

RELIANCE

CAPITAL

**Annual Report
2018- 19**



Padma Vibhushan
Shri Dhirubhai H. Ambani
(28th December, 1932 – 6th July, 2002)
Reliance Group – Founder and Visionary

Profile

Reliance Capital Limited is a constituent of the Reliance Group, one of the leading business houses in India.

Reliance Capital, incorporated in 1986, is one of India's leading private sector financial services companies.

Reliance Capital has interests in asset management and mutual funds, pension funds, life, health and general insurance, commercial and home finance, stock broking, wealth management services, distribution of financial products, asset reconstruction, proprietary investments and other activities in financial services.

Mission: Excellence in Financial Services

- To attain global best practices and become a world-class financial services enterprise – guided by its purpose to move towards greater degree of sophistication and maturity.
- To work with vigour, dedication and innovation to achieve excellence in service, quality, reliability, safety and customer care as the ultimate goal.
- To earn the trust and confidence of all stakeholders, exceeding their expectations and make the Company a respected household name.
- To consistently achieve high growth with the highest levels of productivity.
- To be a technology driven, efficient and financially sound organisation.
- To deliver ease, speed and convenience to our customers through integrated digital platforms.
- To be a provider of end to end financial solutions that can bring financial stability, security and opportunities to create wealth for all our stakeholders.
- To contribute towards community development and nation building.
- To be a responsible corporate citizen nurturing human values and concern for society, the environment and above all the people.
- To promote a work culture that fosters individual growth, team spirit and creativity to overcome challenges and attain goals.
- To encourage ideas, talent and value systems.
- To uphold the guiding principles of trust, integrity and transparency in all aspects of interactions and dealings.

Business mix

Reliance Capital

ASSET MANAGEMENT

Mutual
Fund

Offshore
Fund

Exchange
Traded
Funds

Alternative
Investment
Funds

INSURANCE

Life
Insurance

General
Insurance

Health
Insurance

BROKING& DISTRIBUTION

Stock
Broking

Wealth
Management

Third Party
Distribution

COMMERCIAL FINANCE

SME
Loans

Retail
Loans

Microfinance
Loans

Renewable
Loans

HOME FINANCE

Affordable
Housing
Loans

Home
Loans

Loan Against
Property

Construction
Finance

OTHER BUSINESSES

Proprietary
Investments

Institutional
Broking

Asset
Reconstruction

Board of Directors

Mr. Anil Dhirubhai Ambani	- Chairman
Mr. Amitabh Jhunjhunwala	- Vice Chairman
Mr. Rajendra P. Chitale	
Dr. Bidhubhusan Samal	
Mr. V. N. Kaul	
Ms. Chhaya Virani	
Mr. Rahul Sarin	
Dr. Thomas Mathew	
Mr. Anmol Ambani	- Executive Director

Key Managerial Personnel

Mr. Amit Bapna	- Chief Financial Officer
Mr. Atul Tandon	- Company Secretary & Compliance Officer

Auditors

M/s. Pathak H.D. & Associates

Registered Office

Reliance Centre, Ground Floor
19, Walchand Hirachand Marg
Ballard Estate, Mumbai 400 001
CIN : L65910MH1986PLC165645
Tel. : +91 22 4303 1000
Fax : +91 22 4303 6664
E-mail : rcl.investor@relianceada.com
Website: www.reliancecapital.co.in

Registrar and Transfer Agent

Karvy Fintech Private Limited
Karvy Selenium Tower – B
Plot No. 31 & 32, Survey No. 116/22, 115/24, 115/25
Financial District, Nanakramguda
Hyderabad 500 032
Website: www.karvyfintech.com

Investor Helpdesk

Toll free no. (India) : 1800 4250 999
Tel. : +91 40 6716 1500
Fax : +91 40 6716 1791
E-mail : rclinvestor@karvy.com

Contents

Page No.

Highlights – at a glance	6
Notice of Annual General Meeting	7
Directors' Report.....	13
Management Discussion and Analysis	23
Business Responsibility Report	30
Corporate Governance Report	36
Certificate on Corporate Governance by Practicing Company Secretary.....	50
Investor Information	51
Independent Auditors' Report on the Standalone Financial Statement	57
Balance Sheet.....	64
Statement of Profit and Loss	65
Statement of Changes in Equity	66
Cash Flow Statement.....	68
Notes to the Financial Statement.....	69
Independent Auditors' Report on the Consolidated Financial Statement	116
Consolidated Balance Sheet	128
Consolidated Statement of Profit and Loss	129
Consolidated Statement of Changes in Equity.....	130
Consolidated Cash Flow Statement	132
Notes to the Consolidated Financial Statement.....	133
Statement containing salient features of the financial statement of subsidiaries/associate companies.....	197
Attendance Slip and Proxy Form.....	201

**33rd Annual General Meeting on Monday, September 30, 2019 at 10:00 A.M. at Rama & Sundri
Watumull Auditorium, Vidyasagar, Principal K. M. Kundnani Chowk,
124, Dinshaw Wachha Road, Churchgate, Mumbai 400 020**

Highlights – at a glance (Standalone)

(₹ in crore)

Year ended March 31	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Turnover	2 317	3 315	2 071	4 145	3 988	3 254	3 868	3 317	1 971	2 390
Earnings Before Depreciation, Interest & Tax (EBDIT)	2 147	2 910	1 904	3 510	3 232	2 777	2 912	2 712	1 472	1 724
Depreciation	53	21	27	37	31	34	29	26	14	18
Profit after Tax	157	828	517	977	757	409	662	519	229	339
Equity Dividend %	-	110	105	100	90	85	80	75	65	65
Dividend Payout	-	330	290	279	257	225	212	191	161	187
Equity Share Capital	253	253	253	253	253	244	246	246	246	246
Reserves and Surplus	8 615	13 915	13 448	13 028	12 330	11 390	11 266	10 798	6 782	6 713
Net Worth	8 868	14 006	13 579	13 131	12 387	11 458	11 346	10 910	6 958	6 886
Total Assets	29 745	36 352	33 266	36 354	35 702	36 515	33 557	30 183	26 608	20 025
Market Capitalisation	5 167	10 697	15 539	9 306	10 726	8 496	7 681	9 625	14 280	18 537
Number of Employees (Core)	132	125	139	132	124	124	119	115	139	54

Key Indicators

Year ended March 31	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
EBDIT/Gross Turnover %	93	88	92	85	81	85	75	32	76	72
Net Profit Margin %	7	25	25	24	19	13	17	16	12	14
Earnings Per Share (₹)	6	33	17	39	31	17	27	21	9	14
Book Value Per Share (₹)	351	554	538	520	490	467	462	444	283	280
Debt : Equity Ratio	2.19:1	1.48:1	1.38:1	1.64:1	1.76:1	2:1	1.84:1	1.67:1	2.66:1	1.71:1

Note: Figures upto Financial Year 2018 are Audited Indian GAAP numbers.

Notice

Notice is hereby given that the 33rd Annual General Meeting of the Members of **Reliance Capital Limited** will be held on Monday, September 30, 2019 at 10:00 A.M., at Rama & Sundri Watumull Auditorium, Vidyasagar, Principal K. M. Kundnani Chowk, 124, Dinshaw Wacha Road, Churchgate, Mumbai 400 020, to transact the following business:

Ordinary Business:

1. To consider and adopt:
 - a) the audited financial statement of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon; and
 - b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2019 and the report of the Auditors thereon.
2. To appoint Ms. Ryna Karani (DIN:00116930), as a Director of the Company, liable to retire by rotation under the provisions of the Companies Act, 2013.
3. To confirm M/s. Pathak H.D. & Associates, Chartered Accountants, continuing as sole Statutory Auditors of the Company and in this regard, to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the appointment of M/s. Pathak H.D. & Associates, Chartered Accountants (Firm Registration No. 107783W), who have been appointed as the Auditors to hold office till the conclusion of the 35th Annual General Meeting be and is hereby confirmed as the sole Statutory Auditors of the Company."

Special Business:

4. **Appointment of Mr. Rahul Sarin as an Independent Director**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Rahul Sarin (DIN: 02275722), who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director and in accordance with the recommendation of the Nomination and Remuneration Committee, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term up to 5 (five) consecutive years commencing from August 16, 2019."

5. **Appointment of Dr. Thomas Mathew as an Independent Director**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the

"Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Dr. Thomas Mathew (DIN: 05203948), who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director and in accordance with the recommendation of the Nomination and Remuneration Committee, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term up to 5 (five) consecutive years commencing from August 16, 2019."

6. **Re-appointment of Ms. Chhaya Virani as an Independent Director**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Chhaya Virani (DIN: 06953556), who was appointed as an Independent Director and holds office up to May 29, 2020 and who has given her consent for the appointment as an Independent Director submitted a declaration that she meets the criteria for independence under Section 149 of the Act and the Listing Regulations and is eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for appointment as a Director and in accordance with the recommendation of the Nomination and Remuneration Committee, be and is hereby re-appointed as an Independent Director of the Company for a second term of 5 (five) consecutive years with effect from May 29, 2020."

7. **Private Placement of Non-Convertible Debentures and / or other Debt Securities for refinancing of existing debt**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and the provisions of the Memorandum of Association and the Articles of Association of the Company, the Securities and Exchange Board of India ("SEBI") (Issue and Listing of Debt Securities) Regulations, 2008, as amended, and other applicable SEBI regulations and guidelines, and subject to such other applicable laws, rules and regulations and guidelines, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any duly constituted committee of the Board) for making offer(s) or invitation(s) to subscribe to Secured / Unsecured / Redeemable / Non-Redeemable Non-Convertible Debentures (NCDs) including but not limited to subordinated debentures, bonds, and / or other debt securities, etc., on a private placement basis,

Notice

in one or more series / tranches, for refinancing of existing debt within the overall borrowing limits of the Company, as may be approved by the Members from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to determine, negotiate, modify and finalise the terms of issue including the class of investors to whom NCDs are to be issued, time of issue, securities to be offered, the number of NCDs, tranches, issue price, tenor, interest rate, premium / discount, listing, redemption period, utilisation of the issue proceeds and to do all such acts and things and deal with all such matters and take all such steps as may be necessary and to sign and execute any deeds / documents / undertakings / agreements / papers / writings, as may be required in this regard."

8. **Sale / disposal of asset(s) / undertaking(s) of the Company, its subsidiaries, associates and joint ventures**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the rules made thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), any other applicable rules, regulations, guidelines and other provisions of law, enabling provisions of the Memorandum of Association and Articles of Association of the Company and subject to all necessary approvals, consents, permissions and sanctions, from the concerned authorities / bodies including lenders and other persons holding encumbrance / charge, and subject to such terms and conditions and / or modifications as may be prescribed by any of them while granting such approvals, permissions, consents and / or sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any committee which the Board has constituted or may constitute to exercise its powers, including the powers conferred under this Resolution on any person duly authorised by the Board in these behalf), consent of the Members of the Company be and is hereby accorded to the Board to sell, lease, convey, transfer, assign, deliver or otherwise dispose off, from time to time, in one or more tranches, all or any of the tangible and / or intangible assets, properties, investments, contracts, book debts, rights, licenses, permits or other assets of whatsoever nature and / or the whole or substantially the whole of the undertaking or undertakings of the Company and / or to mortgage, charge, convey and deliver or otherwise dispose off and / or cause to be sold, assigned, transferred and delivered, investment in subsidiaries, associates or joint ventures of the Company together with all their respective assets and / or liabilities / obligations of whatsoever nature and kind and wheresoever situated, in whole or in part; on a going concern basis or otherwise, in such manner and for such consideration and at such time and on such terms and conditions, as the Board may in its absolute discretion deem fit and appropriate.

RESOLVED FURTHER THAT the authority and liberty be and is hereby specifically conferred on the Board without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution to finalise and execute necessary documents including but not limited to agreements, memoranda, deeds of assignment / conveyance

and other ancillary documents, with effect from such date and in such manner and to undertake all such acts, deeds, matters and things as may be deemed necessary, proper, desirable and expedient in its absolute discretion, for the purpose of giving effect to this resolution or any matter incidental thereto, and to settle and finalise any question, difficulty or doubt that may arise in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this resolution."

By Order of the Board of Directors

Atul Tandon

Company Secretary & Compliance Officer

Registered Office:

Reliance Centre, Ground Floor
19, Walchand Hirachand Marg
Ballard Estate, Mumbai 400 001
CIN: L65910MH1986PLC165645
Website: www.reliancecapital.co.in

August 29, 2019

Notes:

1. Statement pursuant to Section 102(1) of the Companies Act, 2013 (the "Act") relating to the special business to be transacted at the Annual General Meeting (the "Meeting") is annexed hereto.
2. **A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll, instead of herself / himself and the proxy need not be a member of the Company. The instrument appointing the proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before commencement of the Meeting.**
3. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. However, a member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.
4. Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send to the Company a certified true copy of their board resolution authorising their representative(s) together with their specimen signature(s) to attend and vote on their behalf at the Meeting.
5. Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto.
6. Members / Proxies are requested to bring their duly filled attendance slip sent herewith along with their copy of the annual report to the Meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
8. Members who hold share(s) in electronic form are requested to write their DP ID and Client ID numbers and those who hold share(s) in physical form are requested to write their Folio number in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.

Notice

9. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays between 11:00 A.M. and 1:00 P.M. up to the date of the Meeting. The certificate from the Statutory Auditors of the Company confirming the compliance of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 with respect to the Company's Employees Stock Option Scheme Plans will be available for inspection at the Meeting.
10. Members are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. The Company or its Registrar and Transfer Agent cannot change bank particulars or bank mandates for shares held in electronic form.
11. Non-Resident Indian members are requested to inform Karvy Fintech Private Limited (Karvy), the Company's Registrar and Transfer Agent immediately on:
 - a. the change in the residential status on return to India for permanent settlement; and
 - b. the particulars of the bank account(s) maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
12. Subsequent to resignation of M/s. Price Waterhouse & Co Chartered Accountants LLP as one of the Statutory Auditors, M/s. Pathak H.D. & Associates, Chartered Accountants confirmed to continue as sole Statutory Auditors of the Company. Accordingly, resolution set out at item no. 3 seeking confirmation of Members is proposed as an abundant caution.
13. Appointment of Director:
 At the ensuing Annual General Meeting, Ms. Ryna Karani, is proposed to be appointed as a Director of the Company, liable to retire by rotation under the provisions of the Companies Act, 2013 (the 'Act'). The Nomination and Remuneration Committee and the Board of Directors of the Company have recommended the appointment.
 Ms. Ryna Karani, 50 years, is a partner of ALMT Legal, Advocates and Solicitors since November 2006 and part of the firm's corporate and commercial team. She has been practicing as a lawyer since 1994 and enrolled as an Advocate with the Bar Council of Maharashtra and Goa. Her practice includes advising on mergers and acquisitions, joint ventures, private equity and investment funds on a full range of corporate transactions including cross border transactions. She has advised and assisted number of foreign clients in establishing a presence in India through incorporation of companies and/or establishment of liaison offices. She is a member of the Society of Women Lawyers.
 She is proposed to be appointed as a Non-executive Director at the ensuing Annual General Meeting and shall be liable to retire by rotation. She shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act.
 She is also on the board of Reliance Infrastructure Limited, Reliance Communications Limited, BSES Yamuna Power Limited, BSES Rajdhani Power Limited, Ineos Styrolution India Limited and Prime Urban Development India Limited. She is the chairperson of Audit Committee of BSES Yamuna Power Limited and a member of Audit Committee of Reliance Infrastructure Limited, BSES Rajdhani Power Limited, Reliance Communications Limited and Ineos Styrolution India Limited. She is a member of Nomination and Remuneration Committee of Prime Urban Development India Limited and Reliance Communications Limited. She is the chairperson of Stakeholders Relationship Committee of Ineos Styrolution India Limited and a member of Stakeholders Relationship Committee of Reliance Communications Limited. She is the chairperson of Corporate Social Responsibility Committee of Reliance Infrastructure Limited and a member of Corporate Social Responsibility Committee of Reliance Communications Limited.
 She fulfils the Fit and Proper Criteria of Directors as per the requirements of Guidelines on Corporate Governance issued by the Reserve Bank of India and has given her declaration in this regard.
 She does not hold any share in the Company and does not have any relationship with other Directors and Key Managerial Personnel of the Company.
 The above be treated as the disclosure pursuant to the requirements of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").
14. Members are advised to refer to the section titled 'Investor Information' provided in this Annual Report.
15. **SEBI has decided that securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise shares held by them in physical form.**
16. Members are requested to fill in and submit the Feedback Form provided in the 'Investor Relations' section on the Company's website www.reliancecapital.co.in to aid the Company in its constant endeavour to enhance the standards of service to investors.
17. The Statement containing the salient features of the balance sheet, the statement of profit and loss and auditors' report on the Abridged Financial Statement, is sent to the Members, along with the Abridged Consolidated Financial Statement. Any Member interested in obtaining a copy of the full Annual Report, may write to the Company or the Registrar and Transfer Agent of the Company.
18. Members holding shares in physical mode:
 - a. are required to submit their Permanent Account Number (PAN) and bank account details to the Company / Karvy, if not registered with the Company as mandated by SEBI.
 - b. are advised to register the nomination in respect of their shareholding in the Company. Nomination Form (SH-13) is put on the Company's website and can be accessed at link <http://www.reliancecapital.co.in/Download-Forms.aspx>.
 - c. are requested to register / update their e-mail address with the Company / Karvy for receiving all communications from the Company electronically.
19. Members holding shares in electronic mode:
 - a. are requested to submit their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts.
 - b. are advised to contact their respective DPs for registering the nomination.
 - c. are requested to register / update their e-mail address with their respective DPs for receiving all communications from the Company electronically.

