

Reliance Capital Limited
Statement of Consolidated Financial Results for the quarter ended June 30, 2023

(₹ in lakh except per share data)

Sr. No.	Particulars	Quarter ended		Year ended	
		30-Jun-23	31-Mar-23	30-Jun-22	31-Mar-23
		Unaudited	Unaudited	Unaudited	Audited
(I)	Income				
a	Revenue from operations				
	Interest income	77 970	73 712	69 558	2 85 431
	Dividend income	3 866	2 188	2 882	9 989
	Premium income	3 96 244	3 93 567	3 52 248	15 53 488
	Fees and commission income	23 299	19 983	19 950	85 966
	Net gain (Loss) on fair value changes	94 244	(47 788)	(86 594)	(36 194)
	Other operating income	92	1 019	1 594	5 011
	Total Revenue from operations	5 95 715	4 42 681	3 59 638	19 03 691
b	Other Income	4 369	869	801	27 604
	Total Income (a + b)	6 00 084	4 43 550	3 60 439	19 31 295
(II)	Expenses				
	Finance cost	(75)	768	27 120	29 942
	Fees and commission expenses	38 747	18 832	20 665	76 622
	Impairment on financial instruments	(2 740)	1 30 912	5 080	1 51 532
	Employee benefits expenses	42 657	39 948	37 203	1 56 755
	Depreciation, amortisation and impairment	2 613	2 744	3 019	11 593
	Claims incurred (net)	1 73 943	1 82 925	1 50 200	7 03 377
	Premium paid on reinsurance ceded	1 33 675	74 862	1 18 114	4 21 101
	Change in valuation of liability in respect of life policies	1 11 850	80 835	(1 438)	2 96 892
	Other expenses	55 325	63 055	46 790	2 49 474
	Total Expenses	5 55 995	5 94 881	4 06 753	20 97 288
(III)	Profit / (Loss) before exceptional items, [share of net profits / (losses) of investments accounted for using equity method] and tax (I - II)	44 089	(1 51 331)	(46 314)	(1 65 993)
(IV)	Share of net profits/(losses) of associates accounted for using equity method	339	18	548	566
(V)	Profit/(Loss) before exceptional items and tax (III + IV)	44 428	(1 51 313)	(45 766)	(1 65 427)
(VI)	Exceptional items	-	-	-	-
(VII)	Profit/(Loss) before tax [V + VI]	44 428	(1 51 313)	(45 766)	(1 65 427)
	Tax expense				
	- Current Tax (including earlier year tax)	2 391	2 510	4 875	10 512
	- Deferred Tax	(1 409)	(3 916)	(1 501)	2
(VIII)	Total tax expense	982	(1 406)	3 374	10 514
(IX)	Net Profit/(Loss) for the period/year (VII - VIII)	43 446	(1 49 907)	(49 140)	(1 75 941)
(X)	Other comprehensive income				
A	(i) Items that will not be reclassified to profit or loss	2 645	4 426	(172)	3 377
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
	Subtotal (A)	2 645	4 426	(172)	3 377
B	(i) Items that will be reclassified to profit or loss	15 843	224	(32 892)	(39 054)
	(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	(3 986)	(3 515)	(262)	9 829
	Subtotal (B)	11 857	(3 291)	(33 154)	(29 225)
	Other comprehensive income for the period/year (A + B)	14 502	1 135	(33 326)	(25 848)
(XI)	Total comprehensive income for the period/year (IX + X)	57 948	(1 48 772)	(82 466)	(2 01 789)
(XII)	Net Profit/(Loss) for the period/year attributable to:				
	- Owners	39 416	(1 50 257)	(46 174)	(1 77 856)
	- Non-controlling interests	4 038	348	(2 966)	1 915
(XIII)	Other comprehensive income attributable to:				
	- Owners	13 123	606	(33 165)	(27 919)
	- Non-controlling interests	1 380	531	(160)	2 071
(XIV)	Total comprehensive income attributable to:				
	- Owners	52 539	(1 49 651)	(79 339)	(2 05 775)
	- Non-controlling interests	5 418	879	(3 126)	3 986
(XV)	Earnings per equity share face value of Rs. 10 each fully paid-up (quarter and year months ended not annualised):				
	(a) Basic	17.30	(59.70)	(19.57)	(70.07)
	(b) Diluted	17.30	(59.70)	(19.57)	(70.07)
(XVI)	Paid-up Equity share capital	25324	25324	25324	25324
(XVII)	Other equity				(12 31 853)



