June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
		Unaudited	Unaudited	Unaudited	Audited
I	**Income**				
a	**Revenue from operations**				
	Interest Income	879	934	1 709	5 197
	Dividend Income	6	25	94	153
	Premium Income	2 649	2 886	2 826	11 924
	Fees and Commission income	129	160	173	764
	Net gain on fair value changes	554	(425)	1 210	-
	Other operating income	64	200	58	285
	Total Revenue from operations	**4 281**	**3 780**	**6 069**	**18 323**
b	**Other Income**	6	12	14	36
	Total Income (a + b)	**4 287**	**3 792**	**6 083**	**18 359**
II	**Expenses**				
	Finance Costs	774	655	1 188	3 969
	Fees and commission expense	139	129	182	585
	Net loss on fair value changes	-	2 024	-	2 024
	Impairment on financial instruments	536	891	156	4 510
	Employee benefits expenses	350	310	419	1 507
	Depreciation, amortisation and impairment	23	51	23	123
	Claims Incurred (net)	1 028	1 964	1 274	6 296
	Premium paid on Reinsurance Ceded	915	700	778	3 605
	Change in valuation of liability in respect of life policies	906	(599)	-	573
	Other expenses	578	(279)	848	1 296
	Total Expenses	**5 249**	**5 846**	**4 868**	**24 488**
(III)	**Profit/(Loss) before exceptional items, [share of net profits / (losses) of investments accounted for using equity method] and tax (I - II)**	**(962)**	**(2 054)**	**1 215**	**(6 129)**
(IV)	Share of net profits/(losses) of associates accounted for using equity method	(76)	(109)	43	5
(V)	Profits/(losses) on sale of Subsidiaries / associates	-	-	-	4 901
(VI)	**Profit/(Loss) before exceptional items and tax (III + IV + V)**	**(1 038)**	**(2 163)**	**1 257**	**(1 223)**
(VII)	Exceptional items	-	-	-	-
(VIII)	**Profit/(Loss) before tax [VI + VII]**	**(1 038)**	**(2 163)**	**1 257**	**(1 223)**
	Tax expense				
	- Current Tax (including earlier year tax)	24	11	36	56
	- Deferred Tax	33	5	3	(80)
(IX)	**Total tax expense**	**57**	**16**	**39**	**(24)**
(X)	**Net Profit/(Loss) for the period/year (VIII - IX)**	**(1 095)**	**(2 179)**	**1 218**	**(1 199)**
(XI)	**Other comprehensive income**				
A	(i) Items that will not be reclassified to profit or loss	(3)	(80)	(12)	(118)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	1	2
	Subtotal (A)	**(3)**	**(80)**	**(11)**	**(116)**
B	(i) Items that will be reclassified to profit or loss	234	54	54	356
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(79)	(18)	-	(124)
	Subtotal (B)	**155**	**36**	**54**	**232**
	Other comprehensive income / (loss) for the period/year (A + B)	**152**	**(44)**	**43**	**116**
(XII)	**Total comprehensive income / (loss) for the period/year (XI + XII)**	**(943)**	**(2 223)**	**1 261**	**(1 083)**
(XIII)	**Net Profit/(Loss) for the period attributable to:**				
	- Owners	(1 124)	(2 123)	1 233	(1 074)
	- Non-controlling interests	29	(56)	(15)	(125)
(XIV)	**Other comprehensive income attributable to:**				
	- Owners	151	(18)	44	155
	- Non-controlling interests	1	(26)	(1)	(39)
(XV)	**Total comprehensive income attributable to:**				
	- Owners	(973)	(2 141)	1 277	(919)
	- Non-controlling interests	30	(82)	(16)	(164)
(XVI)	**Earnings per equity share face value of Rs. 10 each fully paid-up (quarter not annualised):**				
	(a) Basic	(43.57)	(87.00)	48.22	(47.79)
	(b) Diluted	(43.57)	(87.00)	48.22	(47.79)

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Reliance Capital Limited

Unaudited consolidated segment reporting for the quarter ended June 30, 2020

(₹ in Crores)

Sr. No.	Particulars	Quarter Ended			Year Ended
		June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
		Unaudited	Unaudited	Unaudited	Audited
1	**Segment Revenue**				
a	Finance & Investments	84	110	1 582	1 482
b	General Insurance	2 284	1 862	2 320	9 057
c	Life Insurance	1 793	1 787	1 177	5 755
d	Commercial Finance	150	132	432	828
e	Home Finance	-	-	541	1 322
f	Others	58	25	71	209
	Total	**4 369**	**3 916**	**6 123**	**18 653**
	Inter segment	(82)	(124)	(40)	(294)
	Total net Segment Income	**4 287**	**3 792**	**6 083**	**18 359**
2	**Segment Results**				
a	Finance & Investments	(636)	(1 328)	1,230	552
b	General Insurance	145	59	35	47
c	Life Insurance	59	(105)	(78)	(104)
d	Commercial Finance	(616)	(776)	26	(1,441)
e	Home Finance	-	-	63	(206)
f	Others	10	(13)	(19)	(71)
	Total Segment Profit / (Loss) Before tax	**(1 038)**	**(2 163)**	**1,257**	**(1,223)**
	Unallocated expenses	-	-	-	-
	Profit / (Loss) before tax	**(1 038)**	**(2 163)**	**1 257**	**(1 223)**
3	**Segment Assets**				
a	Finance & Investments	16 911	16 963	30 448	16 963
b	General Insurance	18 644	17 484	11 680	17 484
c	Life Insurance	22 393	21 371	21 503	21 371
d	Commercial Finance	10 155	10 989	12 767	10 989
e	Home Finance	-	-	16 977	-
f	Others	792	756	924	756
g	Inter-Segment Elimination	(3 064)	(2 781)	(15 091)	(2 781)
	Total Segment Assets	**65 831**	**64 782**	**79 208**	**64 782**
4	**Segment Liabilities**				
a	Finance & Investments	21 567	21 085	20 753	21 085
b	General Insurance	16 435	15 520	9 853	15 520
c	Life Insurance	21 161	20 200	20 243	20 200
d	Commercial Finance	11 806	12 024	11 937	12 024
e	Home Finance	-	-	15 109	-
f	Others	608	581	699	581
g	Inter-Segment Elimination	(3 132)	(2 955)	(1 112)	(2 955)
	Total Segment Liabilities	**68 445**	**66 455**	**77 482**	**66 455**