Notice

20. The Securities and Exchange Board of India vide its circular no. SEBI / HO / MIRSD / DOS3 / CIR / P / 2019 / 30 dated February 11, 2019, with a view to address the difficulties in transfer of shares, faced by non-residents and foreign nationals, has decided to grant relaxations to non-residents from the requirement to furnish PAN and permit them to transfer equity shares held by them in listed entities to their immediate relatives subject to the following conditions:
- a. The relaxation shall only be available for transfers executed after January 1, 2016.
 - b. The relaxation shall only be available to non-commercial transactions, i.e. transfer by way of gift among immediate relatives.
 - c. The non-resident shall provide copy of an alternate valid document to ascertain identity as well as the non-resident status.
21. Members who hold shares in physical form, in multiple folios, in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Transfer Agent for consolidation into a single folio.
22. The physical copy of Annual Report 2018-19, the Notice of the AGM and instructions for e-voting, along with the Attendance Slip and Proxy Form, are being sent to those shareholders whose e-mail addresses are not registered with the Company and by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories, unless a member has requested for a physical copy of the documents. All the above documents are also available on the website of the Company.
23. In compliance with the provisions of Section 108 of the Act read with Rules made thereunder and Regulation 44 of

the Listing Regulations, the Company is offering e-voting facility to all Members of the Company through Notice dated August 29, 2019 (remote e-voting). A person, whose name is recorded in the Register of Members or in the Register of Beneficial owner (in case of electronic shareholding) maintained by the depositories as on the cut-off date i.e. September 23, 2019 only shall be entitled to avail the facility of remote e-voting / voting. Karvy will be facilitating remote e-voting to enable the Members to cast their votes electronically. The Members can cast their vote online from 10:00 A.M. on September 26, 2019 to 5:00 P.M. on September 29, 2019. The Members shall refer to the detailed procedure on remote e-voting given in the e-voting instruction slip. The facility for voting shall also be available at the Meeting. The Members who have cast their votes by remote e-voting prior to the Meeting may also attend the Meeting, but shall not be entitled to cast their votes again at the Meeting. The Board of Directors have appointed Mr. Anil Lohia, Partner or in his absence Mr. Rinkit Kiran Uchat, Partner, M/s. Dayal and Lohia, Chartered Accountants as the Scrutiniser to scrutinise the voting process in a fair and transparent manner.

The Scrutiniser will submit his report to the Chairman or any person authorised by him after completion of the scrutiny and the results of voting will be announced after the Meeting of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting. The result of the voting will be submitted to the Stock Exchanges, where the shares of the Company are listed and posted on the website of the Company and also on the website of Karvy.

Statement pursuant to Section 102 (1) of the Companies Act, 2013 to the accompanying Notice dated August 29, 2019

Item Nos. 4 & 5 Appointment of Mr. Rahul Sarin and Dr. Thomas Mathew as Independent Directors.

Mr. Rahul Sarin and Dr. Thomas Mathew were appointed as the Independent Directors of the Company by the Board with the recommendation of the Nomination and Remuneration Committee, for a term up to 5 (five) consecutive years commencing from August 16, 2019, in accordance with the provisions of Section 149 read with Schedule IV to the Companies Act, 2013 (the 'Act').

The Company had received declarations from the above mentioned Directors confirming that they meet the criteria of independence as prescribed both under Section 149(6) of the Act and under the Listing Regulations. In the opinion of the Board, each of the Directors fulfil the conditions specified in the Act and the Listing Regulations for their respective appointment as Independent Directors and that they are independent of the management.

Keeping in view the above, it is proposed to seek approval of the Members to appoint Mr. Rahul Sarin and Dr. Thomas Mathew as Independent Directors on the Board of the Company, not liable to retire by rotation.

As required under Section 160 of the Act, the Company has received notices in writing from members proposing the candidature of Mr. Rahul Sarin and Dr. Thomas Mathew for their respective offices of Director of the Company.

Mr. Rahul Sarin and Dr. Thomas Mathew are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent(s) to act as Director.

The Directors fulfil the Fit and Proper Criteria of Directors as per the requirements of Guidelines on Corporate Governance issued by the Reserve Bank of India and have given their declaration in this regard.

The details pertaining to Mr. Rahul Sarin and Dr. Thomas Mathew are furnished hereunder:

Mr. Rahul Sarin, 69 years, a civil servant with a distinguished record of public service of over thirty five years, retired as Secretary to Government of India. This experience was buttressed by five years of judicial experience after superannuation as Member, Competition Appellate Tribunal and Airport Economic Regulatory Authority Appellate Tribunal. His diverse experience of field level assignments and top management positions in State and Central Government, Public Sector, together with a foreign assignment and exposure of working with international organisations has given him an invaluable insight. From his experience he has gained a clear vision of the intricacies and challenges of public decision making and the dynamics of the policy space of socioeconomic transformation. He has also been at the forefront of the two evolving regimes of economic regulation in their very first five years of their inception in 2009. While it is imperative that economic regulation be subject to judicial review based on the overarching principles of legality, fairness, reasonability and the integrity of the judicial process, at the same time it is essential to recognize the perils of over enforcement leading to chilling effects on the economy.

Mr. Sarin has published two books: Development Perspectives in 2016 and China's Agriculture and Political Economy in 2017.

Statement pursuant to Section 102 (1) of the Companies Act, 2013 to the accompanying Notice dated August 29, 2019

At present Mr. Sarin is independent director of Reliance General Insurance Company Limited and also a director of IANS India Limited and IANS TV Private Limited.

Dr. Thomas Mathew, 63 years, holds a bachelor's degree in arts from the University of Delhi and a bachelor's degree in law from Campus Law Centre-11, Faculty of Law. He also holds a master's degree in arts, a degree of master of philosophy, and a degree of doctor of philosophy from Jawaharlal Nehru University.

Dr. Thomas Mathew has experience of working with the Ministry of Finance and the Ministry of Defence amongst other. He represented India as the leader of the delegation in several conferences and meetings.

Dr. Thomas Mathew has addressed/presented papers in several fora including those in the United States Department of Defence and Stanford University, USA. He also spearheaded several new reforms in the Ministry of Defence. He published scores of articles, Opeds, etc. in leading newspapers like the Times of India, Economic Times, The Indian Express, The Hindu, etc. He has also edited book on India-US Strategic Ties contributing it lead chapter. As the Additional Secretary to the 13th President of India, Mr. Pranab Mukherjee, he authored two books, "The Winged Wonders of Rashtrapati Bhavan" and "Abode Under the Dome". These books were regularly presented by the Indian President to the visiting Heads of States and other world leaders who called on him.

At present Dr. Thomas Mathew is an independent director of Reliance General Insurance Company Limited.

Mr. Rahul Sarin and Dr. Thomas Mathew shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act.

The above Directors do not hold any share in the Company and does not have any relationship with other Directors and Key Managerial Personnel of the Company.

Brief profile of Mr. Rahul Sarin and Dr. Thomas Mathew is furnished in the Corporate Governance Report forming part of this Annual Report.

Approval of Members is accordingly sought for appointment of Mr. Rahul Sarin and Dr. Thomas Mathew as Independent Directors as set out in the resolutions at Item Nos. 4 & 5 of the accompanying Notice.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays between 11:00 A.M. and 1:00 P.M. up to the date of the Meeting.

Mr. Rahul Sarin and Dr. Thomas Mathew are interested in the resolutions set out respectively at Item Nos. 4 & 5 of the Notice in regard to their respective appointments.

The relatives of Mr. Rahul Sarin and Dr. Thomas Mathew may be deemed to be interested in the resolutions set out respectively at Item Nos. 4 & 5 of the Notice, to the extent of their equity shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in these resolutions.

This statement may also be regarded as a disclosure under the Act and Regulation 36(3) of the Listing Regulations.

The Board accordingly recommends the Ordinary Resolutions set

out at Item Nos. 4 & 5 of the accompanying Notice for the approval of the Members.

Item No. 6 Re-appointment of Ms. Chhaya Virani as an Independent Director.

Ms. Chhaya Virani was appointed as an Independent Director of the Company on May 29, 2015, for a term of 5 (five) consecutive years to hold office up to May 29, 2020.

The Nomination and Remuneration Committee and Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Ms. Chhaya Virani as an Independent Director, for a second term of 5 (five) consecutive years, on the Board of the Company.

Accordingly, based on the performance evaluation of Ms. Chhaya Virani and given the background and experience and contributions made by her during her tenure, the continued association would be beneficial to the Company, the Nomination and Remuneration Committee and the Board of Directors of the Company at their Meetings held on August 14, 2019, have recommended the re-appointment of Ms. Chhaya Virani as an Independent Director for a second term of 5 (five) consecutive years commencing from the date on which her present term as an Independent Director expire.

Ms. Chhaya Virani is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

The Company has received declarations from her confirming that she meets the criteria of independence as prescribed under sub-section 6 of Section 149 of the Act and as per the Listing Regulations. In the opinion of the Board, she fulfils the conditions for re-appointment as Independent Director and is independent of the management.

Ms. Chhaya Virani fulfil the Fit and Proper Criteria of Director as per the requirements of Guidelines on Corporate Governance issued by the Reserve Bank of India and has given her declaration in this regard.

The brief profile of Ms. Chhaya Virani is as under:

Ms. Chhaya Virani, 65 years, graduated from Mumbai University with a bachelors' degree in Arts. She also acquired a bachelors' degree in legislative laws from the Government Law College in 1976. She is a partner in M/s. ALMT Legal Advocates and Solicitors. She is a Director on the board of Reliance Home Finance Limited, Reliance Infratel Limited, Reliance General Insurance Company Limited, Reliance Capital Pension Fund Limited and Reliance Communications Limited. She is the member of Audit Committee, Stakeholders Relationship Committee and Risk Management Committee of the Company. She is also the chairperson of audit committee and stakeholders relationship committee of Reliance Home Finance Limited. She is a member of audit committee of Reliance Infratel Limited, Reliance General Insurance Company Limited, Reliance Capital Pension Fund Limited and Reliance Communications Limited. She is also a member of stakeholders relationship committee of Reliance Communications Limited. She does not hold any share in the Company as of March 31, 2019 and does not have any relationship with other Directors and Key Managerial Personnel of the Company. Ms. Chhaya Virani attended six meetings out of seven board meetings held during the financial year 2018-19.

She shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings

Statement pursuant to Section 102 (1) of the Companies Act, 2013 to the accompanying Notice dated August 29, 2019.

and profit related commission within the limits stipulated under Section 197 of the Act.

The Company has also received notice from a Member under Section 160 of the Act proposing her re-appointment as Director.

Approval of Members is accordingly sought for re-appointment of Ms. Chhaya Virani as an Independent Director as set out in the resolution at Item No. 6 of the accompanying Notice.

The terms and conditions of appointment of Ms. Chhaya Virani shall be open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays between 11:00 A.M. and 1:00 P.M. up to the date of the Meeting.

Ms. Chhaya Virani is interested in the resolution set out at Item No. 6 of the Notice. The relatives of Ms. Chhaya Virani may be deemed to be interested in the resolution set out at Item No. 6 of the Notice, to the extent of their equity shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this resolution.

This statement may also be regarded as a disclosure under the Act and Regulation 36(3) of the Listing Regulations.

The Board accordingly recommends the Special Resolution as set out in Item No. 6 of the accompanying Notice for the approval of the Members.

Item No. 7 Private Placement of Non-Convertible Debentures and / or other Debt Securities for refinancing of existing debt.

As per the provisions of Section 42 of the Act and the Rules made thereunder, a company offering or making an invitation to subscribe to Secured / Unsecured / Redeemable / Non-Redeemable Non-Convertible Debentures (NCDs) on a private placement basis is required to obtain the prior approval of the Members by way of a Special Resolution. Such approval by a Special Resolution can be obtained once a year for all the offers and invitations for such NCDs to be made during the year. NCDs including subordinated debentures, bonds and / or other debt securities, etc., issued on a private placement basis constitute a significant source of borrowings for the Company and meet the ongoing funding requirements for the Company's business activities and refinancing of the existing debt obligations of the Company.

The Board of Directors at its meeting held on August 14, 2019, has considered the possibility of the Company being required to make an offer or invitation, to subscribe to securities through private placement subject to the shareholders' approval at the ensuing AGM.

It is therefore proposed to obtain an enabling approval of shareholders to offer or invite subscriptions for NCDs including subordinated debentures, bonds, and/or other debt securities, etc. on private placement basis, at appropriate time in one or more tranches, within the overall borrowing limits of the Company as approved by the Members with authority to the Board to determine the terms and conditions, including the issue price of the NCDs, interest, repayment, security, use of proceeds or otherwise, as it may deem expedient and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit. The Board would act on the basis of the enabling resolution without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by

the authority of the Resolution. Accordingly, the approval of the Members is being sought by way of a Special Resolution under Sections 42, 71 and other applicable provisions, if any, of the Act read with Rules made thereunder as set out in Item No. 7 appended to this Notice.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this resolution.

The Board accordingly recommends the Special Resolution set out at Item No. 7 of the accompanying Notice for the approval of the Members.

Item No. 8 To approve sale / disposal of asset(s) / undertaking(s) of the Company, its subsidiaries, associates and joint ventures.

The Company is in process of deleveraging and reducing its debt and liabilities, *inter-alia*, through monetisation of its assets. As per provisions of Section 180(1)(a) of the Act, the Company is required to obtain consent of the shareholders by way of special resolution to sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings. Also, in terms of Regulation 24 of the Listing Regulations, the Company shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without passing a special resolution in its general meeting. Further, as per Regulation 24(6) of Listing Regulations, no company shall sale, dispose of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year without passing a special resolution in its general meeting.

The resolution set out at Item No. 8 is an enabling resolution empowering the Board of Directors of the Company to sell, lease, assign, dispose off, convey, transfer, deliver the whole or substantially the whole of the assets of the Company and its subsidiaries, joint ventures and associates, as and when deemed appropriate and at an opportune time, to achieve the stated objective of deleveraging and reducing the Company's overall debt and liabilities.

The said resolution is in furtherance to the consent of Members already accorded vide special resolution passed under Section 180(1)(a) of the Act by postal ballot dated July 9, 2014, for creation of charge/mortgage on the assets of the Company.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this resolution.

The Board accordingly recommends the Special Resolution set out at Item No. 8 of the accompanying Notice for the approval of the Members.

By Order of the Board of Directors

Atul Tandon
Company Secretary & Compliance Officer

Registered Office:
Reliance Centre, Ground Floor
19, Walchand Hirachand Marg
Ballard Estate, Mumbai 400 001
CIN: L65910MH1986PLC165645
Website: www.reliancecapital.co.in

August 29, 2019

Directors' Report

Dear Shareowners,

Your Directors have pleasure in presenting the 33rd Annual Report and the audited financial statement for the financial year ended March 31, 2019.

Financial Performance and State of Company's Affairs

The standalone performance of the Company for the financial year ended March 31, 2019 is summarised below:

Particulars	Financial Year ended March 31, 2019		Financial Year ended March 31, 2018*	
	(₹ in crore)	(US\$ in million**)	(₹ in crore)	(US\$ in million**)
Total revenue	2 317	333	2 587	398
Profit before tax	157	23	(5 549)	(853)
Tax expense	-	-	211	32
Profit after tax	157	23	(5 760)	(886)
Add: Opening surplus in statement of profit and loss	(2 093)	(301)	4 122	634
Profit available for appropriation	(1 936)	(278)	(1 638)	(252)
Transfer to statutory reserve fund ***	31	4	166	25

*Previous year figures has been regrouped / reclassified wherever required.

**Exchange Rate ₹ 69.5509= US\$ 1 as on March 31, 2019 (₹ 65.0441 = US\$1 as on March 31, 2018).

***Pursuant to Section 45-IC of the Reserve Bank of India Act, 1934.

Financial Performance

The Company's gross income for the financial year ended March 31, 2019 decreased to ₹ 2,317 crore, from ₹ 2,587 crore in the previous year. The operating profit (PBDIT) of the Company increased to ₹ 2,147 crore during the year, from loss of ₹ (3,692) crore, in the previous year. Depreciation and amortization expenses was at ₹ 53 crore as against ₹ 22 crore in the previous year. The net profit for the year increased to ₹ 157 crore from loss of ₹ (5,760) crore, in the previous year. An amount of ₹ 31 crore was transferred to the Statutory Reserve Fund pursuant to Section 45-IC of the Reserve Bank of India Act, 1934.

First-time adoption of Ind AS

In accordance with the Companies (Indian Accounting Standards), Rules, 2015 of the Companies Act, 2013 (the 'Act'), read with Section 133 of the Act, the Company has adopted the Indian Accounting Standards (Ind AS) for preparation of its financial statements with effect from April 1, 2018, with comparative financials for the earlier period beginning April 1, 2017.

For periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with previous GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006, as amended. The effective date of such transition is April 1, 2017.

Core Investment Company

The Company is a Core Investment Company ('CIC') under Master Direction – Core Investment Companies (Reserve Bank) Directions, 2016. The Company continues to comply with the prudential norms applicable to CIC.

Resources and Liquidity

The Company's Net Worth as on March 31, 2019, stood at ₹ 8,868 crore. The Company has raised ₹ 6,608 crore during the financial year 2018-19 by issuance of Commercial Papers and Non-Convertible Debentures (NCDs).

During the year under review, the Company has allotted 4,220 equity shares arising out of the exercise of Employees Stock Options granted to the employees of the Company and its subsidiaries.

The Company's debt equity ratio as on March 31, 2019 stood at 2.19:1.

Dividend

During the year under review, the Board of Directors has not recommended any dividend on the Equity Shares of the Company.

The Company's Dividend Distribution Policy forms part of this Annual Report.