Reliance Capital Limited
Consolidated segment reporting for the quarter ended June 30, 2023
(₹ in lakh)

Sr. No.	Particulars	Quarter ended			Year ended
		30-Jun-23	31-Mar-23	30-Jun-22	31-Mar-23
		Unaudited	Unaudited	Unaudited	Audited
1	Segment revenue				
a	Finance and investments	19 679	(21 669)	(17 563)	(41 285)
b	General insurance	3 54 037	2 71 391	2 91 578	12,35,655
c	Life insurance	2 22 056	1 87 377	76 727	6,78,586
d	Commercial finance	-	-	5 473	34,639
e	Others	6 240	6 631	5 551	27,065
	Total	6 02 012	4 43 730	3 61 766	19 34 660
	Inter-segment revenue	(1 918)	(180)	(1 327)	(3 365)
	Total net segment income	6 00 094	4 43 550	3 60 439	19 31 295
2	Segment results				
a	Finance and investments	21 614	(1 53 566)	(19 141)	(2 00 629)
b	General insurance	17 387	1 883	6 847	31 217
c	Life insurance	5 152	667	(5 987)	4 369
d	Commercial finance	-	-	(27 648)	(1 825)
e	Others	287	(297)	163	1 441
	Total segment profit / (loss) before tax	44 440	(1 51 313)	(45 766)	(1 65 427)
	Unallocated expenses	-	-	-	-
	Profit / (Loss) before tax	44 440	(1 51 313)	(45 766)	(1 65 427)
3	Segment assets				
a	Finance and investments	7 69 788	7 57 411	9 24 823	7 57 411
b	General insurance	27 21 209	26 53 324	22 77 896	26 53 324
c	Life insurance	33 39 695	32 01 297	28 92 161	32 01 297
d	Commercial finance	-	-	1 96 095	-
e	Others	70 228	70 458	75 887	70 458
f	Inter-segment elimination	(38 016)	(48 372)	(86 555)	(48 372)
	Total segment assets	68 62 904	66 34 118	62 80 307	66 34 118
4	Segment liabilities				
a	Finance and investments	24 04 232	24 13 447	23 98 974	24 13 447
b	General insurance	24 72 728	24 23 196	20 69 159	24 23 196
c	Life insurance	31 61 181	30 33 675	27 39 447	30 33 675
d	Commercial finance	-	-	13 01 738	-
e	Others	61 221	61 732	68 468	61 732
f	Inter-segment elimination	(1 69 356)	(1 75 045)	(3 17 046)	(1 75 045)
	Total segment liabilities	79 30 006	77 57 005	82 60 740	77 57 005

Notes

- 1 The consolidated financial results of the Parent Company and its subsidiaries 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, 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 Group has followed the same accounting policies as applicable to annual financial statements.

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. (RCFL Cease to be subsidiary w.e.f. October 14, 2022)
(e) Others - This includes other financial and allied services.

- 2 The Reserve Bank of India (RBI) vide Press Release dated November 29, 2021 in exercise of the power conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934, superseded the Board of Directors of Reliance Capital Limited ("RCL"). Thereafter RBI vide press release dated November 30, 2021 in exercise of the power conferred under Section 45-IE (5A) of the Reserve Bank of India Act, 1934 constituted a three-member advisory committee to assist the Administrator in the discharge of his duties. On December 02, 2021 the RBI filed the Petition before the NCLT under sub-Clause (I) of clause (a) of Rule 5 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 (FSP Rules) to initiate Corporate Insolvency Resolution Process ("CIRP") against RCL read with Section 227 of Insolvency and Bankruptcy Code, 2016, read with the rules and regulations framed there under and amended from time to time (the "Code").



