

Reliance Capital Limited
Statement of Standalone Financial Results for the quarter and nine months ended December 31, 2021

(Rs. in crore except per share data)

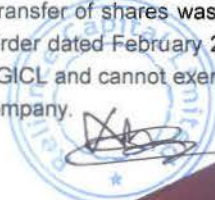
Sr. No.	Particulars	Quarter Ended			Nine months ended		Year Ended
		31-Dec-2021	30-Sep-2021	31-Dec-2020	31-Dec-2021	31-Dec-2020	31-Mar-2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Income						
I	Revenue from operations						
	Interest Income	1	1	2	3	541	542
	Dividend Income	3	4	-	7	3	4
	Rental Income	-	0.24	0.65	0.60	1.96	1.56
	Fees Income	-	-	7	-	15	15
	Other operating income (* Rs 8 193)	-	-	0.01	0.12	0.11	0.10
	Total Revenue from operations	4	5	10	11	561	563
II	Other income	0.01	0.04	0.05	0.06	0.09	0.11
III	Total Income (I+II)	4	5	10	11	561	563
IV	Expenses						
	Finance costs	296	404	405	1 101	1 312	1 712
	Net loss / (Gain) on fair value changes (net)	192	(156)	66	(37)	331	3 276
	Impairment on financial instruments	0.44	(0.49)	3 777	(0.44)	5 992	6 502
	Employee benefits expense	3	5	2	11	12	11
	Depreciation and amortisation expense	2	2	2	5	7	9
	Other expenses	5	4	2	12	14	25
	Total expenses (IV)	497	258	4 254	1 090	7 668	11 535
V	Profit/(loss) before tax (III-IV)	(492)	(253)	(4 244)	(1 078)	(7 107)	(10 972)
VI	Tax expense						
	(1) Current tax	-	-	-	-	-	-
	(2) Deferred tax	-	-	-	-	-	-
	(3) Taxation for earlier years	-	-	-	-	-	-
	Total tax expense	-	-	-	-	-	-
VII	Profit/(loss) for the period / year (V-VI)	(492)	(253)	(4 244)	(1 078)	(7 107)	(10 972)
VIII	Other Comprehensive Income / (Loss)						
A	(i) Items that will not be reclassified to profit or loss	0.12	(0.13)	0.07	(0.15)	(0.87)	(10.32)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
B	(i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Other comprehensive income / (Loss) for the period / year, net of tax	0.12	(0.13)	0.07	(0.15)	(0.87)	(10.32)
IX	Total Comprehensive Income / (Loss) for the period / year (VII+VIII)	(492)	(253)	(4 244)	(1 078)	(7 108)	(10 981)
X	Earnings per equity share face value of Rs. 10 each fully paidup (quarter not annualised)						
	(1) Basic	(19.60)	(10.07)	(169.0)	(42.95)	(283.01)	(436.92)
	(2) Diluted	(19.60)	(10.07)	(169.0)	(42.95)	(283.01)	(436.92)
XI	Paid-up Equity Share Capital	253	253	253	253	253	253
XII	Other equity						(7 863)



Notes:

- 1 Reliance Capital Limited (the 'Company') is primarily engaged in the Finance and Investment activities and all other activities revolve around the main business of the Company. The Financial results of the Company have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015, as amended and as prescribed under Section 133 of the Companies Act, 2013, and all activities are conducted within India and as such there is no separate reportable segment, as per the Ind AS 108 "Operating Segments".
- 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" or "Company"). 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 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 (zk) 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. 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 Statement for the quarter and nine months ended December 31, 2021 have been prepared on going concern assumptions.
- 3 The Administrator and the Advisory Committee members along with the management team and the employees of the Company, upon their taking charge are taking various efforts to improve the operational, financial, and managerial efficiency of the Company.
- 4 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 Company for the purpose of the financial results. With respect to the financial statements for the quarter ended December 31, 2021, the Administrator has signed the same solely for the purpose of ensuring compliance by the 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 Company for majority of the period to which the underlying report pertains to;
 - (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 Company in review of the financial results as well as the certifications, representations and statements made by the KMPs of the Company, in relation to these financial results. The statement of financial results of the Company for the quarter ended December 31, 2021 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 Company as of the dates and period indicated therein.
- 5 Pursuant to the admission and commencement of CIRP of the 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 unaudited financial results are drawn on the basis of December 31, 2021 figures as per the books of accounts of the Company.
- 6 The Listed Secured Non-Convertible Debentures of the Company aggregating to Rs. 14 827 crore as on December 31, 2021 are secured by way of first pari-passu mortgage/charge on the 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. Since the CIRP has commenced all steps are taken as provided under the Code.
- 7 The 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 wholly owned subsidiary of the Company.