Management Discussion and Analysis

Management Discussion and Analysis Report for the year under review as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') and Guidelines on Corporate Governance issued by the Reserve Bank of India is presented in a separate section, forming part of this Annual Report.

Deposits

The Company has neither accepted nor renewed any fixed deposits during the year. There are no unclaimed deposits, unclaimed / unpaid interest, refunds due to the deposit holders or to be deposited to the Investor Education and Protection Fund as on March 31, 2019.

Particulars of Loans, Guarantees or Investments

Pursuant to Section 186(11) of the Act loans made, and acquisition of securities by a Non-Banking Financial Company in the ordinary course of its business are exempted from disclosure in the Annual Report.

Subsidiary and Associate companies

During the year under review, Gullfoss Enterprises Private Limited became a subsidiary of the Company and Indian Commodity Exchange Limited ceased to be an associate of the Company.

The performance and financial position of the major subsidiary companies are presented in Management Discussion and Analysis Report forming part of this Annual Report. Also, a report on the performance and financial position of each of the subsidiary and associate companies as per the Act is provided in the consolidated financial statement. The Policy for determining material subsidiary companies may be accessed on the Company's website at <http://www.reliancecapital.co.in/pdf/Policy-for-Determination-of-Material-Subsidiary.pdf>.

Consolidated Financial Statement

The Audited Consolidated Financial Statement for the financial year ended March 31, 2019, based on the financial statement received from subsidiary and associate companies, as approved by their respective board of directors have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS') prescribed under Section 133 of the Act and other recognised accounting practices and policies.

Directors' Report

Directors

Mr. Rajendra P. Chitale, Mr. V. N. Kaul and Dr. Bidhubhusan Samal have been Independent Directors of the Company for over a decade and would be completing their term of office at the ensuing Annual General Meeting pursuant to the provisions of the Companies Act, 2013.

Mr. Rajendra P. Chitale an eminent Chartered Accountant, Mr. V. N. Kaul past Comptroller & Auditor General of India and Dr. Bidhubhusan Samal an Ex Member of Securities and Appellate Tribunal, as Independent Directors, have effectively contributed in a robust manner in building the Company.

The Board places on record their gratitude and deep sense of appreciation for the guidance and contribution made by the eminent Directors in building the Company over past decade.

The term of office of Ms. Chhaya Virani as an Independent Director, will expire on May 29, 2020. The Board of Directors, based on the performance evaluation and as per the recommendations of the Nomination and Remuneration Committee and the Board of Directors has recommended re-appointment of Ms. Chhaya Virani, as an Independent Director of the Company for a second term of 5 (five) consecutive years on the expiry of her current term of office. The Board considers that, given her background, experience and contributions made by her during her tenure, the continued association of Ms. Chhaya Virani would be beneficial to the Company.

The Company has appointed Mr. Rahul Sarin and Dr. Thomas Mathew as the Independent Directors of the Company for a term of 5 (five) consecutive years commencing from August 16, 2019. The Company has received notices under Section 160 of the Act from a member proposing their candidature for the office of Directors.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under the Act and the Listing Regulations.

The details of programme for familiarization of Independent Directors with the Company, nature of the industry in which the Company operates and related matters are put up on the website of the Company at the link <http://www.reliancecapital.co.in/Policies.aspx>.

In terms of the provisions of the Act, Ms. Ryna Karani is proposed to be appointed as a Director of the Company, liable to retire by rotation at the ensuing AGM. The Company has received notices under Section 160 of the Act from a member proposing her candidature for the office of director of the Company, liable to retire by rotation. The Board of Directors on the recommendation of Nomination and Remuneration Committee has recommended the appointment.

A brief resume of Directors proposed to be appointed / re-appointed at the ensuing Annual General Meeting, along with requisite details, as stipulated under Regulation 36(3) of the Listing Regulations, is given in the Notice and section on Corporate Governance Report forming part of this Annual Report.

Key Managerial Personnel

During the year, there was no change in the Key Managerial Personnel.

Evaluation of Directors, Board and Committees

The Nomination and Remuneration Committee has devised a policy for performance evaluation of the individual Directors, Board and its Committees, which includes criteria for performance evaluation.

Pursuant to the provisions of the Act and Regulation 17(10) of the Listing Regulations, the Board has carried out an annual

performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of the Committees of the Board. The Board performance was evaluated based on inputs received from all the Directors after considering criteria such as Board composition and structure, effectiveness of Board / Committee processes, and information provided to the Board, etc. A separate meeting of the Independent Directors was also held during the financial year for the evaluation of the performance of non-independent Directors, performance of the Board as a whole and that of the Chairman of the Board.

The Nomination and Remuneration Committee has also reviewed the performance of the individual Directors based on their knowledge, level of preparation and effective participation in meetings, understanding of their roles as directors, etc.

Policy on appointment and remuneration for Directors, Key Managerial Personnel and Senior Management Employees

The Nomination and Remuneration Committee of the Board has devised a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Employees and their Remuneration. The Committee has formulated the criteria for determining qualifications, positive attributes and independence of a Director, which has been put up on the Company's website www.reliancecapital.co.in. The policy on the above is attached as Annexure – A.

Directors' Responsibility Statement

Pursuant to the requirements under Section 134(5) of the Act with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i. In the preparation of the annual financial statement for the financial year ended March 31, 2019, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;
- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors had prepared the annual financial statement for the financial year ended March 31, 2019 on a 'going concern' basis;
- v. The Directors had laid down proper internal financial controls to be followed by the Company and such financial controls are adequate and are operating effectively. The Company is taking constant steps to further strengthen the same; and
- vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Contracts and Arrangements with Related Parties

All contracts / arrangements / transactions entered into / by the Company during the financial year under review with related parties were on an arm's length basis and in the ordinary course of business.

There were no materially significant related party transactions which could have potential conflict with interest of the Company at large.

During the year, the Company had not entered into any contract

Directors' Report

/ arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

All Related Party Transactions were placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which were of a repetitive nature. The transactions entered into pursuant to the omnibus approval so granted were reviewed and statements giving details of all related party transactions were placed before the Audit Committee and the Board of Directors on quarterly basis. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at the link http://www.reliancecapital.co.in/pdf/Policy_for_Related_Party_Transaction.pdf. Your Directors draw attention of the members to Note No. 36 to the Financial Statement which sets out related party disclosures.

Material Changes and Commitments if any, affecting the financial position of the Company

The Company has entered into binding definitive agreements with Nippon Life Insurance of Japan ('Nippon Life') to exit its stake in Reliance Nippon Life Asset Management (RNAM).

Pursuant to the agreements, Nippon Life has made an open offer to the public shareholders of RNAM at ₹ 230 per share, as required under SEBI Regulations, and reach the maximum permissible promoter shareholding of 75% for listed companies.

The Company will receive proceeds of approx. ₹ 6,000 crore (US \$ 860 million) through sale of its shareholding to Nippon Life at ₹ 230 a share, and the simultaneous Offer For Sale to other financial investors.

The entire proceeds of approx. ₹ 6,000 crore (US \$ 860 million) will be utilised to reduce Company's outstanding debt.

Meetings of the Board

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, seven Board Meetings were held, details of meetings held and attended by each Director are given in the Corporate Governance Report.

Audit Committee

The Audit Committee of the Board consists of Independent Directors namely Mr. Rajendra P. Chitale, Chairman, Dr. Bidhubhusan Samal, Mr. V. N. Kaul, Ms. Chhaya Virani, Non-Independent Director, Mr. Amitabh Jhunjhunwala and Executive Director, Mr. Anmol Ambani as Members. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

Auditors and Auditors' Report

M/s. Pathak H.D. & Associates, Chartered Accountants and M/s. Price Waterhouse & Co Chartered Accountants LLP ("PWC"), Chartered Accountants were appointed as Auditors of the Company for a term of 5 (five) consecutive years, at the Annual General Meeting of the Company held on September 27, 2016 and September 26, 2017, respectively. PWC has resigned as Statutory Auditor of the Company with effect from June 11, 2019 and subsequently filed form ADT-4 with Ministry of Corporate Affairs as per the provisions of Section 143(12) of the Companies Act, 2013.

The Company did not agree with the reasons given by PWC for the resignation which were grossly inadequate. The observations given by PWC were examined by the continuing Statutory Auditor of the Company. As per the report of continuing Statutory Auditor, the provisions of Section 143(12) of the Companies Act, 2013 did not get triggered.

The Company had further obtained independent legal opinion from reputed law firm and a senior counsel re-confirming that there were no violations attracting Section 143(12) of the Companies Act, 2013.

M/s. Pathak H.D. & Associates, Chartered Accountants, whose term is valid until conclusion of the Annual General Meeting for the year ended March 31, 2021, has confirmed that they will continue as the sole Statutory Auditor of the Company.

The observations and comments given by the Auditors in their Report read together with notes on Financial Statements are self-explanatory and hence do not call for any further comments under Section 134 of the Act.

Secretarial Audit and Secretarial Compliance Report

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. Aashish K. Bhatt & Associates, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company. There is no qualification, reservation or adverse remark made in their Secretarial Audit Report. The Audit Report of the Secretarial Auditor is attached as Annexure – B.

Pursuant to circular No. CIR/ CFD/ CMD1/ 27/ 2019 dated February 8, 2019, issued by SEBI, the Company has obtained Secretarial Compliance Report, from Practicing Company Secretaries on compliance of all applicable SEBI Regulations and circulars / guidelines issued thereunder and the copy of the same shall be submitted with the Stock Exchanges within the prescribed due date.

Secretarial Standards

During the year under review, the Company has complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

Maintenance of Cost Records

The Central Government has not specified maintenance of cost records, for any of the products of the Company, under Section 148(1) of the Act.

Annual Return

As required under Section 134(3)(a) of the Act, the Annual Return for the financial year 2017-18 and 2018-19 is put up on the Company's website and can be accessed at <https://www.reliancecapital.co.in/Annual-Reports.aspx>.

Particulars of Employees and related disclosures

(a) Employees Stock Option Scheme(s)

Employees Stock Option Scheme(s) (ESOS 2015 and ESOS 2017) were approved and implemented by the Company and Options were granted to the employees in accordance with guidelines applicable to ESOS. The Nomination and Remuneration Committee of the Board monitors the Scheme. The existing ESOS Scheme and Plans are in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (SEBI Regulations).

The Company has received a certificate from the Auditors of the Company that the ESOS 2015 and ESOS 2017 have been implemented in accordance with the SEBI Regulations and as per the resolution passed by the members of the Company authorising issuance of the said Options. The details as required to be disclosed under SEBI Regulations are put on the Company's website at <http://www.reliancecapital.co.in/ESOS-Disclosure.aspx>.

(b) Other Particulars

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess

Directors' Report

of the limits set out in the said Rules are provided in the Annual Report, which forms part of this Report.

Disclosures relating to the remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are also provided in the Annual Report, which forms part of this Report.

However, having regard to the provisions of first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. The said information is available for inspection at the registered office of the Company on all working days, except Saturdays between 11:00 A.M. and 1:00 P.M. up to the date of the Meeting. Any member interested in obtaining the same may write to the Company Secretary and the same will be furnished on request.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The Company is a Non-Banking Financial Company and does not involve in any manufacturing activity, most of the information as required under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 are not applicable. However, the information as applicable has been given in Annexure – C forming part of this Report.

Corporate Governance

The Company has adopted 'Reliance Group-Corporate Governance Policies and Code of Conduct' which sets out the systems, processes and policies conforming to the international standards. The report on Corporate Governance as stipulated under Regulation 34(3) read with Para C of Schedule V of the Listing Regulations and Guidelines on Corporate Governance issued by the Reserve Bank of India is presented in separate section forming part of this Annual Report.

A Certificate from M/s. Aashish K. Bhatt & Associates, Practicing Company Secretaries confirming compliance to the conditions of Corporate Governance as stipulated under Para E of Schedule V of the Listing Regulations, is enclosed to this Report.

Ombudspersons & Whistle Blower (Vigil Mechanism)

The Company has formulated an Ombudspersons & Whistle Blower (Vigil Mechanism) policy to address the genuine concerns, if any, of the Directors and employees. The details of the same have been stated in the Report on Corporate Governance and the policy can be accessed on the Company's website.

Risk Management

The Company has laid down a robust Risk Management Policy, defining Risk profiles involving Strategic, Technological, Operational, Financial, Credit, Organisational, Legal and Regulatory risks within a well defined framework. The Risk Management Policy acts as an enabler of growth for the Company by helping its businesses to identify the inherent risks, assess, evaluate and monitor these risks continuously and undertake effective steps to manage these risks.

The Risk Management Committee consisting of Mr. V. N. Kaul, Chairman and Ms. Chhaya Virani as Member, periodically reviews the robustness of the Risk Management Policy. The periodical update on the risk management practices and mitigation plan of the Company and subsidiaries are presented to the Audit Committee and Board of Directors. The Audit Committee and Board periodically review such updates and findings and suggest areas where internal controls and risk management practices can be improved. More details on Risk Management indicating development and implementation of Risk Management Policy

including identification of elements of risk and their mitigation are covered in Management Discussion and Analysis section, which forms part of this Report.

Compliance with provisions of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to uphold and maintain the dignity of woman employees and it has in place a policy which provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints. During the year, no such complaints were received. The Company has also constituted an Internal Complaints Committee under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

Corporate Social Responsibility

The Company has constituted Corporate Social Responsibility (CSR) Committee in compliance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Committee has formulated a Corporate Social Responsibility Policy (CSR policy) indicating the activities to be undertaken by the Company.

The CSR policy may be accessed on the Company's website at the link; http://www.reliancecapital.co.in/pdf/Group_CSR_Policy_Document.pdf.

The CSR Committee consists of Dr. Bidhubhusan Samal as Chairman, Mr. Amitabh Jhunjhunwala, Mr. V. N. Kaul and Mr. Anmol Ambani, as Members. The disclosures with respect to CSR activities is given in Annexure – D.

Order, if any, passed by Regulators or Courts or Tribunals

No orders have been passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.

Internal Financial Controls and their adequacy

The Company has in place adequate internal financial controls across the organization. The same is subject to review periodically by the internal audit cell for its effectiveness. During the year, such controls were tested and no reportable material weakness in the design or operation were observed. The Company is taking constant steps to strengthen its loan sanctioning, processing and documentation processes.

Business Responsibility Statement

Business Responsibility Report for the year under review as stipulated under the Listing Regulations is presented in the separate section forming part of this Annual Report.

Acknowledgement

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from shareholders, debenture holders, debenture trustee, bankers, financial institutions, regulatory bodies and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance of the Company during the year.

For and on behalf of the Board of Directors

Anil Dhirubhai Ambani
Chairman

Mumbai
August 29, 2019

Policy on appointment and remuneration for Directors, Key Managerial Personnel and Senior Management Employees

1. Introduction

- 1.1 Reliance Capital Limited considers human resources as its invaluable assets. This policy aims to harmonise the aspirations of the directors / employees with the goals of the Company.
- 1.2 Human capital is a strategic source of value creation. As part of our progressive HR philosophy, it is necessary to have in place a comprehensive Compensation Policy, which is in line with the industry trend and is employee friendly.

2. Objectives

- 2.1 Ensuring that the quantum and composition of remuneration is reasonable and sufficient to attract, retain and motivate, employees to run the Company successfully.
- 2.2 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- 2.3 Ensure that annual compensation review considers industry/ business outlook and strategies adopted by industry peers, differentiates employees based on their performance/skill sets and also protects employees, particularly those in junior cadre, against inflationary pressures.
- 2.4 Retention of high performers at all levels and those playing critical roles.

3. Scope

The Board has constituted the "Nomination and Remuneration Committee" in line with the requirements under the provisions of the Companies Act, 2013. This Policy sets out the broad guiding principles for the Committee for recommending to the Board the appointment and remuneration of the directors, key managerial personnel and senior managerial personnel of the Company.

4. Definitions

- 4.1 "Director" means a director appointed to the Board of the Company.
- 4.2 "Key Managerial Personnel" means
 - (i) the Chief Executive Officer or the Managing Director or the Manager;
 - (ii) the Company Secretary;
 - (iii) the Whole-time Director;
 - (iv) the Chief Financial Officer; and
 - (v) such other officer as may be prescribed under the Companies Act, 2013.
- 4.3 "Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors, comprising of all members of management one level below the executive directors, if any.

5. Policy

5.1 Appointment of Directors/ Key Managerial / Senior Management personnel

The Nomination and Remuneration Committee, *inter-alia*, considers qualifications, positive attributes, areas of expertise and number of Directorships and Memberships held in various committees of other companies by such persons for selection. The Board considers the recommendation of the Committee's and takes appropriate decisions. The Company also considers the requirement of skills and effectiveness of persons contributing to the Company's business and policy decisions.

5.2 Remuneration to Directors/ Key Managerial Personnel

- 5.2.1 The remuneration of the Directors/ Managing Directors/ Whole-time Directors and Managers, etc. will be governed as per provisions contained in the Companies Act, 2013 and Rules made therein from time to time.
- 5.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof as approved by the Board of Directors from time to time. The Non-Executive Directors shall also be entitled to profit related Commission, if approved by the Board, in addition to the sitting fees.
- 5.2.3 The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Directors/ Key Managerial Personnel/ Senior Management Personnel of the Company within the overall limits, if any, approved by the shareholders.
- 5.2.4 The remuneration structure shall include the following components:
 - (i) Basic Pay
 - (ii) Perquisites and Allowances
 - (iii) Stock Options, if any.
 - (iv) Commission (Applicable in case of Executive Directors/ Directors)
 - (v) Retiral Benefits
 - (vi) Performance Linked Incentives
- 5.2.5 The Annual Plan, Objectives, financial results of the Company shall be reviewed by the Nomination and Remuneration Committee and performance incentives, increment, revision in remuneration, etc. will be proposed based on the achievements.