Further CIRP was initiated against the Company under Section 227 read with clause (ski) of sub section (2) of section 239 of the Code and read with rules 5 and 6 of the FSP Rules by an order dated December 06, 2021 of the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT/Adjudicating Authority). The Adjudicating Authority vide the above order, appointed the Administrator to perform all the functions of a resolution professional to complete the CIRP of the Company as required under the provisions of the Code and a moratorium was declared by the NCLT. It is also incumbent upon the Administrator (exercising same powers as Resolution Professional under the Code), under section 20 of the Code, to manage the operations of the Company as a going concern. Accordingly, the financial results for the quarter ended June 30, 2023 has been prepared on going concern assumptions.

As disclosed previously, the Company was prohibited from making any payment to secured or unsecured creditors and to dispose of, alienate, encumber either directly or indirectly or otherwise part with the possession, of any assets except in the ordinary course of business such as payment of salary and statutory dues, vide (a) orders dated December 3, 2019 and December 5, 2019 passed by the Hon'ble Debts Recovery Tribunal; (b) orders dated November 20, 2019 and March 15, 2021 passed by the Hon'ble Delhi High Court; and, Orders dated November 28, 2019, November 4, 2020, and March 5, 2021 passed by the Hon'ble Bombay High Court. The Administrator, on behalf of the Company has obtained orders clarifying that the above-mentioned orders will not come in the way of the Company's CIRP.

In relation to the timelines of the Corporate Insolvency Resolution Process ("CIRP"), as disclosed hereinabove, the CIRP of Reliance Capital Limited ("RCL") commenced on December 6, 2021, i.e., vide order of even date passed by the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT"). Pursuant to various orders passed by the Hon'ble NCLT, more particularly the NCLT order dated April 12, 2023, the timeline for completion of the CIRP was extended to July 16, 2023 (AZB team please mentioned about timeline). The Administrator of Reliance Capital Limited has filed an application before the NCLT under Section 30(6) of the Insolvency and Bankruptcy Code, 2016 ("Code") for approval of the resolution plan submitted by IndusInd International Holdings Limited ("IIHL"), as approved by the Committee of Creditors of RCL, with the NCLT, via e-filing on July 12, 2023. As per the proviso to Section 23 of the Code, the resolution professional continues to manage the operations of the corporate debtor until such time that the NCLT passes an order either approving the resolution plan or an order for liquidation of the corporate debtor. Therefore, in accordance with the proviso to Section 23 of the Code, the Administrator continues to manage the operations of RCL.

The Administrator has taken charge with effect from November 29, 2021, and has relied on information, data, and clarification provided by the existing Key Management Personnel (KMP's) of the Parent Company for the purpose of the financial results. With respect to the financial statements for the year ended March 31, 2023, the Administrator has signed the same solely for the purpose of ensuring compliance by the Parent Company with applicable law, and subject to the following:

- (i) The Administrator has taken charge with effect from November 29, 2021 and therefore was not in control of the operations or the management of the Parent Company prior to November 29, 2021;
 - (ii) The Administrator has furnished and signed the report in good faith and accordingly, no suit, prosecution or other legal proceeding shall lie against the Administrator in terms of Section 233 of the Code;
 - (iii) The Administrator, while signing this statement of financial results, has relied solely upon the assistance provided by the existing staff and present key management personnel (KMPs) of the Parent Company in review of the financial results as well as the certifications, representations and statements made by the KMPs of the Parent Company, in relation to these financial results. The statement of financial results of the Parent Company for the quarter ended June 30, 2023 have been taken on record by the Administrator solely on the basis of and on relying on the aforesaid certifications, representations and statements of the aforesaid existing staff and present key management personnel (KMPs). For all such information and data, the Administrator has assumed, without any further assessment, that such information and data are in the conformity with the Companies Act, 2013 and other applicable laws with respect to the preparation of the financial statements and that they give true and fair view of the position of the Parent Company as of the dates and period indicated therein.
- 3 Pursuant to the admission and commencement of CIRP of the Parent Company under Insolvency and Bankruptcy Code, 2016 (IBC) with effect from December 06, 2021, there are various claims submitted by the operational creditors, the financial creditors, employees and other creditors. The overall obligations and liabilities including obligation for interest on loans and the principal rupee amount in respect of loans shall be determined during the CIRP. The above audited financial results are drawn on the basis of June 30, 2023 figures as per the books of accounts of the Parent Company.
 - 4 In view of ongoing CIRP, interest expense of ₹ 39 803 lakh for the quarter ended June 30, 2023 has not been provided by Parent Company.
 - 5 The Parent Company had pledged its entire equity holding in Reliance General Insurance Company Limited (RGICL) 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 RGICL 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 transfer of shares was void ab initio. The said order was challenged in Securities Appellate Tribunal, Mumbai (SAT) and SAT vide its order dated February 27, 2020 held that that the Trustee is holding shares as Trustee / custodian and will not exercise any control over RGICL and cannot exercise any voting rights on shares of RGICL. Accordingly, RGICL continues to be a subsidiary of the Company. The Administrator on behalf of the Company has filed an application before the National Companies Law Tribunal, Mumbai on April 27, 2022, against the Trustee inter alia seeking direction against the Trustee to return the custody and control of the RGICL shares owned by the Company.
The NCLT by its Order dated May 4, 2023 has inter alia directed the Trustee ITSL to handover the possession of 25,15,49,920 (Twenty-Five Crore Fifteen Lakhs Forty Nine Thousand Nine Hundred and Twenty) shares of RGICL to the Administrator of Parent Company and that the security interest created on the said shares by virtue of pledge shall remain unaltered. Accordingly, ITSL has handedover the said shares back to Parent Company with pledge created on the said shares in favour of ITSL.



- 6 The Parent Company had pledged 3.35% of the equity shareholding of Nippon Life India Asset Management Limited (NLIAML), comprising of 2,04,97,423 equity shares in favour of IndusInd Bank Limited (IBL). IBL has wrongfully invoked the pledge, which has been challenged by the Company before the Hon'ble High Court of Bombay. The Hon'ble High Court of Bombay has referred the matter to the arbitration. The Sole Arbitrator upon hearing the Interim Applications filed by the Company 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 Company continues to consider its rights on the above referred shares.
- 7 As per the provisions of the IBC, the fair value and liquidation value of the assets of Parent Company as on the insolvency commencement date is required to be determined in accordance with Regulation 27 read with Regulation 35 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("CIRP Regulations"). The Administrator of Parent Company duly appointed by the Hon'ble National Company Law Tribunal, Mumbai ("NCLT Mumbai Bench"), is obligated to appoint 2 registered valuers to determine such valuation and submit the report ("Valuation Report"). In furtherance thereof, the Administrator had appointed 2 registered valuers who have submitted their report. As per Ind AS 36- "Impairment of Assets", impairment testing of assets is to be conducted on an annual basis. On completion of the CIRP, the Parent Company will consider carrying out a comprehensive review of all the assets including investments, other assets and intangible assets, liabilities and accordingly provide for impairment loss on assets and write back of liabilities, if any.
- 8 The Administrator of Parent company, duly appointed by the Hon'ble National Company Law Tribunal, Mumbai ("NCLT Mumbai Bench"), is obligated to file application for avoidance transactions in accordance with section 25(2)(j) of the Insolvency and Bankruptcy Code, 2016 ("the Code") read with Regulation 35A of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("CIRP Regulations"). In furtherance of the aforesaid, the Administrator has appointed a transaction auditor, BDO India LLP (BDO or Transaction Auditor), to determine if Parent Company has been subjected to transactions under sections 43, 45, 50 and 66 of the Code and submit a report on the same ("BDO Report"). Estimated impact on the Parent Company is INR 219200 lakhs as per the BDO report. On a review and in consideration of the findings of the Transaction Auditor, the Administrator has filed 8 applications before the NCLT Mumbai Bench under Section 60(5) and Section 66(2) of the Code read with the relevant CIRP Regulations in October 2022 seeking appropriate relief. The Company has made requisite disclosures of the same under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The applications are pending before NCLT Mumbai Bench.
- 9 The Listed Secured Non-Convertible Debentures of the Parent Company aggregating to ₹ 14 82 728 lakh as on June 30, 2023 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. Since the CIRP has commenced, all steps are taken as provided under the Code.
- 10 The Listed Secured Non-Convertible Market Linked Debentures of the subsidiary viz. Reliance Financial Limited aggregating to ₹620 lakh as on June 30, 2023 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.
- 11 The Listed Secured Non-Convertible Debentures (Market Linked Debenture) of the subsidiary viz. Reliance Securities Limited (RSL) aggregating to ₹ 250 lakh as on June 30, 2023 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 of 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.
- 12(a) Reliance Money Precious Metals Private Limited (RMPML), the accumulated losses as at June 30, 2023 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
- (b) Reliance Money Solutions Private Limited, the accumulated losses as at June 30, 2023 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.
- (c) 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.
- (d) 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.
- (e) Reliance Corporate Advisory Services Limited (RCASL), the entire net worth has been eroded due to losses incurred. RCASL with its holding Company has initiated for monetising its assets. Accordingly, the financial statement of RCASL has been prepared on a going concern basis.
- (f) Reliance Exchangenext Limited (RNEXT), the entire net worth has been eroded due to losses incurred. RNEXT with its holding Company has initiated for monetising its assets. Accordingly, the financial statement of RNEXT has been prepared on a going concern basis.