- 8 The 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, the Sole Arbitrator who 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 NLAML 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.
- 9 One of previous auditor of the Company, 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 Financial Year 2018-19. The Company had, prior to the commencement of the CIRP, examined the matter and had appointed legal experts, who independently carried out an in-depth examination of the matters and issues raised therein and had 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 Vistra ITCL (India) Limited ("Vistra ITCL"), the Trustee has issued a notice on September 27, 2021, to the Company under Section 13(4) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. The Company has challenged the said notice by filing an Application before Debt Recovery Tribunal at Mumbai and has obtained an Ad-Interim Order to the effect that the notice issued by Vistra ITCL shall not affect the Company's rights to carry on the business in its ordinary course and restraining Vistra ITCL from taking any further steps / action till the next hearing.
- 11 In view of ongoing CIRP, the Company has provided for the interest expense which may be applicable on the financial debts upto the Insolvency Commencement Date i.e. December 06, 2021 and accordingly interest expense of Rs 104 crores for the post CIRP period have not been provided.
- 12 The financial results for the quarter and nine months ended December 31, 2021 of the Company have been subjected to a "Limited Review" by the Statutory Auditors of the Company.
- 13 Previous period figures have been regrouped and rearranged wherever necessary.
- 14 Disclosure under Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as certified by the management, is given in Annexure A.
- 15 The above results were reviewed and approved by the Administrator on February 04, 2022 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. Please refer to note no. 4 above for the basis of the review and approval of the above results by the Administrator.

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

Mumbai, February 04, 2022

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



Annexure A

Disclosure pursuant to Regulation 52(4) of the SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015, for the nine month ended December 31, 2021 :

Sr. No.	Particulars	Details Required
1	Debt-Equity Ratio	*
2	Outstanding Redeemable Preference Shares (Quantity And Value)	-
3	Capital Redemption Reserve/Debenture Redemption Reserve	-
4	Net Worth	(8,688.49)
5	Net Profit After Tax	(1,078.49)
6	Earnings Per Share (Not annualised)	Basic : Rs (42.95) Diluted : Rs (42.95)
7	Total Debts To Total Assets	1.28
8	Net Profit Margin	*
9	Sector Specific Equivalent Ratios, As Applicable	
a	Gross NPA (Stage 3 Asset Gross) Ratio	99.64%
b	Net NPA (Stage 3 Asset Gross) Ratio	96.84%

Note 1: * The Company has negative equity balance as a result, debt equity ratio cannot be presented, since there is loss for the nine months ended December 31, 2021 Net Profit Margin cannot be presented.

Note 2: Debt Service Coverage Ratio, Interest Service Coverage Ratio, Current Ratio, Long Term Debt To Working Capital, Bad Debts To Account Receivable Ratio, Current Liability Ratio, Debtors Turnover, Inventory Turnover, Operating Margin is not applicable to the Company.





Limited Review Report on Unaudited Quarterly Standalone Financial Results and Year-to-date Standalone 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 Unaudited Standalone financial results of Reliance Capital Limited ("the Company") for the quarter ended December 31, 2021 and year to date results for the period ended April 1, 2021 to December 31, 2021 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended.
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 Company and appointed an Administrator to run the 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 Company under the Insolvency and Bankruptcy Code, 2016 ("IBC") was admitted.
3. The above unaudited standalone financial results of the Company for the quarter ended December 31, 2021 and year to date results for the period ended April 1, 2021 to December 31, 2021 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. 4 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"). Our responsibility is to issue a report on the Statement based on our review.

Scope of the Review

5. Our responsibility is to issue a report on the Statement based on our review 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.

Basis for Qualified Conclusion

6. We draw attention to Note no. 5 of the Statement which explains that the amount of the claims admitted or to be admitted by the Administrator under CIRP process may differ from the amount reflecting in the books of account of the 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.
7. We draw attention to Note no. 11 of the Statement which explains that in view of the ongoing CIRP, the Company has provided for interest expense which may be applicable on the financial debt only upto December 06, 2021. Had such interest been recognised from December 07, 2021 to December 31, 2021, the loss before tax for the quarter ended December 31, 2021 and for the period April 1, 2021 to December 31, 2021 would have been higher by Rs.104 crores.

Qualified Conclusion

8. Based on our review conducted and procedures as stated in paragraph 5 above read with paragraph 3 and with the exception of the matters described in paragraphs 6 and 7 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 disclosed the information required to be disclosed the information in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Material Uncertainty related to Going Concern

9. We draw attention to Note no. 2 of the Statement which explains that the 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 and nine months ended December 31, 2021 have been prepared on going concern basis. However, the 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 December 31, 2021 and previous periods and as described in Note No. 6 of the Statement, the asset cover for Listed Secured Non-Convertible Debentures of the Company has fallen below one hundred percent, which indicates that material uncertainty exists, that may cast significant doubt on the Company's ability to continue as a Going Concern. Our conclusion on the Statement is not modified in respect of the above matter.

Emphasis of Matter

10. We draw attention to Note no. 9 of the Statement which refers to filling under Section 143(12) of the Act of Ministry of Corporate Affairs by one of the previous auditors for the financial year 2018-19. Based on the facts as described in the aforesaid, the Company has concluded that there were no matters attracting the said Section and the matter is under consideration with the Ministry of Corporate Affairs. Our conclusion on the Statement is not modified in respect of the above matter.



Other Matter

11. The financial statements of the Company for the previous year ended March 31, 2021 were audited by predecessor auditor. The auditors have expressed unmodified opinion vide their report dated May 8, 2021 on such financial statements. Further, the unaudited standalone financial results of the Company for the quarter and nine months ended December 31, 2020 have been reviewed by the predecessor auditors who have issued unmodified conclusion vide their report dated February 01, 2021. We have relied upon these reports for the purposes of our review.

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

Rahul Joglekar

Partner

Membership No. 129389

UDIN: 22129389AAIPY2585



Place: Mumbai

Date: February 04, 2022