5.3 Remuneration to other employees

Employees shall be assigned grades/bands according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade/ bands and shall be based on various factors such as job profile, skill sets, seniority, experience, performance and prevailing remuneration levels for equivalent jobs.

6. Retention Features as part of Compensation Package

Based on the organizational need for retaining performing employees and those in critical roles, certain retention features may be rolled out as part of the overall compensation package. These may take form of Retention Bonuses (RBs), Special Monetary Programs (SMPs), Long-term Incentives (LTIs), Employee Stock Options, etc.

7. Modification and Amendment

The policy is subject to modification, amendment and alterations by the management at any time without assigning any reasons.

Form No. MR-3 Secretarial Audit Report

For the financial year ended March 31, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

**The Members,
Reliance Capital Limited**

H Block, 1st Floor,
Dhirubhai Ambani Knowledge City,
Navi Mumbai – 400 710

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Reliance Capital Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board – processes and compliance – mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019, according to the provisions of:

- (i) The Companies Act, 2013 (the 'Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder for compliance in respect of Foreign Direct Investment;
- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client – Not Applicable;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not Applicable; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – Not Applicable.

I have also examined compliance with applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of the Company Secretaries of India pertaining to the General Meetings, Board of Directors and Committee Meetings viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility (CSR) Committee;
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Uniform Listing Agreement(s) entered with BSE Limited and National Stock Exchange of India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Directors' Report

I further report that having regard to the compliance system prevailing in the Company which is verified on test-check basis and compliance report submitted to and taken on record by the Board of Directors of the Company, the Company has complied with the following laws applicable specifically to the Company:

1. Reserve Bank of India Act, 1934 and Master Direction – Core Investment Companies (Reserve Bank) Directions, 2016 as applicable to the Company
2. Prevention of Money-Laundering Act, 2002.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non – Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors.

Adequate notice is given to all directors to schedule the Board meetings, agenda and detailed notes on agenda were sent seven days in advance/ shorter notice of time less than seven days for items of business which were in the nature of 'unpublished price sensitive information' and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The decisions at Board and Committee meetings are carried out and recorded in the minutes of the Board of Directors and Committee(s) of the Board accordingly.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has undertaken following event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

- a. The Company has received certificate of registration from RBI as Core Investment Company Non-deposit taking systemically importance institution.
- b. Consideration of disinvestment in Reliance Nippon Asset Management Company Limited subject to regulatory approvals
- c. Approval of Board for offer of sale of 11,85,94,380 Equity Shares of Reliance General Insurance Company Limited
- d. The Company has obtained the shareholders' approval at its 32th Annual General Meeting held on September 18, 2018 for the following business:
 - (i) Declaration and payment of Dividend.
 - (ii) Continuation of Mr. Bidhubhusan Samal as an Independent Director.
 - (iii) Continuation of Mr. Vijayendra Nath Kaul as an Independent Director.
 - (iv) Approval of Private Placement of Non – Convertible Debentures and / or other Debt Securities.
 - (v) Issue of securities through qualified institutions placement on a private placement basis to qualified institutional buyers.
- e. The Company has renewed legal entity identifier Number of the Company.

For **Aashish K. Bhatt & Associates**

Company Secretaries

(ICSI Unique Code S2008MH100200)

Aashish Bhatt

Proprietor

ACS No.: 19639

COP No.: 7023

Date : August 14, 2019

Place : Mumbai

Disclosure under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014

(a) Conservation of Energy:

The steps taken or impact on conservation of energy	:	The Company requires energy for its operations and the Company is making all efforts to conserve energy by monitoring energy costs and periodically reviews of the consumption of energy. It also takes appropriate steps to reduce the consumption through efficiency in usage and timely maintenance / installation / upgradation of energy saving devices.
The steps taken by the Company for utilizing alternate sources of energy		
The capital investment on energy conservation equipments		

(b) Technology Absorption, Adoption and Innovation:

(i) The efforts made towards technology absorption	:	The Company uses latest technology and equipments into the business. Further, the Company is not engaged in any manufacturing activities.
(ii) The benefits derived like product improvement, cost reduction, product development or import substitution		
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)		
(a) The details of technology imported		
(b) The year of import		
(c) Whether technology been fully absorbed?		
(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof.		
(iv) The expenditure incurred on Research and development	:	The Company has not spent any amount towards research and developmental activities and has been active in harnessing and tapping the latest and the best technology in the industry.

(c) Total foreign exchange earnings and outgo:

a. Total Foreign Exchange earnings	:	Nil
b. Total Foreign Exchange outgo	:	₹ 1 crore

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2018-19

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

The Company has a robust CSR Policy at group level. As per the said policy, all our efforts are focused towards two goals: building a great enterprise for the stakeholders and a great future for our country. Our approach is to interweave social responsibility into the Company's mainstream business functions through translating commitments into policies, which not only drive all employees but influence and mobilize stakeholders, especially partners and suppliers, to embrace responsible business practices in their respective spheres of action. The policy affirms business objectives and strategy along with our commitment to preserve natural resources and augment the growth and development of employees and families, the communities we operate in, suppliers/vendors, and our investors. Through the social policy manual, the Company seeks to engage with all the stakeholders, using it as a reference or guideline for all stakeholders and practitioners. Our CSR policy is placed on our website at the link www.reliancecapital.co.in/pdf/Group_CSR_Policy_Document.pdf.

2. The Composition of the CSR Committee:

Dr. Bidhubhusan Samal, Chairman (Independent Director)
 Mr. V. N. Kaul (Independent Director)
 Mr. Amitabh Jhunjhunwala (Non-executive and non-independent Director)
 Mr. Anmol Ambani (Executive Director)

3. Average net profit of the Company for last three financial years:

Average net profit : ₹ 285 crore.

Directors' Report

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):

The Company is required to spend ₹ 5.72 crore towards CSR.

5. Details of CSR spent during the financial year:

- Total amount spent for the financial year: ₹ 5.72 crore
- Amount unspent, if any: NA
- Manner in which the amount spent during the financial year is detailed below:

(₹ in crore)

1.	2.	3.	4.	5.	6.	7.	8.
Sr. No.	CSR Projects or activity identified.	Sector in which the project is covered.	Projects or Programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken.	Amount Outlay (budget) Project or Programs wise.	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads.	Cumulative Expenditure upto the reporting period.	Amount spent: Direct or through implementing agency.*
1.	Oncology Centres	Health Care	Maharashtra	30.00	-	21.61	Through a non-profit centre via Mandke Foundation specialised in the provision of health care.
2.	Health Care	Health Care	Maharashtra	15.00	-	12.87	Through a non-profit centre via Mandke Foundation specialised in the provision of health care.
3.	Health Care	Health Care	Maharashtra	15.00	-	13.33	Through a non-profit centre via Mandke Foundation specialised in the provision of health care.
4.	Health Care	Health Care	Maharashtra	4.71	4.71	4.71	Through a non-profit centre via Mandke Foundation specialised in the provision of health care.
5.	Kerala CM Disaster Relief Fund	Disaster Relief	Kerala	1.00	1.00	1.00	To the Chief Minister's Disaster Relief Fund for floods in 2018
6.	Blood Donation Camp	Health Care	Maharashtra	0.01	0.01	0.01	Through a non-profit centre via Thoughtcom India specialised in the provision of health care.
Total				65.72	5.72	53.53	

* Implemented in phased manner

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Not Applicable.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy is in compliance with CSR objectives and policy of the Company.

August 29, 2019

Anmol Ambani
Executive Director

Dr. Bidhubhusan Samal
Chairman, CSR Committee

Dividend Distribution Policy

1. Introduction

The Board of Directors (the "Board") of Reliance Capital Limited (the "Company") at its meeting held on August 13, 2016, has adopted this Dividend Distribution Policy (the "Policy") in accordance with the Companies Act, 2013 (the "Act") and Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

The Policy was reviewed by the Board at its meeting held on April 26, 2018.

2. Objective

The Objective of this Policy is to establish the parameters to be considered by the Board of Directors of the Company before declaring or recommending dividend.

3. Circumstances under which the shareholders of the listed entities may or may not expect dividend

The shareholders of the Company may not expect dividend in the below mentioned circumstances:

- i. In the event of a growth opportunity where the Company may be required to allocate a significant amount of capital.
- ii. In the event of higher working capital requirement for business operations or otherwise.
- iii. In the event of inadequacy of cashflow available for distribution.
- iv. In the event of inadequacy or absence of profits.
- v. In the event of any regulation or contractual restriction.

The Board may consider not declaring dividend or may recommend a lower payout for a given financial year, after analysing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment.

4. Parameters to be considered before recommending dividend

Dividends will generally be recommended by the Board once a year, after the announcement of the full year results and before the Annual General Meeting (AGM) of the shareholders, as may be permitted by the Companies Act, 2013. The Board may also declare interim dividends as may be permitted by the Companies Act, 2013. The Company has had a consistent dividend policy that balances the objective of appropriately rewarding shareholders through dividends and to support the future growth.

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Dividend pay-out decision of any company depends upon certain external and internal factors:

4.1 External Factors

State of Economy: In case of uncertain or recessionary economic and business conditions, Board will endeavor to retain larger part of profits to build up reserves to absorb future shocks.

4.2 Internal Factors

Apart from the various external factors aforementioned, the Board will take into account various internal factors while declaring Dividend, which *inter-alia* will include:

- Income / Profits earned during the year;
- Present & future capital requirements of the existing businesses;
- Brand / Business Acquisitions;
- Expansion / Modernization of existing businesses;
- Additional investments in subsidiaries / associates of the Company;
- Fresh investments into external businesses; and
- Any other factor as deemed fit by the Board.

5. Utilisation of retained earnings

The Company shall endeavour to utilise the retained earnings in following manner:

- For expansion and growth of business;
- Additional investments in existing businesses;
- Declaration of Dividend;
- General Corporate purpose; and
- Any other specific purpose as may be approved by the Board.

6. Parameters that shall be adopted with regard to various classes of shares

The Company has issued only one class of shares viz. Equity shares. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of share.

7. Review

This Policy will be reviewed periodically by the Board.

8. Limitation and amendment

In the event of any conflict between the Act or the Listing Regulations and the provisions of the policy, the Listing Regulations shall prevail over this policy. Any subsequent amendment / modification in the Listing Regulations, in this regard, shall automatically apply to this policy.

Management Discussion and Analysis

Forward looking statements

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include determination of tariff and such other charges and levies by the regulatory authority, changes in government regulations, tax laws, economic developments within the country and such other factors globally.

The financial statements are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 2013 (the "Act") and comply with the Accounting Standards notified under Section 133 of the Act. The management of Reliance Capital Limited ("Reliance Capital" or "RCL" or "the Company") has used estimates and judgments relating to the financial statement on a prudent and reasonable basis, in order that the financial statement reflect in a true and fair manner, the state of affairs and profit for the year.

The following discussions on our financial condition and result of operations should be read together with our audited consolidated financial statement and the notes to these statements included in the Annual Report.

Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company", "Reliance", "RCL" or "Reliance Capital" are to Reliance Capital Limited and its subsidiaries and associates.

Macroeconomic Overview

Indian Economic Environment

Global growth concerns weigh on the Indian economy after recovering from the transient impact of demonetization of high value currency notes in late 2016 and the impact of implementation of a country-wide Goods and Services Tax.

As per the Central Statistics Organization (CSO) second advance estimates, the GDP growth was revised from 6.7 per cent to 7.2 per cent in 2017-18 and grew by 6.8 per cent in 2018-19 as against expectation of 7 per cent. Considering the multiple micro-macro factors, growth for 2019-20 has been revised downwards from 7.2 per cent to 7 per cent. As per NASSCOM, India is the third largest base to boost start-up culture with 7,200 technology start-ups. The foreign exchange reserves were approx. US\$ 430 billion in June 2019. Overall credit growth was around 12.5 per cent in the 1st half of 2018-19 but increased to 14.5 per cent in the second half after bank recapitalisation was undertaken by the Government. In the union budget of 2019-20, the government has cited a further recapitalisation and consolidation of Public Sector banks, which shall subside the current crisis in the banking sector. In addition, Government continued with major

reforms particularly in the field of corporate insolvency resolution via National Company Law Tribunal (NCLT route). Over 1000 cases have been referred to NCLT for faster resolution since its inception.

Inflation continued with its downtrend, with CPI averaging 3.4 per cent in 2018-19 versus 3.6 per cent in 2017-18. Lower food prices, decreasing core inflation and stabilisation in fuel prices have led to a softer inflation print. The RBI, after appointing new governor in November 2018, adopted a growth oriented monetary policy and changed the stance from calibrated tightening to neutral and coupled it with a rate cut in 2018-19 bringing down the repo rate to 6.25 per cent. Going ahead, benign inflation environment in first half of 2019-20 as well as with a view to infuse liquidity in the system, RBI delivered another 25bps reduction in repo rates along with changing stance from neutral to accommodative, in the June 2019 monetary policy, bringing the rates further down to 5.8 per cent after cutting 25bps in April 2019. Reduction in interest rates and RBI's liquidity operations through second half of 2018-19 have helped to stabilize yields from the higher levels of 7.8-8.0 per cent to 7.3-7.4 per cent during the end of the year. Yields have further slid quite sharply below 7per cent mark; post the union budget of 2019-20.

Central government met its fiscal deficit target of 3.4 per cent of the GDP in 2018-19 with the help of increase in receipts from divestments and curtailing expenditure. Lower GST collections and increase in expenditure on account of farm income schemes led the government to deviate from its plan to return to the path of consolidation by projecting a reduction in fiscal deficit to 3.3 per cent of GDP in 2018-19. Government's move to reduce its fiscal deficit target by 10bps to 3.3 per cent of GDP for 2019-20 in the union budget as against the set target of 3.4 per cent took everybody by surprise.

It also adopted key recommendations of the Fiscal Responsibility and Budget Management (FRBM) with a medium-term fiscal policy aim of reducing the cumulative government (Centre + State) debt to 60 per cent of GDP by FY25.

The government collected 13.2 lakh crore as net tax revenue as against estimated 14.8 lakh crore while direct tax collection touched nearly 11.2 Lakh crore against estimated 12 lakh crore in 2018-19. For 2019-20, the gross direct tax collections are budgeted to increase by 11.3 per cent as per the union budget as against 19.8 per cent estimated in 2018-19. There has been an addition of 1.1 crore new taxpayers in 2018-19 and the government expects to add another 1.3 crore new filers in 2019-20.

The country's reforms agenda has been showing external results as well. India has jumped 23 positions to become one amongst the top 100 countries in the "Ease of doing Business" ranking. Similarly, the improvement in the country's business environment has stabilized India's ranking in the global competitiveness index, prepared by the World Economic Forum, in 2018. Moody's retained India's Sovereign rating to Baa2 with a stable economic outlook.

GDP Growth

India's GDP for 2019-20 has been downgraded from 7.2 per cent to 7.0 per cent owing to domestic headwinds and global

Management Discussion and Analysis

growth slowdown. Post two major economic events in the form of demonetisation and GST, economic activity has begun to recover but tighter liquidity, higher borrowing costs and slowdown in auto sector has weighed on the growth momentum. However, from the second half of 2019-20 onwards, we expect a recovery on account of a growth oriented monetary policy, reduction in trade deficit and rise in rural demand.

Industrial Production

During 2018-19 Index of industrial production grew by 4.0 per cent as compared to 4.3 per cent in 2017-18. The manufacturing sector which accounts for 77 per cent in the index grew at slow pace. The decline was led by contraction of intermediate and primary goods, while mining and electricity grew at modest rate. Besides, sectors like construction goods and consumer non-durables have posted strong growth. Credit growth is also picking up, and there are nascent signs that few segments within manufacturing related to consumer goods, metals, etc. have started to expand their production capacities. The government in the union budget for 2019-20 also emphasised on Make in India scheme as well as gave thrust to the infrastructure sector by way of Public Private Partnership route. Though the manufacturing sector has remained dull in the previous year, we have seen pick up in products such as textiles and agriculture products in the initial months of 2019-20, which were laggard in 2018-19.

Inflation and Interest Rate

Along with growth, we are also likely to witness benign inflation in 2019-20 and firming up of inflation expectations with lower but positive real interest rates. Prices of oil and other commodities have been coming down from 2018-19 levels and a normal monsoon forecast does not warrant a significant rise in the food inflation trajectory. The RBI has changed its stance from neutral to accommodative in its June'19 monetary policy and a shift in stance unlikely going forward given the macroeconomic backdrop.

While there were liquidity constraints in 2018-19, a growth oriented monetary policy and proactive actions by RBI through injection of durable liquidity into the system will support the markets in 2019-20.

Current Account Deficit (CAD) and the exchange rate

India's current account deficit including services (CAD) has reached 2.1 per cent of GDP because of increase in oil prices. India's current account in the balance of payments ended in a deficit of US\$ 57.2 billion for 2018-19 up from US\$ 48.7 in the previous fiscal year. Net services receipts increased by 5 per cent on year-on-year basis led by rise in net earnings from software services, transportation, insurance and communication. RBI reported an increase of US\$ 24 billion in foreign exchange reserve to US\$ 430 billion in June 2019. Other than CAD, global macro conditions and General elections could dictate the domestic currency in 2019-20. Rupee in comparison to US dollar did appreciate about 6 per cent to ~ ₹ 69.5-70 levels from its lowest levels of ₹ 74.3 seen in October 2018. We expect rupee to remain stable in 2019-20 without significant downside pressure.