- (g) 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.
- (h) As stated in Paragraphs 14(a) to 14(g) 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 through CIRP, and accordingly the financial results of the Group have been prepared on a "Going Concern" Basis.
- 13 In light of the COVID-19 outbreak and information available, the Reliance Nippon Life Insurance Company Limited (RNLIC) is continuously monitoring the impact of COVID-19 on operations as well as financial statements, including but not limited to valuation of investment assets, valuation of policy liabilities and solvency. There have been no material changes in the controls and closing process for preparation of interim condensed financial statement of the RNLIC. RNLIC will continue to monitor any future changes to the business due to COVID-19 and RNLIC management has initiated appropriate risk mitigation control and process and will continue to enhance the same.
- 14 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.
- 15 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.
- 16 The figures for the quarter ended June 30, 2023 of the company have been subject to a "Limited Review" by Statutory Auditors of the Company.
- 17 Previous period figures have been regrouped / rearranged wherever necessary.
- 18 The above results were reviewed and approved by the Administrator on July 30, 2023 and has approved its release while discharging the powers of the Board of Directors of the Company which were conferred upon him by the RBI order dated November 29, 2021 and subsequently, powers conferred upon him in accordance with the NCLT order dated December 06, 2021.
- 19 The Standalone financial results of the Parent Company for the quarter ended June 30, 2023 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 lakh)

Particulars	Quarter ended			Year ended
	30-Jun-23	31-Mar-23	30-Jun-22	31-Mar-23
	Unaudited	Unaudited	Unaudited	Audited
Total revenue	1467	339	268	2 098
Profit/ (Loss) before tax	21 052	(1 38 939)	(21 475)	(1 70 770)
Profit / (Loss) after tax	21 052	(1 38 939)	(21 475)	(1 70 770)

for Reliance Capital Limited

(a Company under Corporate Insolvency Resolution Process by an order dated December 06, 2021 passed by Hon' NCLT, Mumbai)



Mr. Nageswara Rao Y
ADMINISTRATOR APPOINTED UNDER IBC

The Administrator has been appointed under Rule 5(a)(iii) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 under the Insolvency and Bankruptcy Code, 2016. The affairs, business and property of Reliance Capital Limited are being managed by the Administrator, Mr Nageswara Rao Y, who acts as agent of the Company only and without any personal liability. Correspondence Address : Administrator, Reliance Capital Limited, Trade World, B-Wing, 7th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai City MH 400 013 IN and for Correspondence Email Id :- rbi.administrator@relianceada.com