Notes:

1 The consolidated financials results of the Company and its subsidiaries 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

a) Finance & Investments - This includes the corporate lending and investment activities.

b) General Insurance - This includes the general and health insurance business.

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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 subsidary 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 June 30, 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 of the Company. Business receivables includes current assets and investments as specifically mentioned in the respective Trust Deeds and the asset cover thereof exceeds hundred percent of the principal amount of the said Debentures.

3 The Listed Secured Non-Convertible Market Linked Debentures (MLD) of the subsidiary viz. Reliance Financial Limited aggregating to ₹ 62 crores as on June 30, 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 ₹ 1 815 crores as on June 30, 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 June 30, 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 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 June 30, 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.
The Bank has adjusted said FDRs against amounts due and payable by the parent company (Reliance Capital Limited) to the Bank. RSL has obtained legal advise / opinion from a reputed law firm confirming that the action of the Bank to adjust "Client Margin" FDRs can be challenged as being illegal and untenable in law. The regulatory provisions from SEBI also support this position. 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 of time and no adjustments are required to be made in the carrying value of the FDRs. Balance amount of FDRs of ₹ 2 crores have been provided for in the books of account of RSL. This matter has been referred by the Auditor in their audit report as matter of emphasis.

8 (a) The Parent Company has defaulted in repayment of obligation to the Lenders and Debenture holders and 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 Company is in the process of meeting its obligations by way of time bound monetization of its assets in cognizance with Debenture Trustee and Debenture holders 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 period of 180 days as envisaged in the Circular expired on January 3, 2020 and the lenders have extended the ICA initially till March 31, 2020 and subsequently till June 30, 2020 and presently till September 30, 2020. The 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.



The Listed Secured Redeemable Non-Convertible Debentures of the RHFL aggregating to ₹ 5 967 crores as on June 30, 2020 are secured by way of first pari-passu legal mortgage and charge on the RHFL's immovable property and additional pari-passu charge by way of hypothecation on present and future book debts / receivables, outstanding money (loan book), receivable claims of the RHFL with other secured lenders, except those book debts and receivables charged / to be charged in favour of National Housing Bank for refinance availed / to be availed from them. The asset cover has fallen below hundred percent of outstanding debentures and adequate steps are being taken by the RHFL as explained aforesaid paragraph above.

(c) Reliance Commercial Finance Limited (RCFL) has incurred losses amounting to ₹ 616 crores (March 31, 2020 ₹ 1 443 crores) it has accumulated losses of ₹ 3 951 crores (March 31, 2020 ₹ 3 335 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 a Inter-Creditor 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. In the Lender's meeting all lenders had agreed to further extend the ICA period till September 30, 2020 from June 30, 2020. 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 namely Reliance Commercial Finance Limited and associate company Reliance Home Finance Limited, after resigning from the office in June 2019 submitted a report under Section 143(12) of the Companies Act, 2013 with the Ministry of Corporate Affairs for matters relating to FY 2018-19. The Company has examined the matter and also 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 the Company 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. RHFL is in the process of increasing the housing loan portfolio and is confident of the achieving the same in due course.

13 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. Accordingly, RGIC continues to be a wholly owned subsidiary of the group.

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14 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.

15 The Trustee to the Debenture holders of the Parent Company has initiated proceedings against the Parent Company before the Debt Recovery Tribunal, Mumbai. The application of the trustee will now be listed after the Debt Recovery Tribunal starts functioning post lifting of lockdown on account of Covid 19. The Parent Company is also considering to file an appeal before Debt Recovery Appellate Tribunal against such proceedings.

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 IRDAI on January 13, 2020 and the application is under process with 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 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. For all such accounts where the moratorium is granted, the asset classification has been remaining stand still during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the Income Recognition, Asset Classification and Provisioning norms).

18 The figures for the quarter ended March 31, 2020 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. The figures for the previous periods and for the year ended March 31, 2020 have been regrouped and rearranged to make them comparable with those of current period.

19 The financial results for the quarter ended June 30, 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 July 31, 2020 approved the above results and its release.

21 The Standalone financial results of the Parent Company for the quarter ended June 30, 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			Year Ended
	June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
	Unaudited	Unaudited	Unaudited	Audited
Total revenue	277	356	363	1 393
Profit / (Loss) before tax	(387)	(2 501)	(116)	(5 465)
Profit / (Loss)after tax	(387)	(2 501)	(116)	(5 465)

for Reliance Capital Limited

Dhananjay Tiwari
Director & Chief Executive Officer

Dated: July 31, 2020

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