About Reliance Capital

The Company's standalone performance is discussed in detail under the head 'Financial Performance' in the Directors' report. The consolidated performance of the Company is as follows:

RCL's consolidated income from operations for the financial year ended March 31, 2019, rose to ₹ 20,525 crore (US\$ 2.9 billion) from ₹ 18,755 crore (US\$ 2.7 billion) in the previous year, an increase of 9.4 per cent. Staff costs for the year were ₹ 1,523 crore (US\$ 218 million) as against ₹ 1,360 crore (US\$ 194 million) in the previous year, an increase of 12.0 per cent. Selling, administrative and other expenses in the year were ₹ 15,860 crore (US\$ 2.3 billion) as against ₹ 17,515 crore (US\$ 2.5 billion) in the previous year, a decrease of 9.4 per cent. Interest & finance charges for the year were ₹ 4,519 crore (US\$ 646 million) as against ₹ 4,091 crore (US\$ 584 million) in the previous year, an increase of 10.5 per cent. Depreciation for the year was ₹ 123 crore (US\$ 18 million) as against ₹ 94 crore (US\$ 13 million) in the previous year, an increase of 31.1 per cent. Provision for tax for the year was ₹ 122 crore (US\$ 17 million) as against ₹ 382 crore (US\$ 55 million) in the previous year. Total comprehensive income attributable to owners and excluding non-controlling interest for the year was (₹ 1,597 crore) (US\$ (228 million)) as against (₹ 4,990 crore) (US\$ (713 million)) in the previous year.

Resources and Liquidity

As of March 31, 2019, the consolidated net worth of the company stood at ₹ 748 crore (US\$ 107 million). As of March 31, 2019, the consolidated total assets were ₹ 83,973 crore (US\$ 12.0 billion) as against ₹ 83,179 crore (US\$ 11.9 billion), an increase of 1.0 per cent.

As on March 31, 2019, the Company had a standalone net debt equity ratio of 2.19. Standalone interest coverage ratio for the year was 1.10. As on March 31, 2019, Standalone Net Profit Margin stood at 0.09 and Operating Profit Margin for the year was at 0.09.

Reliance Nippon Life Asset Management (RNAM)

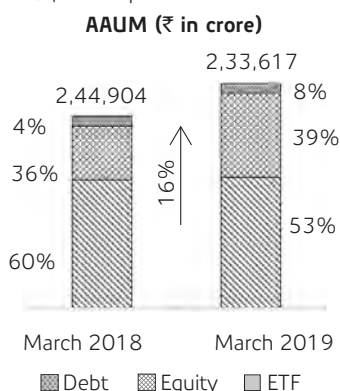
Reliance Nippon Life Asset Management Limited is one of the largest asset manager in India managing ₹ 4,22,149 crore (US\$ 60.3 billion) as on March 31, 2019, across mutual funds, pension funds, managed accounts, hedge funds and real estate fund, as against ₹ 3,96,370 crore (US\$ 56.6 billion) as on March 31, 2018, an increase of 6.5 per cent. RNAM's income from its operations for the year ended March 31, 2019, was at ₹ 1,650 crore (US\$ 236 million) as against ₹ 1,749 crore (US\$ 250 million) in the previous year. Profit before tax for the year ended March 31, 2019, was ₹ 700 crore (US\$ 100 million) as against ₹ 656 crore (US\$ 94 million) in the previous year, an increase of 6.8 per cent. RNAM continues to be amongst the most profitable Asset Management Companies (AMCs) in India.

Reliance Mutual Fund

Reliance Mutual Fund (RMF) is amongst the top mutual funds in India in terms of Assets Under Management, with a market share of 9.6 per cent as on March 31, 2019. The Industry's Average Assets Under Management (AAUM) for the quarter ended March 31, 2019, stood at ₹ 24,58,016 crore (US\$ 351.1 billion) as against ₹ 22,70,626 crore (US\$ 324.4 billion) for the quarter ended March 31, 2018, a growth of 8.3 per cent (Source: Association of Mutual Funds of India). The AAUM

Management Discussion and Analysis

of RMF for the quarter ended March 31, 2019, stood at ₹ 2,33,617 crore (US\$ 33.4 billion) as against ₹ 2,44,904 crore (US\$ 35.0 billion) for the quarter ended March 31, 2018.



RNAM has created a wide distribution network with presence at 300 locations with 73,400 empanelled distributors. The number of investor folios in RNAM stood at approx. 91 lakh as on March 31, 2019, as against 82 lakh as on March 31, 2018. The number of Systematic Investment Plan (SIP) and Systematic Transfer Plan (STP) investor accounts in RNAM rose to 32 lakh as on March 31, 2019, as against 27 lakh as on March 31, 2018, an increase of 19.1 per cent. RNAM monthly SIP book is ₹ 859 crore resulting in annualized flows of approx. ₹ 10,300 crore.

RNAM Achievements

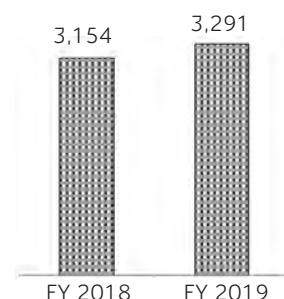
RNAM continues to be a Retail focused AMC, with the goal of achieving long term wealth creation for investors. RNAM witnessed highest growth in Retail AUM, across all AMCs. RNAM is the only AMC in India with more than 17 years' experience in managing ETF. During the financial year, two CPSE ETF FFOs were launched and raised successfully ₹ 27,000 crore. RNAM continues to be amongst the leaders in 'Beyond Top 30 cities' segment or B 30 locations. During the year, RNAM has launched the UCITS India Fixed Income Fund which will be distributed across all geographies excluding India and US via existing distribution network. RNAM is the only AMC to have four prestigious mandates (ESIC, EPFO, NPS, CMPFO). In FY19, Digital Purchase transactions including new SIP rose to 10.85 lakh – a YoY increase of 47%. On an average, RMF processed one online purchase transaction, including new SIP, every 30 seconds in FY19.

Reliance Nippon Life Insurance (RNLI)

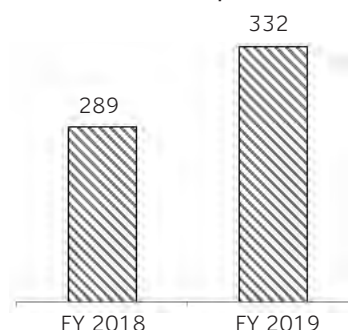
Reliance Nippon Life Insurance currently offers a total of 38 products that fulfill the savings and protection needs of customers. Of these, 28 are targeted at individuals and 10 at group businesses. RNLI is committed to emerging as a transnational Life Insurer of global scale and standard and attaining leadership rankings in the industry within the next few years. During the year, the Indian life insurance industry recorded new business premium of ₹ 2,14,673 crore (US\$ 30.7 billion) as against ₹ 1,93,865 crore (US\$ 27.7 billion) in the previous year, an increase of 10.7 per cent. During the year, the Indian private sector life insurance industry recorded new business premium of ₹ 72,481 crore (US\$ 10.4 billion) as against ₹ 59,314 crore (US\$ 8.5 billion) in the previous year, an increase of 22.2 per cent (Source: Financial Year 2018-19 data, Life Insurance Council website). This was primarily driven

by higher sales of ULIPs (Unit Linked Insurance Products) as capital markets improved. RNLI is amongst the leading private sector life insurers with a private sector market share of 1.5 per cent, in terms of new business premium. (Source: Financial Year 2018-19 data, Insurance Regulatory and Development Authority of India website). The total net premium for the year stood at ₹ 4,336 crore (US\$ 619 million) as against ₹ 4,042 crore (US\$ 577 million), an increase of 7.3 per cent. The new business premium income for the year ended March 31, 2019, was ₹ 1,067 crore (US\$ 152 million) as against ₹ 916 crore (US\$ 131 million) for the previous year, an increase of 16.5 per cent.. For the year ended March 31, 2019, the renewal premium was ₹ 3,291 crore (US\$ 470 million) as against ₹ 3,154 crore (US\$ 451 million), an increase of 4.3 per cent. The new business achieved profit for the year ended March 31, 2019 was ₹ 332 crore (US\$ 47 million) as against ₹ 289 crore (US\$ 41 million) in the previous year, an increase of 15.0 per cent.

Renewal Premium (₹ in crore)



New Business Achieved Profit (NBAP) (₹ in crore)



The total funds under management were at ₹ 20,281 crore (US\$ 2.9 billion) as on March 31, 2019, as against ₹ 19,096 crore (US\$ 2.7 billion) as on March 31, 2018. The number of policies sold during the year was approximately 2.3 lakh. The distribution network stood at 727 branches and over 55,000 active advisors at the end of March 2019.

Reliance Commercial Finance ("Reliance Money")

Reliance Money offers a wide range of products which include SME Loans, Microfinance, Loans Against Property, Infrastructure Finance, Agriculture Loans, Supply Chain Finance, Two-wheeler Financing and Used Car Loans. The focus in this business continues to be on asset backed lending and productive asset creation. The aim of RCF is not only credit growth per se, but also the quality of credit sourced. In line with this, the Company has been disbursing only secured asset backed loans and has wound up the unsecured loans portfolio.

Management Discussion and Analysis

The disbursements for the year ended March 31, 2019, were ₹ 5,217 crore (US\$ 745 million) as against ₹ 10,061 crore (US\$ 1.4 billion) for the previous year. As of March 31, 2019, the Assets Under Management (including securitized portfolio) was ₹ 14,269 crore (US\$ 2.0 billion) as against ₹ 17,235 crore (US\$ 2.5 billion) as on March 31, 2018. During the year, the Company securitized loans of ₹ 1,508 crore (US\$ 215 million), as against ₹ 2,801 crore (US\$ 400 million) securitized in the previous year. The Net Interest Income for the year ended March 31, 2019, was at ₹ 481 crore (US\$ 69 million), as against ₹ 697 crore (US\$ 1.0 billion) for the previous year. As on March 31, 2019, the outstanding loan book was ₹ 12,761 crore (US\$ 1.8 billion) as against ₹ 14,434 crore (US\$ 2.1 billion) at the end of March 31, 2018. This loan book is spread over 200 distribution partners across the country from across 60 Indian cities. The gross non-performing assets stood at 6.4 per cent of the total assets under management, as against 4.2 per cent as of March 31, 2018.

Reliance Money reported a loss of ₹ 1,854 crore (US\$ 265 million) for the year ended March 31, 2019 as against ₹ 190 crore (US\$ 27 million).

Reliance Home Finance (RHF)

Reliance Home Finance Limited (RHFL), provides a wide range of loan solutions like home loans, Affordable housing loans, LAP and Construction finance. RHFL also provides property solutions' services that help customers find their dream homes / property along with financing. As of March 31, 2019, the Assets Under Management (including securitised portfolio) was ₹ 18,868 crore (US\$ 2.7 billion) as against ₹ 16,379 crore (US\$ 2.3 billion) as on March 31, 2018, an increase of 15.2 per cent. The Total Income for the year ended March 31, 2019, was at ₹ 2,003 crore (US\$ 286 million), as against ₹ 1,683 crore (US\$ 240 million) for the previous year, an increase of 19.0 per cent. As on March 31, 2019, the outstanding loan book was ₹ 16,355 crore (US\$ 2.3 billion) as against ₹ 14,655 crore (US\$ 2.1 billion) at the end of March 31, 2018. The gross non-performing assets were at ₹ 100 crore (US\$ 14 million), a decrease of 22.0 per cent. The business achieved a profit before tax of ₹ 102 crore (US\$ 15 million) as against ₹ 247 crore (US\$ 35 million), for the year ended March 31, 2019.

Broking and Distribution business

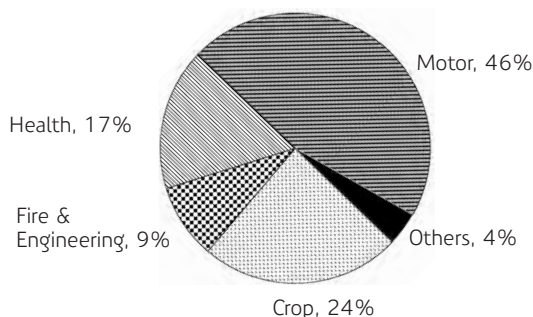
Reliance Capital's broking business is carried out by its subsidiary viz. Reliance Securities Limited, one of the leading retail broking house in India that provides customers with access to equities, equity options and wealth management solutions. The focus is on the key business verticals of equity broking and wealth management. As of March 31, 2019, the business had over 8,97,600 equity broking accounts and achieved average daily turnover of ₹ 5,208 crore (US\$ 744 million) for the year. In wealth management business, the client needs are assessed to create customized financial investment opportunities. The customized individual portfolios are based on their diverse investment needs and risk profiles. In wealth management, the AUM stood at ₹ 3,983 crore (US\$ 569 million) as on March 31, 2019. Reliance Commodities, the commodity broking arm of Reliance Capital, is one of the leading retail broking houses in India, providing customers with access to commodities market. As of March 31, 2019, the business

had 1,07,857 commodity broking accounts and recorded average daily commodities broking turnover of ₹ 327 crore (US\$ 47 million). The distribution business is a comprehensive financial services and solutions provider, providing customers with access to mutual funds, life and general insurance products, and other financial products having a distribution network of 113 branches and 1,500 customer touch points across India. The business achieved revenues of ₹ 337 crore (US\$ 48 million) for the year ended March 31, 2019. The profit after tax rose by 149.4 per cent to ₹ 32 crore (US\$ 5 million) for the year ended March 31, 2019.

Reliance General Insurance

Reliance General Insurance (RGI) offers insurance solutions for auto, health, home, property, travel, marine, commercial and other specialty products. RGI is amongst the leading private sector general insurance players in India with a private sector market share of 7.6 per cent. During 2018-19, gross direct premium of the total general insurance industry increased by 13 per cent to ₹ 1,70,104 crore (US\$ 24.3 billion). During 2018-19, gross direct premium of the private Indian general insurance industry increased by 25 per cent to ₹ 81,592 crore (US\$ 11.7 billion) (Source: IRDAI website). RGI's gross written premium for the year ended March 31, 2019 was ₹ 6,252 crore (US\$ 893 million), an increase of 22.0 per cent over the previous year.

Sectorwise Premium Contribution



Profit before tax for the year ended March 31, 2019, stood at ₹ 212 crore (US\$ 30 million) as against ₹ 165 crore (US\$ 24 million) in the corresponding period of the previous year, an increase of 28.5 per cent over the previous year. The distribution network comprised of approx. 131 branches and approx. 30,500 agents at the end of March 31, 2019. At the end of March 31, 2019, the investment book increased by 17.5 per cent to ₹ 9,402 crore (US\$ 1.3 billion).

Reliance Asset Reconstruction

Reliance Asset Reconstruction Company Limited (Reliance ARC) is in the business of acquisition, management and resolution of distressed debt / assets. The focus of this business continues to be on the distressed assets in the SME and retail segments. The Assets Under Management as on March 31, 2019, rose to ₹ 2,113 crore (US\$ 302 million) as against ₹ 1,864 crore (US\$ 266 million) as on March 31, 2018. Its own investment in NPAs increased from ₹ 281 crore (US\$ 40 million) as on March 31, 2018, to ₹ 313 crore (US\$ 45 million) as on March 31, 2019.

Management Discussion and Analysis

Risks and Concerns

RCL has exposures in various line of business through its subsidiaries and associate entities. RCL, its subsidiaries and associates are exposed to specific risks that are particular to their respective businesses and the environments within which they operate, including market risk, competition risk, credit risk, liquidity and interest rate risk, human resource risk, operational risk, information security risks, regulatory risk and macro-economic risks. The level and degree of each risk varies depending upon the nature of activity undertaken by them.

Market risk

The Company has quoted investments which are exposed to fluctuations in stock prices. Similarly, the Company has also raised funds through issue of Market Linked Debentures, whose returns are linked to relevant underlying market instruments or indices. RCL continuously monitors market exposure for both equity and debt and, in appropriate cases, also uses various derivative instruments as a hedging mechanism to limit volatility.

Competition risk

The financial sector industry is becoming increasingly competitive and the Company's growth will depend on its ability to compete effectively. The Company's main competitors are Indian Non-Banking Financial Companies / Core investment Companies, commercial banks, life and non-life insurance companies, both in the public and private sector, mutual funds, broking houses, mortgage lenders, depository participants and other financial services providers. Further liberalization of the Indian financial sector could lead to a greater presence or entry of new foreign banks and financial services companies offering a wider range of products and services. This could significantly toughen our competitive environment. The Company's strong brand image, wide distribution network, diversified product offering and quality of management place it in a strong position to deal with competition effectively.

Credit risk

Credit risk is a risk arising out of default or failure on the part of borrowers or investee entities in meeting their financial obligations towards repayment of loans or investment instruments in the nature of debt / credit such as debentures, commercial papers, PTCs etc. Thus, credit risk is a loss as a result of non-recovery of funds both on principal and interest counts. This risk is comprehensively addressed both at the strategic level and at the client level. There is a robust governance framework with risk oversight being provided by the Risk Management. Stringent standards have been stipulated for customer identification and evaluation of credit proposals. Critical underwriting activities are automated. Appropriate delegation and deviation grids have been put in place. Each credit proposal is evaluated on various lending parameters both in qualitative and quantitative terms. Proper security, industry norms and ceilings have been prescribed to ensure diversifying risks and to avoid concentration risk. Cross references to credit bureau data are made to assess the credit behaviour of the prospective customers. These are impacted by economic and market changes and government policies. Company has put in place monitoring mechanisms commensurate with nature and volume of activities. Any early signal of default is addressed on priority to minimize/ prevent credit loss. During the year the company has adopted the IND-AS while identifying and providing for the Expected Credit Losses (ECL). Regular portfolio

risk analysis is done extensively on various financial and policy parameters for making required changes in the credit policy as a proactive approach to risk management. The Indian financial services industry is highly competitive with the experience and market knowledge the Company has gained over the years in the lending and investment business and are well placed to be the preferred provider of asset based finance in coming years.