Mumbai, July 30, 2023

For future correspondences, you may reach out to the undersigned at the address/ contact details set out below:

a. Correspondence Address : Administrator, Reliance Capital Limited, Trade World, B-Wing, 7th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai City MH 400 013 IN

b. Contact No : 9844214021

c. Email : rbi.administrator@relianceada.com/ rcap.administrator@relianceada.com





Limited review report on unaudited quarterly consolidated financial results of Reliance Capital Limited under Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To

**The Administrator (appointed under Insolvency and Bankruptcy Code) of
Reliance Capital Limited.**

Introduction

1. We have reviewed the accompanying Statement of consolidated unaudited financial results of Reliance Capital Limited ("the Parent Company") and its subsidiaries, and its share of net profit / (loss) after tax and total comprehensive income/(loss) of its associates (the Parent Company, its subsidiaries and associates together referred to as "the Group") for the quarter ended June 30, 2023 ("the Statement") attached herewith, being submitted by the Parent Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").
2. The Reserve Bank of India ("RBI") vide its letter and press release dated November 29, 2021 ("RBI Order") issued under Section 45-IE(1) of the Reserve Bank of India Act, 1934, superseded the Board of Directors of the Parent Company and appointed an Administrator to run the Parent Company. Subsequently, in accordance with the order dated December 06, 2021 passed by the National Company Law Tribunal (Mumbai Bench) ("NCLT Order"), the application for commencement of Corporate Insolvency Resolution Process ("CIRP") of the Parent Company under the Insolvency and Bankruptcy Code, 2016 ("IBC") was admitted.
3. The above unaudited consolidated financial results of the Parent Company for the quarter ended June 30, 2023 have been taken on record by the Administrator while discharging the powers of the Board of Directors of the Company which were conferred by the RBI Order and in accordance with the NCLT Order. For the said purpose, as explained in Note no. 2 to the Statement, the Administrator has relied solely upon the assistance provided by the existing staff and present key management personnel ("KMPs") and has assumed, without any further assessment, that information and data provided by the existing staff and present KMPs are in the conformity with Companies Act 2013 and other applicable laws and regulations with respect to the preparation of the Statement.
4. This Statement has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").



Scope of the review

5. Our responsibility is to issue a report on the Statement based on our review. 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 the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. 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. We have not performed an audit and accordingly, we do not express an audit opinion.
6. This Statement includes results of the entities as stated in Annexure I.

Basis for qualified conclusion

7. We draw attention to Note no. 3 to the Statement which explains that the amount of the claims including claims on account of corporate guarantees invoked, admitted or to be admitted by the Administrator may differ from the amount reflecting in the books of account of the Parent Company. Pending final outcome of the CIRP, no adjustments have been made in the books for the differential amounts, if any, in the claims admitted as on the date of the financial results as compared to the liabilities reflected in the books of account of the Parent Company.
8. We draw attention to Note no. 4 to the Statement which explains that in view of the ongoing CIRP, the Parent Company has provided for interest expense on financial liabilities which may be applicable on the financial debt only upto December 06, 2021. Accordingly, interest expense pertaining to the quarter ended June 30, 2023 amounting to Rs.39,803 lakhs has not been recognized. Had such interest been recognized, the profit before tax for the quarter ended June 30, 2023 would have been lower by Rs.39,803 lakhs.

Qualified conclusion

9. Based on our review conducted and procedures as stated in paragraph 5 above read with paragraph 3, the consideration of the limited review reports of auditors of entities referred to in paragraph 16 below and with the exception of the matters described in paragraphs 7 and 8 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 Ind AS and other accounting principles generally accepted in India or state whether the Statement has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 of the Listing

Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.

Material uncertainty related to going concern

10. We draw attention to Note no. 2 of the Statement which explains that the Parent Company has been admitted under the CIRP process effective December 06, 2021 and as stipulated under Section 20 of the IBC, it is incumbent upon the Administrator to manage the operations of the Company as a going concern. Accordingly, the financial results for the quarter ended June 30, 2023 have been prepared on going concern basis. However, the Parent Company has defaulted in repayment of the obligations to the lenders and debenture holders which is outstanding, has incurred losses during the period as well as during the previous periods, has reported negative net worth as at June 30, 2023 and previous periods, the asset cover for listed secured non-convertible debentures of the Parent Company has fallen below one hundred percent as described in Note no. 9 to the Statement, which indicates that material uncertainty exists, that may cast significant doubt on the Parent Company's ability to continue as a going concern.

Our conclusion on the Statement is not modified in respect of paragraph 10 above.

Emphasis of matter

11. We draw attention to Note no. 7 of the Statement which refers to the exercise of valuation of all assets held by the Parent Company and subsequent measurement of impairment loss under Ind AS 36, if any, on completion of CIRP.
12. We draw attention to Note no. 14 of the Statement which describes the uncertainties relating to COVID-19 pandemic outbreak and management's evaluation of the impact on the financial results of Reliance Nippon Life Insurance Company Limited ("RNLICL") as at the reporting date. The impact of these uncertainties on RNLICL's operations is significantly dependent on future developments.
13. We draw attention to Note no. 2 of the Statement which explains that the resolution plan submitted by IIHL was duly approved by the Committee of Creditors of the Company under section 30(4) of the Code. The Administrator has filed an application before the NCLT and also with the Reserve Bank of India, seeking its no objection.

Our conclusion on the Statement is not modified in respect of matters stated in paragraphs 11 to 13.

Other Matters

14. The statutory auditors of one of the subsidiary companies, Reliance Nippon Life Insurance Company Limited ("RNLICL"), have included the following Other Matter paragraph in their review report:

"The actuarial valuation of liabilities for life policies in force and policies where premium is discontinued is the responsibility of the RNLICL's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities as at June 30, 2023 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with generally accepted actuarial principal 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 opinion is not modified in respect of this matter."

15. The statutory auditors of one of the subsidiary companies, Reliance General Insurance Company Limited ("RGICL"), a subsidiary of the Parent Company, 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) 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, 2023 has been duly certified by the Appointed Actuary. We relied on the Actuary's Certificate. Our conclusion is not modified in respect of this matter."

"The financial statements of the Company for the quarter ended June 30, 2022 has been audited by the one of the predecessor auditors Phatak H. D and Associates LLP and the continuing joint statutory auditor, Uttam Abuwala Gosh and Associates whose report dated July 20, 2022 has expressed a qualified opinion."

16. We did not review the financial information of 4 subsidiary companies included in the consolidated unaudited financial results, whose financial information reflects total revenues of Rs. 5,826 crore, net profit after tax of Rs. 220 crore and total comprehensive income of Rs. 365 crores for the quarter ended June 30, 2023, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also include the Group's share of net profit after tax of Rs. 13 crores and total comprehensive income of Rs. 13 crores for the quarter ended June 30, 2023, in respect of 2 associate companies, whose financial information has not been reviewed by us. These 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.





17. The Statement includes financial information of 11 subsidiaries which have not been reviewed by their auditors, whose financial information reflects total revenues of Rs. 2 crores, net profit after tax of Rs. 1 crore and total comprehensive income of Rs. 1 crores for the quarter ended June 30, 2023 as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also include the Group's share of net profit after tax of Rs. Nil, total comprehensive income of Rs. Nil for the quarter ended June 30, 2023 respectively, as considered in the consolidated unaudited financial results, in respect of 1 associate, the financial information of which has not been reviewed by their auditors. This 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 subsidiaries and associates are not material to the Group.

Our conclusion on the Statement is not modified in respect of matters stated in paragraphs 14 to 17.

For Gokhale & Sathe
Chartered Accountants
Firm Regn. No.103264W


Rahul Joglekar

Partner

Membership No.:129389

UDIN: 23129389 BGVYJT2008



Place: Mumbai

Date: July 30, 2023



Annexure I: List of entities included in the consolidated unaudited financial results of Reliance Capital Ltd.