RCL had transformed itself into a Core Investment Company (CIC) and obtained the Certificate of Registration as a CIC. In view of this the investments and lending of the company have been restricted to and within the Group companies.

Liquidity and Interest Rate Risk

The Company is exposed to liquidity risk principally, as a result of lending and investment for periods which may differ from those of its funding sources. Treasury teams actively manage asset liability positions in accordance with the overall guidelines laid down by various regulators in the Asset Liability Management (ALM) framework. The Company may be impacted by volatility in interest rates in India which could cause its margins to decline and profitability to shrink. The success of the Company's business depends significantly on interest income from its operations. It is exposed to interest rate risk, both as a result of lending at fixed interest rates and for reset periods which may differ from those of its funding sources. Interest rates are highly sensitive to many factors beyond the Company's control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and, inflation. As a result, interest rates in India have historically experienced a relatively high degree of volatility.

The Company seeks to match its interest rate positions of assets and liabilities to minimize interest rate risk. However, there can be no assurance that significant interest rate movements will not have an adverse effect on its financial position.

With the growth of the Company's business, it will become increasingly reliant on funding from the debt capital markets and commercial borrowings. The market for such funds is competitive and the Company's ability to obtain funds at competitive rates will depend on various factors including its credit ratings. There can be no guarantee that the Company will be able to raise debt on competitive terms, in the required quantum and in a cost effective manner. Any failure to do so may adversely impact the Company's business, its future financial performance and the price of its shares. The Company is also hedged to some extent against this risk through the variable interest clause in its advances portfolio.

As stated in Credit risk, being a CIC, all the lending and investments of Reliance Capital Limited are within group companies. Thus the liquidity position of the company also depends upon the realization and monetisation of its group exposures

Human resource risk

The Company's success depends largely upon the quality and competence of its management team and key personnel. Attracting and retaining talented professionals is therefore a key element of the Company's strategy and a significant source of competitive advantage. While the Company has a salary and incentive structure designed to encourage employee retention, a failure to attract and retain talented professionals, or the resignation or loss of key management personnel, may

Management Discussion and Analysis

have an impact on the Company's business, its future financial performance and the results of its operations.

Operational risk

The Company may encounter operational and control difficulties when undertaking its financial activities. The rapid development and establishment of financial services businesses in new markets may raise unanticipated operational or control risks. Such risks could have a materially adverse effect on the Company's financial position and the results of its operations.

The operations of the Company have been extensively automated which minimizes the operational risk arising out of human errors and omissions. A robust system of internal controls is practiced ensuring that all its assets are safeguarded and protected against loss from unauthorised use or disposition and all its transactions are authorised, recorded and reported correctly. The respective Audit Committee of the Board periodically reviews the adequacy of our internal controls. The Company has implemented SAP systems across functions. With this initiative, along with other key systems and checks and balances established, we believe that our overall control environment has been enhanced. The Company is relentlessly focused on quality parameters and has a dedicated quality team to proactively identify and address operational issues. The mandate of the quality team is also to work closely with various business teams to bring about operational efficiencies and effectiveness through Six Sigma initiatives. It is pertinent to note that Reliance Nippon Life Insurance, Reliance General Insurance, Reliance Nippon Life Asset Management, Reliance Securities, Reliance Commercial Finance and Reliance Home Finance have obtained an ISO 9001:2008 certification. They are among the few companies in their respective industries to be ISO certified.

Information security risk

The Company has robust Information Security Risk monitoring systems and tools to guard and protect sensitive customer data and guard against potential hackers and viruses. The Information Security team is governed by the Information Security Risk Management Committee. Robust governance, controls and sophisticated technology is adopted across lines of business to ward off cyber threats and protect information residing within the Company. The Information Security system is in alignment with the respective regulatory requirements.

Information Security has been brought under the Enterprise Risk Management Framework to enhance data protection and ward off cyber risks effectively, thereby making our overall Risk, Control & Governance framework more robust.

Regulatory risk

As a financial conglomerate in the financial services sector, the Company and its entities are subject to regulations by Indian governmental authorities and regulators including Reserve Bank of India, Insurance Regulatory and Development Authority of India, Securities and Exchange Board of India, Pension Fund Regulatory & Development Authority and National Housing Bank. Their laws and regulations impose numerous requirements on the Company, including asset classifications and prescribed levels of capital adequacy, solvency requirements and liquid assets. There may be future changes in the regulatory system or in the enforcement of the laws and regulations that could adversely affect the Company's performance.

Macro-economic risk

Any slowdown in economic growth in India could cause the business of the Company to suffer. Any slowdown in the Indian economy, particularly in the demand for housing and infrastructure, could adversely affect the Company's business. Similarly, any sustained volatility in global commodity prices, including a significant increase in the prices of oil and petroleum products, could once again spark off a new inflationary cycle, thereby curtailing the purchasing power of the consumers. RCL manages these risks by maintaining a conservative financial profile and following prudent business and risk management practices.

Internal Control

The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls, and compliance with applicable laws and regulations.

The organization is well structured, and the policy guidelines are well documented with pre-defined authority. The Company has also implemented suitable controls to ensure that all resources are utilized optimally, financial transactions are reported with accuracy and there is strict adherence to applicable laws and regulations.

The Company has put in place adequate systems to ensure that assets are safeguarded against loss from unauthorised use or disposition and that transactions are authorised, recorded and reported. The Company also has an exhaustive budgetary control system to monitor all expenditures against approved budgets on an ongoing basis.

The Company uses information technology extensively in its operations for ensuring effective controls besides economy. It also helps the Company in providing accurate MIS and prompt information / services to its customers and other stakeholders. The Company has implemented enhanced level of Information System Security controls with monitoring systems to address technology risks.

The Company has an independent internal audit function which continuously evaluates the adequacy of, and compliance with, policies, plans, regulatory and statutory requirements. Risk based approach is adopted while carrying out the audits. Internal audit also evaluates and suggests improvement in effectiveness of risk management, control and governance process. The Audit Committee of the Board provides necessary oversight and directions to the internal audit function and periodically reviews the findings and ensures corrective measures are taken.

Opportunities

- Low retail penetration of financial services / products in India
- Extensive distribution reach
- Opening of financial sector in India along with introduction of innovative products
- Opportunity to cross sell services
- Increasing per-capita GDP
- Changing demographic profile of the country in favour of the young

Management Discussion and Analysis

Threats

- Inflationary pressures, slowdown in policy making and reduction in household savings in financial products
- Competition from local and multinational players
- Execution risk
- Regulatory changes
- Attraction and retention of human capital

Corporate Social Responsibility

At Reliance Capital, as a socially responsible financial services conglomerate, we strive to improve the quality of life of the under-served sections of society, by focusing on Skill Development, Education, Healthcare and Environment & Animal Welfare for the service of the nation and the greater good of the communities in which we operate.

The Company supports inclusive growth and equitable development through various training and development programmes for its employees as well as its key stakeholders.

- **Mobile Health Unit** – As a part of our commitment to Do Good, we have "Healthcare" as one of our focus areas for our CSR initiatives. With this aim, Reliance Asset Management (RNAM) supports two Mobile Health Unit (MHU), inspired by the 'Car Angel' concept of Nippon Life. Our company supports two MHUs in partnership with Deepak Foundation and AmeriCares India Foundation. The mobile units are providing health care service in of the slums of Mumbai and in remote and underprivileged areas of Gujarat. In Mumbai, an estimated 95,000 underserved people have been supported with medical services and, in Gujarat, over 200,000 people have benefitted through medical camps
- **Free Health Check-up** for employees who belong to the age group of 40 years and above
- **Skill Development for youth:** Through its mutual fund business, the company is supporting skill development for youth in BFSI, Retail and IT/ITes sectors
- **Financial & Digital Literacy for youth and women:** Through its home finance business, the company is supporting financial and digital training for unemployed youth across 6 states.
- **Payroll Giving program:** Our employees have supported the initiatives of "Give India" through their Payroll Giving

program. Many employees have enrolled under the Payroll Giving program run by Give India, where a certain amount of money is deducted from their salary every month and directed towards the NGO & the cause chosen by the employee

- **Donate Blood: Gift Life! (Blood Donation Drive):** Our blood donation drive was partnered by Kokilaben Dhirubhai Ambani Hospital in Mumbai and other blood donation banks under the India Red Cross Society outside Mumbai in which our employees participated
- **Support to Indian Sports:** rising up to the need to accelerate the development and training of Indian sports talent to international standards, the company through its mutual fund business is supporting athletes with training and nutrition that will help them participate in international tournaments representing the country in its glory.
- **Protecting and supporting animal welfare:** The company supports an animal welfare shelter in Mumbai that addresses stray and abandoned animal rescue, encourages adoption and foster care of abandoned strays.
- **Disaster Relief:** Reliance Capital Group decided to #StandwithKerala. The company collectively contributed over INR1.75 Cr towards the Chief Minister's Distress Relief Fund in support of the Kerala Floods in August 2018.
- **Awareness Raising Social Media Campaigns:** The lines of businesses under the company created several social media campaigns to raise awareness on social issues such as road safety and use of helmets, plastic pollution and sexual harassment during festivals such as Holi.

The Company attaches utmost importance to safety standards at all its installations. Necessary steps are regularly undertaken to ensure the safety of employees and equipment. Both external and internal safety audits are regularly conducted. Mock drills are conducted to gauge emergency and crisis management preparedness. Our Corporate headquarters in Mumbai has been awarded global certifications in Environmental Management, Occupational Health & Safety and Facility management underlining our commitment to providing a safe, sustainable and world-class workplace to all our employees.

Our corporate headquarters, Reliance Centre in Mumbai is now a Certified Green Building as per the Green Existing Building Rating System and has been awarded Gold by the Indian Green Building Council. It is one of only 5 buildings in Mumbai and 30 buildings across India to have achieved this unique certification.

Reliance Capital Limited

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company** : L65910MH1986PLC165645
2. **Name of the Company** : Reliance Capital Limited
3. **Registered address** : Reliance Centre, Ground Floor, 19, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001
4. **Website** : www.reliancecapital.co.in
5. **E-mail id** : rcl.investor@relianceada.com
6. **Financial Year reported** : 2018-19
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**

Reliance Capital, a part of the Reliance Group, is one of India's leading private sector financial services companies. It ranks amongst the top private sector financial services and banking groups, in terms of net worth. The Company is a constituent of MSCI Global Small Cap Index.

Reliance Capital has interests in asset management and mutual funds, pension funds, life, health and general insurance, commercial and home finance, stock broking, wealth management services, distribution of financial products, asset reconstruction, proprietary investments and other activities in financial services.

Services Code No.
649

Description
Non-banking financial services

8. **List three key products / services that the Company manufactures / provides (as in balance sheet)**
Asset Management, Commercial & Home Finance, Life & General Insurance, Securities Broking, Wealth Management Services and Distribution of Financial Products.
9. **Total number of locations where business activity is undertaken by the Company**
 - (a) Number of International Locations: Singapore and Mauritius.
 - (b) Number of National Locations: Reliance Capital conducts its operations through a network of over 5,000 physical touch points, including owned branches as well as distribution partners.
10. **Markets served by the Company**
Reliance Capital serves the Indian markets, along with the international customers through its above mentioned international offices.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (INR)** : 253 crore
2. **Total Turnover (INR)** : 20,525 crore
3. **Total profit after taxes (INR)** : (1,454) crore
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)** : 2% (₹ 5.72 crore)
5. **List of activities in which expenditure in 4 above has been incurred:-**
 - a. One of the main CSR initiative of Reliance Group is to support the Mandke Foundation. With the support of Reliance Group, Mandke Foundation had developed Kokilaben Dhirubhai Ambani Hospital & Medical Research Institute as one of the most advanced tertiary care facilities, which continues to provide quality healthcare, especially those below the poverty line.
 - b. CSR contribution has been made to Bharat Ke Veer and Army Central Welfare Fund to support the wellbeing of families of martyrs who have laid down their lives in the line of duty.
 - c. The company has initiated skill development projects with Udyogini and Edubridge with an aim to train over 1000 youth in BFSI, Retail and Hospitality sectors. And financial and digital literacy through ICT Academy to train over 15,000 youth and women.
 - d. Mobile Health Units at Mumbai & Ahmedabad in collaboration with Deepak Foundation & AmeriCares India Foundation to set up & operate our two Mobile Health Units. The mobile units are useful in providing health care service in remote and underprivileged areas of Maharashtra
 - e. The company supports an animal welfare shelter in Mumbai that addresses stray and abandoned animal rescue, encourages adoption and foster care of abandoned strays.
 - f. Health camps and blood donation camps.

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company / Companies?**
The Company has 21 subsidiary companies as on March 31, 2019.
2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**
Yes, CSR activities are done at group level in which subsidiaries are part of it.
3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?**
Reliance Capital encourages its associates and partners to participate in the BR initiatives of the Company. At present, less than 30% of the other entities participate in the BR initiatives of the Company.

Business Responsibility Report

SECTION D: BR INFORMATION

1. Details of Director / Directors responsible for BR

- a) Details of the Director / Director responsible for implementation of the BR policy/policies

DIN Number	Name	Designation
00007256	Dr. Bidhubhusan Samal	Independent Director

- b) Details of the BR head

No.	Particulars	Details
1.	DIN Number (if applicable)	07591624
2.	Name	Mr. Anmol Ambani
3.	Designation	Executive Director
4.	Telephone number	+91 22 4303 1000
5.	e-mail id	rcl.investor@relianceada.com

2. Principle-wise (as per NVGs) BR Policy / policies

- P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3 Businesses should promote the wellbeing of all employees.
- P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5 Businesses should respect and promote human rights.
- P6 Business should respect, protect, and make efforts to restore the environment.
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8 Businesses should support inclusive growth and equitable development.
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	-	Y	-	Y	Y	-	-	-
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director / Official to oversee the implementation of the policy?	Yes								
6.	Indicate the link for the policy to be viewed online?	Code of conduct is available on the Company's website - www.reliancecapital.co.in								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8.	Does the company have in-house structure to implement the policy / policies.	Yes								
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Yes								
10.	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Yes								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles	Not Applicable								
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

Business Responsibility Report

3. Governance related to BR

- (a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company: Within 3 months, 3-6 months, Annually, More than 1 year**

The Executive Director of the Company periodically reviews the BR performance of the Company.

- (b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Yes, BRR is provided on the website of the Company (www.reliancecapital.co.in) and the same is published annually.

SECTION E – Principle-wise performance

Principle 1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

The Company considers Corporate Governance as an integral part of good management. The Company's policy relating to ethics, bribery and corruption is covered under Reliance Group Companies Code of Ethics and Business Policies, which are applicable to all personnel of the Company as well as to the (i) Consultants; (ii) Representatives; (iii) Suppliers; (iv) Contractors; and (v) Agents dealing with the Company.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

The Company has received 128 complaints from shareholders during the year and all complaints were satisfactorily resolved.

Principle 2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The following products / services have been designed to incorporate social concerns as well as benefit from the available opportunities:

- (a) Reliance Nippon Life Asset Management: Initiated the process of sending statement of account via SMS whereby Investor can click on link and input verification details and access the Statement of account in PDF Version instantly. With this development we have stopped sending physical statements to New Investors. Usage of paper further reduced.
- (b) Reliance Nippon Life Asset Management: Annual Reports which run into several pages, and had to be mandatorily sent to all investors, are now being sent only through e-mail, significantly reducing usage of physical papers. The initiative was spearheaded by RMF and has now become an Industry practice.
- (c) Reliance Nippon Life Insurance: Launched a holistic Cancer Insurance plan which helps ease financial burden from the onset of cancer. The marketing efforts have been focused on increasing awareness for the disease in the general population as well as boosting insurance penetration.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

With regard to the businesses of Reliance Capital, the question is not applicable to the Company.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**

'Outsourcing Policy' entails the processes and procedures for outsourcing agreements. Periodic performance evaluations of these outsourced vendors are done by the management.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

With regard to the businesses of Reliance Capital, the question is not applicable to the Company.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The Corporate Office, Reliance Centre, Santacruz (RCS) has adopted a 'no plastic' policy and discourages its staff from use of plastic. This has been initiated with discarding use of plastic bottles for water at desktops and in meeting rooms. RCS also has a 'zero waste' mechanism that involves use of compost by collection of waste food in its nursery and garden.

Principle 3 Businesses should promote the wellbeing of all employees.

1. **Please indicate the Total number of employees.**

The total numbers of employees in the group were 20,341 on rolls as on March 31, 2019.

2. **Please indicate the Total number of employees hired on temporary / contractual / casual basis.**

There are approximately 5,600 employees.

3. **Please indicate the Number of permanent women employees.**

There are 5,833 women employees.

4. **Please indicate the Number of permanent employees with disabilities.**

There are 11 employees with disabilities.

Business Responsibility Report

5. Do you have an employee association that is recognized by management?

No.

6. What percentage of your permanent employees is members of this recognized employee association?

Not Applicable.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour / forced labour / involuntary labour	The Company does not hire Child labour, forced labour or involuntary labour. No Complaint.	Not Applicable
2	Sexual harassment	No case reported	Not Applicable
3	Discriminatory employment	There is no discrimination in the recruitment process of the Company.	Not Applicable

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Permanent Employees	90%
Permanent Women Employees	85%
Casual/Temporary/Contractual Employees	65%
Employees with Disabilities	80%

Principle 4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders?

Yes.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders.