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 Health Insurance Limited
6	Reliance Securities Limited
7	Reliance Wealth Management Limited
8	Reliance Exchangenext Limited
9	Reliance Corporate Advisory Services Limited
10	Quant Capital Private Limited
11	Quant Broking Private Limited (Subsidiary of Subsidiary Company)
12	Quant Securities Private Limited (Subsidiary of Subsidiary Company)
13	Quant Investment Services Private Limited (Subsidiary of Subsidiary Company)
14	Reliance Commodities Limited
15	Reliance Financial Limited
16	Reliance Money Precious Metals Private Limited
17	Reliance Money Services Private Limited
18	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



<div> <div>RELIANCE</div> <div>CAPITAL</div> </div>				
1. Extract from the Consolidated Unaudited Financial Results of Reliance Capital Limited for the quarter ended June 30, 2023. (₹ in lakh, except per share data)				
Sl. No.	Particulars	Quarter ended 30-Jun-23 Unaudited	Year ended 31-Mar-23 Audited	Quarter ended 30-Jun-22 Unaudited
1.	Total Income from Operations	5 95 715	19 03 691	3 59 638
2.	Net Profit / (Loss) for the period (before Tax, Exceptional and / or Extraordinary Item)	44 428	(1 65 427)	(45 766)
3.	Net Profit / (Loss) for the period (after Tax, Exceptional and / or Extraordinary Item)	43 446	(1 75 941)	(49 140)
4.	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	52 539	(2 05 775)	(79 339)
5.	Equity Share Capital	25 324	25 324	25 324
6.	Other Equity		(12 31 853)	
7.	Earnings Per Share (Basic & Diluted (Face Value of Rs.10/- each)) (not annualised)			
	(i) Basic (₹)	17.3	-70.07	-19.57
	(ii) Diluted (₹)	17.3	-70.07	-19.57
2. Extract from the Standalone Unaudited Financial Results of Reliance Capital Limited for the quarter ended June 30, 2023. (₹ in lakh)				
Sl. No.	Particulars	Quarter ended 30-Jun-23 Unaudited	Year ended 31-Mar-23 Audited	Quarter ended 30-Jun-22 Unaudited
1	Total Income	1 467	2 098	268
2	Profit / (Loss) before tax	21 052	(1 70 770)	(21 475)
3	Profit / (Loss) after tax	21 052	(1 70 770)	(21 475)
3. The above is an extract of the detailed format of the quarter ended financial results filed with the Stock Exchange(s) on July 30, 2023, under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the financial results are available on the Company's website i.e. www.reliancecapital.co.in and on the website of the Stock Exchange(s) i.e. www.bseindia.com and www.nseindia.com				
4. The Reserve Bank of India ("RBI") has superseded the board of directors of Reliance Capital Limited ("Company") and appointed Mr. Nageswara Rao Y as the Administrator of the Company in terms of Section 45-IE of the Reserve Bank of India Act, 1934 ("RBI Act"). The RBI, in exercise of powers conferred under Section 45-IE 5(a) of the RBI Act, had constituted a three-member Advisory Committee to assist the Administrator of the Company in discharge of his duties. Further, pursuant to an order dated December 6, 2021 of the National Company Law Tribunal, Mumbai Bench ("NCLT"), Corporate Insolvency Resolution Process ("CIRP") has been initiated against the Company as per the provisions of the Insolvency and Bankruptcy Code, 2016 ("Code"). July 30, 2023 Reliance Capital Limited CIN: L65910MH1986PLC165645 Regd. Office: Kamala Mills Compound, Trade World B Wing, 7 th Floor, S. B. Marg, Mumbai 400 013 Tel.: +91 22 4158 4000, Fax: +91 22 2490 5125 E-mail: rcl.investor@relianceada.com , Website: www.reliancecapital.co.in				

Navshakti – August 1, 2023

Part II - Page no. 8

<div> <div>RELIANCE</div> <div>CAPITAL</div> </div>				
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