- **Support for Healthcare:** Contribution to Mandke Foundation for Integrated Day Care Centres for affordable Oncology treatment in Maharashtra, supporting treatment of poor and needy patients. Health camps and blood donation camps at zonal offices.
- **Mobile Health Units in Maharashtra and Gujarat:** In collaboration with Deepak Foundation & AmeriCares India Foundation to set up & operate two Mobile Health Units. The mobile units are useful in providing health care service in remote and underprivileged areas of Gujarat and in the slum areas of Andheri, Vile Parle, Santacruz, Khar, Bandra and Mahim in Mumbai. The MHUs in Mumbai have benefitted an estimated 95,000 population while in Gujarat, 203,053 patients through Out Patient Department and 10,664 patients through camps have benefitted.
- **Support to wellbeing of Armed and Para-Military Forces:** To support the wellbeing of families of martyrs who have laid down their lives in the line of duty, CSR contribution has also been made to Bharat Ke Veer and Army Central Welfare Fund.
- **Skill development for youth:** The company has initiated skill development projects with Udyogini and Edubridge with an aim to train over 1,000 youth in BFSI, Retail and Hospitality sectors. And financial and digital literacy through ICT Academy to train over 15,000 youth and women.
- **Support to animal welfare:** The Company supports an animal welfare shelter in the suburbs of Mumbai that works with stray and abandoned animal rescue.

Principle 5 Businesses should respect and promote human rights.

1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

Most of the aspects of human policy are covered in our Reliance Group Companies Code of Ethics and Business Policies. We respect human rights. All the labour related laws are based on human rights principle, which we follow consistently. We provide equal opportunity to all the sections of the society without any discrimination. We have formulated the Ombudsman Policy of the Company on human rights.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Please refer our response to Principle No.1.

Business Responsibility Report

Principle 6 Businesses should respect, protect and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.

Our companies in the group are committed to achieve the global standards of health, safety and environment. We believe in sharing process and product innovations within the group and extending its benefits to the Industry. We believe in safeguarding environment for long term. Reliance Group Companies Code of Ethics and Business Policies is applicable to all personnel of the Company as well as to the Consultants, Representatives, Suppliers, Contractors and Agents dealing with the Company.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Not Applicable.

3. Does the company identify and assess potential environmental risks?

Not Applicable.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Not Applicable.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.

Yes.

The Company attaches utmost importance to safety standards at all its installations. Necessary steps are regularly undertaken to ensure the safety of employees and equipment. Both external and internal safety audits are regularly conducted. Mock drills are conducted to gauge emergency and crisis management preparedness. Our Corporate headquarters in Mumbai has been awarded global certifications in Environmental Management, Occupational Health & Safety and Facility management underlining our commitment to providing a safe, sustainable and world-class workplace to all our employees.

Our corporate headquarters, Reliance Centre in Mumbai is now a Certified Green Building as per the Green Existing Building Rating System and has been awarded Gold by the Indian Green Building Council. It is one of only 5 buildings in Mumbai and 30 buildings across India to have achieved this unique certification.

6. Are the Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Not Applicable

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as at end of Financial Year.

Not received any notice from CPCB / SPCB.

Principle 7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, we are the members of the relevant trade & chamber or such similar associations. The major associations are as follows:

- Association of Mutual Fund Industry (AMFI)
- Life Insurance Council
- General Insurance Council
- Credit Information Bureau India Limited
- Fixed Income Money Market & Derivatives Association of India
- Insurance Regulatory and Development Authority of India (IRDA)
- Japan Chamber of Commerce and Industry in India
- Association of NSE Members of India
- BSE Brokers Forum of India
- Depository Participants Association of India
- The Associated Chambers of Commerce & Industry of India – National Council Affordable Housing
- Confederation of Indian Industry
- Insurance Information Bureau of India
- NSE Indices Limited

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good?

Yes. The Company has undertaken several initiatives to impart investor education to its stakeholders in the Life Insurance and Asset Management businesses, in line with the IRDAI and AMFI guidelines, respectively. Also, the Company has advocated with the above-mentioned associations for governance, administration, economic and educational reforms.

Principle 8 Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company supports inclusive growth and equitable development through various training and development programmes for its employees as well as its key stakeholders.

Business Responsibility Report

- **Mobile Health Unit** – As a part of our commitment to Do Good, we have "Healthcare" as one of our focus areas for our CSR initiatives. With this aim, Reliance Asset Management (RNM) supports two Mobile Health Unit (MHU), inspired by the 'Car Angel' concept of Nippon Life. Our company supports two MHUs in partnership with Deepak Foundation and AmeriCares India Foundation. The mobile units are providing health care service in of the slums of Mumbai and in remote and underprivileged areas of Gujarat. In Mumbai, around 95,000 underserved people have been supported with medical services and in Gujarat, over 2,00,000 people have benefitted through medical camps.
- **Free Health check up** for employees who belong to the age group of 40 years and above.
- **Skill Development for youth:** Through its mutual fund business, the company is supporting skill development for youth in BFSI, Retail and IT/ITeS sectors.
- **Financial & Digital Literacy for youth and women:** Through its home finance business, the Company is supporting financial and digital training for unemployed youth across 6 States.
- **Payroll Giving program:** Our employees have supported the initiatives of "Give India" through their Payroll Giving program. Many employees have enrolled under the Payroll Giving program run by Give India, where a certain amount of money is deducted from their salary every month and directed towards the NGO & the cause chosen by the employee.
- **Donate Blood – Gift Life! (Blood Donation Drive):** Our blood donation drive was partnered by Kokilaben Dhirubhai Ambani Hospital in Mumbai and other blood donation banks under the India Red Cross Society outside Mumbai which our employees participated.
- **Support to Indian Sports:** Rising upto the need to accelerate the development and training of Indian sports talent to international standards, the company through its mutual fund business is supporting athletes with training and nutrition that will help them participate in international tournaments representing the country in its glory.
- **Protecting and supporting animal welfare:** The company supports a animal welfare shelter in Mumbai that addresses stray and abandoned animal rescue, encourages adoption and foster care of abandoned strays.
- **Disaster Relief:** Reliance Capital Group decided to #StandwithKerala. The company collectively contributed over INR1.75 crore towards the Chief Minister's Distress Relief Fund in support of the Kerala Floods in August 2018.
- **Awareness Raising Social Media Campaigns:** The lines of businesses under the company created several social media campaigns to raise awareness on social issues such as road safety and use of helmets, plastic pollution and sexual harassment during festivals such as Holi.

2. Are the programmes / projects undertaken through in-house team/own foundation / external NGO / government structures/ any other organization?

Driven by our belief that the whole is greater than the sum of its parts, all our CSR activities across the group are aligned under one umbrella: The Group CSR which operates under the guidance of Group CSR Chairperson for strategy, planning and integration of functional learning. Corporate Social Responsibility has always been an integral part of Reliance Group's vision. The Company firmly believes in the commitment to all its stakeholders. The key focus is on empowering local communities around all the business units. The Company undertakes social interventions in Healthcare, Skill Development & Education, Sports and Environment. The programs are designed based on identified needs of the community and are integrated into the annual operating business plans with measurable goals.

3. Have you done any impact assessment of your initiative?

On a periodic basis, we measure the direction of our initiatives and their impact. The assessment helps in focusing our efforts and achieving better results.

4. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Reliance Capital, through its various social programmes and financial inclusion initiatives, is expanding its coverage to rural and semi-urban markets and providing access to financial services to customers in those markets. The products and services have made a positive impact on its targeted clientele.

Principle 9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year.

With regards to our large customer base and business reach, the percentage of pending complaints is very miniscule.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)

Yes. The Company complies with disclosure requirements relating to its products and services.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

In the ordinary course of services' businesses, customers and borrowers may have disputes with the Company regarding deficiency in services or product performance, which could result in a civil suit, or a consumer complaint. Most of our businesses are linked to the capital markets and thus, prone to short-term fluctuations. The Company, regularly, engages with its customers to appropriately address their concerns; however, in some cases, legal resolutions may also be pursued.

4. Did your company carry out any consumer survey / consumer satisfaction trends?

Kantar, erstwhile known as Indian Market Research Bureau (IMRB) has conducted surveys, focusing on customer satisfaction, across our businesses.

Corporate governance philosophy

Reliance Capital follows the highest standards of corporate governance principles and best practices by adopting the "Reliance Group – Corporate Governance Policies and Code of Conduct" as is the norm for all constituent companies in the Group. These policies prescribe a set of systems and processes guided by the core principles of transparency, disclosure, accountability, compliances, ethical conduct and the commitment to promote the interests of all stakeholders. The policies and the code are reviewed periodically to ensure their continuing relevance, effectiveness and responsiveness to the needs of our stakeholders.

Governance policies and practices

The Company has formulated a number of policies and introduced several governance practices to comply with the applicable statutory and regulatory requirements, with most of them introduced long before they were made mandatory.

A. Values and commitments

We have set out and adopted a policy document on 'Values and Commitments' of Reliance Capital. We believe that any business conduct can be ethical only when it rests on the nine core values viz. honesty, integrity, respect, fairness, purposefulness, trust, responsibility, citizenship and caring.

B. Code of ethics

Our policy document on 'Code of Ethics' demands that our employees conduct the business with impeccable integrity and by excluding any consideration of personal profit or advantage.

C. Business policies

Our 'Business Policies' cover a comprehensive range of issues such as fair market practices, inside information, financial records and accounting integrity, external communication, work ethics, personal conduct, policy on prevention of sexual harassment, health, safety, environment and quality.

D. Separation of the chairman's supervisory role from executive management

In line with best global practices, we have adopted a policy to ensure that the Chairman of the Board shall be a non-executive director.

E. Policy on prohibition of insider trading

This document contains the policy on prohibiting trading in the securities of the Company, based on insider or privileged information.

F. Policy on prevention of sexual harassment

Our policy on prevention of sexual harassment aims at promoting a productive work environment and protects individual rights against sexual harassment.

G. Ombudspersons & Whistle Blower (Vigil Mechanism) policy

Our Ombudspersons & Whistle Blower (Vigil Mechanism) policy encourages disclosure in good faith of any wrongful conduct on a matter of general concern and protects the whistle blower from any adverse personal action.

It is affirmed that no personnel has been denied access to the Audit Committee.

H. Environment policy

The Company is committed to achieving excellence in environmental performance, preservation and promotion of clean environment. These are the fundamental concern in all our business activities.

I. Risk management

Our risk management procedures ensure that the management controls various business related risks through means of a properly defined framework.

J. Boardroom practices

a. Chairman

In line with the highest global standards of corporate governance, the Board has separated the Chairman's role from that of an executive in managing day-to-day business affairs.

b. Board charter

The Company has a comprehensive charter, which sets out clear and transparent guidelines on matters relating to the composition of the Board, the scope and function of the Board and its Committees, etc.

c. Board committees

Pursuant to the provisions of the Companies Act, 2013 (the 'Act') and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Board had constituted the Risk Management Committee, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility (CSR) Committee.

d. Selection of independent directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field / profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee, *inter-alia*, considers qualification, positive attributes, area of expertise, their independence and number of directorships and memberships held in various committees of other companies by such persons. The Board considers the Committee's recommendation, and takes appropriate decision.

Every Independent Director, at the first meeting of the Board in which she / he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that she / he meets the criteria of independence as provided under law.

e. Tenure of independent directors

Tenure of independent directors on the Board of the Company shall not exceed the time period as per provisions of the Act and the Listing Regulations, as amended, from time to time.

f. Independent director's interaction with stakeholders

Members of the Stakeholders Relationship Committee interact with stakeholders on their suggestions and queries, if any, which are forwarded to the Company Secretary.

g. Lead independent director

Recognising the need for a representative and spokesperson for the independent directors, the Board designated Mr. V. N. Kaul, an independent director as the Lead Independent Director.

h. Familiarisation of board members

The Board members are periodically given formal orientation and training with respect to the Company's vision, strategic direction, core values including ethics, corporate governance practices, financial matters and

Corporate Governance Report

business operations. The Directors are facilitated to get familiar with the Company's functions at the operational levels. Periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, business strategy and risks involved. The Board members are also provided with the necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices.

Periodic updates and training programs for Board members are also conducted on relevant statutory changes and landmark judicial pronouncements encompassing important laws.

The details of programs for familiarisation of independent directors is put on the website of the Company at the link <http://www.reliancecapital.co.in/pdf/Familiarization-Programme.pdf>

i. **Meeting of independent directors with operating team**

The independent directors of the Company meet in executive sessions with the various operating teams as and when they deem necessary. These discussions may include topics such as operating policies and procedures, risk management strategies, measures to improve efficiencies, performance and compensation, strategic issues for Board consideration, flow of information to directors, management progression and succession and others, as the independent directors may determine. During these executive sessions, the independent directors have access to members of management and other advisors, as the independent directors may determine and deem fit.

j. **Subsidiaries**

All the subsidiaries of the Company are managed by their respective boards. Their boards have the rights and obligations to manage their companies in the best interest of their stakeholders. The Company monitors performance of subsidiary companies.

k. **Commitment of directors**

The meeting dates for the entire financial year are scheduled in the beginning of the year and an annual calendar of meetings of the Board and its Committees is circulated to the Directors. This enables the Directors to plan their commitments and facilitates attendance at the meetings of the Board and its Committees.

K. **Role of the Company Secretary in Governance Process**

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible, to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to Directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters. All the Directors of the Company have access to the advice and services of the Company Secretary.

L. **Independent Statutory Auditors**

The Company's accounts are audited by independent audit firm M/s. Pathak H.D. & Associates, Chartered Accountants.

M. **Compliance with the code and rules of Luxembourg Stock Exchange**

The Global Depository Receipts (GDRs) issued by the Company are listed on the Luxembourg Stock Exchange (LSE). The Company has reviewed the code on corporate governance of LSE and the Company's corporate governance practices conform to these codes and rules.

N. **Compliance with the Listing Regulations**

During the year, the Company is fully compliant with the mandatory requirements of the Listing Regulations.

We present our report on compliance of governance conditions specified in the Listing Regulations as follows:

I. **Board of Directors**

1. Board composition – Board strength and representation

The composition and category of directors on the Board of the Company are as under:

Category	Name of directors and DIN
Promoter, Non-executive and Non-independent Director	Mr. Anil D. Ambani Chairman (DIN:00004878)
Non-executive and Non-independent Director	Mr. Amitabh Jhunjhunwala Vice Chairman (DIN:00045174)
Independent Directors	Mr. Rajendra P. Chitale (DIN:00015986)
	Dr. Bidhubhusan Samal (DIN:00007256)
	Mr. V. N. Kaul (DIN:03070263)
	Ms. Chhaya Virani (DIN:06953556)
	Mr. Rahul Sarin * (DIN:02275722)
	Dr. Thomas Mathew * (DIN:05203948)
Executive Director	Mr. Anmol Ambani (DIN:07591624)

* Appointed w.e.f. August 16, 2019

Notes:

- Mr. Anmol Ambani is the son of Mr. Anil D. Ambani. None of the other directors are related to any other director.
- None of the directors has any business relationship with the Company.
- None of the directors has received any loans and advances from the Company during the financial year.

All the Independent Directors of the Company furnish a declaration at the time of their appointment and also annually that they meet the criteria of independence as provided under law. The Board reviews the same and is of the opinion, that the Independent Directors fulfil the conditions specified in the Act and the Listing Regulations and are independent of the management.

2. Conduct of Board proceedings

The day-to-day business is conducted by the executives of the Company under the direction of the Board. The Board holds minimum four meetings every year to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company.

The Board performs the following specific functions in addition to overseeing the business and the management:

- Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.
- Monitoring the effectiveness of the Company's governance practices and making changes as needed.
- Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.
- Aligning key executive and Board remuneration with the longer term interests of the Company and its shareholders.
- Ensuring a transparent Board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.

- Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.
- Ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- Overseeing the process of disclosure and communications.
- Monitoring and reviewing Board Evaluation Framework.

3. Board meetings

The Board held 7 meetings during the financial year 2018-19 on April 26, 2018, August 10, 2018, September 11, 2018, November 27, 2018, February 9, 2019, February 13, 2019 and March 28, 2019. The maximum time gap between any two meetings during the year under review was 105 days and the minimum gap was 3 days.

The Board periodically reviews compliance reports of all laws applicable to the Company.

4. Attendance of directors

Attendance of the Directors at the Board meetings held during the financial year 2018-19 and the last Annual General Meeting (AGM) held on September 18, 2018 and the details of directorships (calculated as per provisions of Section 165 of the Companies Act, 2013), committee chairmanships and memberships held by the Directors as on March 31, 2019 were as under:

Name of Director	Number of Board meetings attended out of Seven meetings held	Attendance at the last AGM held on September 18, 2018	Number of directorship (including RCL)	Committee(s) Chairmanship / Membership (including RCL)	
				Membership	Chairmanship
Mr. Anil D. Ambani	6	Present	12	-	-
Mr. Amitabh Jhunjhunwala	5	Present	1	2	-
Mr. Rajendra P. Chitale	7	Present	12	9	4
Dr. Bidhubhusan Samal	7	Present	8	6	2
Mr. V. N. Kaul	7	Present	1	1	-
Ms. Chhaya Virani	6	Present	5	8	2
Mr. Anmol Ambani	6	Present	10	4	-

Notes:

- None of the directors hold directorships in more than 20 companies of which directorship in public companies does not exceed 10 in line with the provisions of Section 165 of the Act.
- None of the directors hold membership of more than 10 committees of board, nor, is a chairman of more than 5 committees across board of all listed entities.
- No director holds directorship in more than eight listed entities.
- None of the independent director holds the position of the independent director in more than seven listed companies as required under the Listing Regulations.
- None of the director has been appointed as an Alternate Director for Independent Director.
- The information provided above pertains to the following committees in accordance with the provisions of Regulation 26(1) (b) of the Listing Regulations: (i) Audit Committee; and (ii) Stakeholders Relationship Committee.
- The committee membership and chairmanship above excludes membership and chairmanship in private companies, foreign companies and Section 8 companies.
- Membership of committees include chairmanship, if any.

The Company's Independent Directors meet at least once in every financial year without the attendance of Non-Independent Directors and Management Personnel. One meeting of the Independent Directors was held during the financial year.

Corporate Governance Report

5. Details of Directors

The abbreviated resumes of all the Directors are furnished hereunder:

Mr. Anil D. Ambani, 60 years, B.Sc. Hons. and MBA from the Wharton School of the University of Pennsylvania, is the Chairman of our Company. He does not hold any share in the Company as of March 31, 2019.

Mr. Amitabh Jhunjhunwala, 63 years, is a Fellow Chartered Accountant. He has had a wide exposure in developing, strategising and overseeing businesses in financial services, power, telecommunication and entertainment sectors. Currently, he oversees and leads businesses in financial services and entertainment sectors of the Reliance Group. He has experience in the areas of finance, commercial, banking, accounts and general management. He is Vice Chairman of Reliance Capital Limited. Mr. Amitabh Jhunjhunwala is a member of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility (CSR) Committee of the Company. He does not hold any share in the Company as of March 31, 2019.

Mr. Rajendra P. Chitale, 58 years, a law graduate and an eminent Chartered Accountant, is a Managing Partner of Chitale & Co. (one of India's leading boutique structuring and tax advisory firm) and M. P. Chitale & Co. (one of the India's leading accounting and consulting firms). He has served as a member of the Insurance Advisory Committee of the Insurance Regulatory and Development Authority of India (IRDAI), the Working Group on Insurance, Pensions, Small Savings, etc., Financial Sector Legislative Reforms Commission, Government of India, the Takeover Panel of the Securities & Exchange Board of India, Investor Education & Protection Fund Committee, Government of India, the Advisory Committee on Regulations of the Competition Commission of India and the Maharashtra Board for Restructuring of State Enterprises, Government of Maharashtra. He has served as a director on the boards of Life Insurance Corporation of India, Unit Trust of India, Small Industries Development Bank of India, National Stock Exchange of India Limited, Asset Reconstruction Company (India) Limited, SBI Capital Markets Limited and National Securities Clearing Corporation Limited.

He currently serves as a director on the boards of several large companies including Hinduja Ventures Limited, Ambuja Cements Limited, The Clearing Corporation of India Limited, JM Financial Asset Management Limited, Reliance Nippon Life Insurance Company Limited, Reliance General Insurance Company Limited and Everest Industries Limited.

Mr. Rajendra P. Chitale is the Chairman of Audit Committee and Nomination and Remuneration Committee of the Company.

He is the chairman of Audit Committee of Ambuja Cements Limited, The Clearing Corporation of India Limited, Everest Industries Limited and Reliance General Insurance Company Limited and a member of Audit Committee of Hinduja Ventures Limited, Hinduja Global Solutions Limited, Reliance Nippon Life Insurance Company Limited and JM Financial Asset Management Limited. He is the member of Stakeholders Relationship Committee of Ambuja Cements Limited.

He does not hold any share in the Company as of March 31, 2019.

Dr. Bidhubhusan Samal, 76 years, Master in Agriculture (Gold Medalist) and doctorate in Economics from Kalyani University, West Bengal. He is also a Post Graduate Diploma holder in Bank Management from the National Institute of Bank Management, Pune. He has more than 30 years of work experience in the field of Banking, Securities Markets and Industrial Finance. He has served as Chairman and Managing Director of Allahabad Bank, Chairman and Managing Director of Industrial Investment Bank of India and as Member of the Securities Appellate Tribunal.

He is a director on the board of Mayfair Hotels & Resorts Limited, Industrial Investment Trust Limited, IITL Projects Limited, Vipul Limited, World Resorts Limited and Future Generali India Life Insurance Company Limited. He is the Chairman of Stakeholders Relationship Committee and Corporate Social Responsibility Committee and a Member of Audit Committee and Nomination and Remuneration Committee of the Company. He is the chairman of Audit Committee of Mayfair Hotels & Resorts Limited and a member of Audit Committee of Vipul Limited and IITL Projects Limited. He is also a member of Stakeholders Relationship Committee of Industrial Investment Trust Limited. He does not hold any share in the Company as of March 31, 2019.

Mr. V. N. Kaul, 76 years, is a former Comptroller and Auditor General of India (C&AG) who was awarded Padma Bhushan in 2014. He has been Vice Chairman of the United Nations Independent Audit Advisory Committee, New York, from 2008 to 2011. Prior to his appointment as C&AG, Mr. Kaul held senior positions in Government and in the United Nations. In Government he was, *inter-alia*, Secretary to the Government of India in the Ministries of Petroleum and Natural Gas, Chemicals and Fertilizers and Coal. Earlier he served as Principal Secretary, Finance and Secretary, Commerce and Industry in Madhya Pradesh. He has served as a director in many private and public sector companies and he has been on the Governing Boards of International Bodies. From 1991 to 1998 he was seconded to the United Nations – ESCAP, Bangkok as Advisor, Trade Policy and Negotiations for Asia – Pacific Region.

Mr. Kaul holds a Masters degree from the University of Delhi and later he was on a Colombo Plan fellowship at the University of Manchester, U.K. He is currently a member of the Eminent Persons Advisory Group (EPAG), constituted by the Competition Commission of India, to give broad inputs and advice on larger issues impacting markets and competition. He is also a member of the Oversight Committee constituted to advise and oversee the process of monetization of immovable property of Air India. Mr. V. N. Kaul is the Chairman of Risk Management Committee and a Member of Audit Committee and Corporate Social Responsibility Committee of the Company. He does not hold any share in the Company as of March 31, 2019.

Ms. Chhaya Virani, 65 years, graduated from Mumbai University with a bachelors' degree in Arts. She also acquired a bachelors' degree in legislative laws from the Government Law College in 1976. She is a partner in M/s. ALMT Legal Advocates and Solicitors. She is a Member of Audit Committee, Stakeholders Relationship Committee and Risk Management Committee of the Company. She is a director on the board of Reliance Infratel Limited, Reliance Home Finance Limited, Reliance General Insurance Company Limited, Reliance

Reliance Capital Limited

Corporate Governance Report

Capital Pension Fund Limited and Reliance Communications Limited. She is the Chairperson of Audit Committee of Reliance Home Finance Limited. She is the member of Audit Committee of Reliance Infratel Limited, Reliance General Insurance Company Limited, Reliance Capital Pension Fund Limited and Reliance Communications Limited. She is also a Chairperson of Stakeholders Relationship Committee of Reliance Communications Limited, Reliance Home Finance Limited and Reliance General Insurance Company Limited. She does not hold any share in the Company as of March 31, 2019.

Mr. Rahul Sarin, aged 69 years, a civil servant with a distinguished record of public service of over thirty-five years, retired as Secretary to Government of India. This experience was buttressed by five years of judicial experience after superannuation as Member, Competition Appellate Tribunal and Airport Economic Regulatory Authority Appellate Tribunal. His diverse experience of field level assignments and top management positions in State and Central Government, Public Sector, together with a foreign assignment and exposure of working with international organisations has given him an invaluable insight. From his experience he has gained a clear vision of the intricacies and challenges of public decision making and the dynamics of the policy space of socio-economic transformation. He has also been at the forefront of the two evolving regimes of economic regulation in their very first five years of their inception in 2009. While it is imperative that economic regulation be subject to judicial review based on the overarching principles of legality, fairness, reasonability and the integrity of the judicial process, at the same time it is essential to recognize the perils of over enforcement leading to chilling effects on the economy. Mr. Sarin has published two books: Development Perspectives in 2016 and China's Agriculture and Political Economy in 2017. At present Mr. Sarin is Independent Director of Reliance General Insurance Company Limited and also a Director of IANS India Limited and IANS TV Private Limited. He does not hold any share in the Company.

Dr. Thomas Mathew, aged 63 years, holds a bachelor's degree in arts from the University of Delhi and a bachelor's degree in law from Campus Law Centre-II, Faculty of Law. He also holds a master's degree in arts, a degree of master of philosophy, and a degree of doctor of philosophy from Jawaharlal Nehru University. He has experience of working with the Ministry of Finance and the Ministry of Defence amongst other. He represented India as the leader of the

delegation in several conferences and meetings. He has addressed/presented papers in several fora including those in the United States Department of Defence and Stanford University, USA. He also spearheaded several new reforms in the Ministry of Defence. He published scores of articles, Opeds, etc. in leading newspapers like the Times of India, Economic Times, The Indian Express, The Hindu, etc. He has also edited book on India-US Strategic Ties contributing it lead chapter. As the Additional Secretary to the 13th President of India, Mr. Pranab Mukherjee, he authored two books, "The Winged Wonders of Rashtrapati Bhavan," and "Abode Under the Dome." These books were regularly presented by the Indian President to the visiting Heads of States and other world leaders who called on him. He is also on the board of Reliance General Insurance Company Limited. He does not hold any share in the Company.

Mr. Anmol Ambani, 27 years, completed his undergraduate studies – BSC in Management – from Warwick Business School, UK. He has 5 years of experience in financial services.

He is Executive Director of the Company and also on the board of Reliance Health Insurance Limited and Reliance General Insurance Company Limited. He is a member of Audit Committee and Corporate Social Responsibility Committee of the Company. He is also a member of the audit committee of Reliance Health Insurance Limited.

As on March 31, 2019, Mr. Anmol held 1,78,692 equity shares in the Company.

6. Core Skills / Expertise / Competencies available with the Board

The Board comprises highly qualified members who possess required skills, expertise and competence that allow them to make effective contributions to the Board and its Committees.

The following skills / expertise / competencies have been identified for the effective functioning of the Company and the current Board of Directors of the Company possesses all the below identified skills and competencies:

- Leadership / Operational experience
- Strategic Planning
- Sector / Industry Knowledge & Experience, Research & Development and Innovation
- Technology
- Financial, Regulatory / Legal & Risk Management
- Corporate Governance

7. Directorships in other listed entities

The details of directorships held by the Directors in other entities whose securities are listed as on March 31, 2019 are as follows:

Name of Director	Names of listed entities	Category
Mr. Anil D. Ambani	Reliance Communications Limited	Promoter, Non-Executive and Non-Independent Director
	Reliance Infrastructure Limited	Promoter, Non-Executive and Non-Independent Director
	Reliance Power Limited	Promoter, Non-Executive and Non-Independent Director
Mr. Amitabh Jhunjhunwala	-	-
Mr. Rajendra P. Chitale	Ambuja Cements Limited	Non-Executive and Independent Director
	Hinduja Ventures Limited	Non-Executive and Independent Director
	Hinduja Global Solutions Limited	Non-Executive and Independent Director
	Everest Industries Limited	Non-Executive and Independent Director
	Reliance General Insurance Company Limited	Non-Executive and Independent Director

Corporate Governance Report

Name of Director	Names of listed entities	Category
Dr. Bidhubhusan Samal	Industrial Investment Trust Limited	Executive Chairman and Non-Independent Director
	IITL Projects Limited	Non-Executive Chairman and Non-Independent Director
	Vipul Limited	Non-Executive and Independent Director
Mr. V. N. Kaul	-	-
Ms. Chhaya Virani	Reliance Communications Limited	Non-Executive and Independent Director
	Reliance General Insurance Company Limited	Non-Executive and Independent Director
Mr. Anmol Ambani	Reliance Home Finance Limited	Non-Executive and Non-Independent Director
	Reliance Nippon Life Asset Management Limited	Non-Executive and Non-Independent Director
	Reliance General Insurance Company Limited	Non-Executive and Non-Independent Director

8. Insurance coverage

The Company has obtained Directors' and Officers' liability insurance coverage in respect of any legal action that might be initiated against directors / officers of the Company and its subsidiary companies.

II. Audit Committee

The Company has an Audit Committee. The composition and terms of reference of Audit Committee are in compliance with the provisions of Section 177 of the Companies Act, 2013, Listing Regulations, Guidelines on Corporate Governance issued by the Reserve Bank of India and other applicable laws. The Committee presently comprises of four independent non-executive directors, one non-independent non-executive director and executive director of the Company viz. Mr. Rajendra P. Chitale as Chairman, Dr. Bidhubhusan Samal, Mr. V. N. Kaul, Ms. Chhaya Virani, Mr. Amitabh Jhunjhunwala and Mr. Anmol Ambani as Members. All the Members of the Committee possess financial / accounting expertise / exposure.

The Audit Committee, *inter-alia*, advises the management on the areas where systems, processes, measures for controlling and monitoring revenue assurance, internal audit and risk management can be improved.

The terms of reference, *inter-alia*, comprises the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
- d. Significant adjustments made in the financial statements arising out of audit findings
- e. Compliance with listing and other legal requirements relating to financial statements
- f. Disclosure of any related party transactions
- g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Subject to and conditional upon the approval of the Board of Directors, approval of Related Party Transactions (RPTs) or subsequent modifications thereto. Such approval can be in the form of omnibus approval of RPT subject to conditions not inconsistent with the conditions specified in Regulation 23(2) and Regulation 23(3) of the Listing Regulations. Such approval shall not be required for transactions with a wholly owned subsidiary whose accounts are consolidated with the Company;
9. Subject to review by the Board of Directors, review on quarterly basis, of RPTs entered into by the Company pursuant to each omnibus approval given pursuant to (8) above;
10. Scrutiny of inter-corporate loans and investments;
11. Valuation of undertakings or assets of the Company, wherever it is necessary;
12. Review the Company's established system and processes of internal financial controls and risk management systems;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

Corporate Governance Report

14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussion with internal auditors of any significant findings and follow up there on;
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. To review the functioning of the Whistle Blower mechanism;
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
21. Review of utilisation made by the subsidiary company out of loans and / or advances / investment made by the holding company. The threshold will be applied in cases where the aggregate amount exceeds ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower & will include existing loans / advances / investments existing as on the date of coming into force of this provision;
22. To review and publish quarterly consolidated financial statements with a condition that at least eighty percent of consolidated revenue, assets and profits should have been audited or reviewed;
23. To disclose in the last quarter of the financial year, any material adjustments made which relate to earlier period will have to be disclosed. Further, cash flow statements to be made and disclosed as part of its standalone and consolidated financial results every six months;
24. Review of compliances as per the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, at least once in a financial year and shall also verify that the systems for internal control are adequate and are operating effectively; and
25. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as provided in Regulation 23 of the Listing Regulations.

The Audit Committee is also authorised to:

1. Investigate any activity within its terms of reference;
2. Obtain outside legal or other professional advice;

3. To have full access to information contained in the records of the Company;
4. Secure attendance of outsiders with relevant expertise, if it considers necessary;
5. Call for comments from the auditors about internal controls systems and the scope of audit, including the observations of the auditors;
6. Review financial statements before submission to the Board; and
7. Discuss any related issues with the internal and statutory auditors and the management of the Company.

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and
6. Statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations; and
 - (b) annual statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7) of the Listing Regulations.

Attendance at the meetings of the Audit Committee held during 2018-19

The Audit Committee held its meetings on April 26, 2018, August 10, 2018, September 11, 2018, November 27, 2018 and February 13, 2019. The maximum and minimum time gap between any two meetings, during the year under review was 105 days and 31 days, respectively.

The meetings were attended by the members as below:

Members	Number of Meetings	
	held during the tenure	attended
Mr. Amitabh Jhunjhunwala	5	4
Mr. Rajendra P. Chitale	5	5
Dr. Bidhubhusan Samal	5	5
Mr. V. N. Kaul	5	5
Ms. Chhaya Virani	5	4
Mr. Anmol Ambani	5	4

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

The Audit Committee considered all the points in terms of its reference at periodic intervals.

Corporate Governance Report

The Company Secretary acts as the Secretary to the Audit Committee.

III. **Nomination and Remuneration Committee**

The Company has a Nomination and Remuneration Committee. The composition and terms of reference of Nomination and Remuneration Committee are in compliance with the provisions of Section 178 of the Companies Act, 2013, Listing Regulations, Guidelines on Corporate Governance issued by Reserve Bank of India, Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014, and other applicable laws. The Committee comprises of three directors, viz. Mr. Rajendra P. Chitale as Chairman, Mr. Amitabh Jhunjhunwala and Dr. Bidhubhusan Samal as Members.

The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company.

The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

The terms of reference, *inter-alia*, comprises the following:

1. To follow the process for selection and appointment of new directors and succession plans;
2. Recommend to the Board from time to time, a compensation structure for Directors and the senior management personnel;
3. Identifying persons who are qualified to be appointed as Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend their appointment and / or removal to the Board;
4. Formulation of the criteria for evaluation of performance of Independent Directors, the Board and the Committee(s) thereof;
5. To assess whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors;
6. Carrying out evaluation of every Director's performance;
7. Devising a policy on Board diversity;
8. Performing functions relating to all share based employees benefits;
9. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees; and
10. Recommending to the Board, all remunerations, in whatever form, payable to Senior Management of the Company.

Policy on appointment and remuneration for Directors, Key Managerial Personnel and Senior Management Employees has been provided as an Annexure to the Directors' Report.

The Members at the 29th Annual General Meeting held on September 30, 2015, had approved payment of commission upto 3 per cent of the net profits of the Company for a period of 5 (five) years from the financial year commencing from April 1, 2016 to non-executive directors, who were not in the whole-time employment, upto the limits laid down under the provisions of Sections 197 and 198 of the Companies Act, 2013, computed in the manner specified in the Act.

The Nomination and Remuneration Committee held

its meetings on April 26, 2018, August 10, 2018, October 5, 2018, November 27, 2018, February 13, 2019 and March 28, 2019 which were attended by all the Committee Members.

Criteria for making payments to non-executive directors

The remuneration to non-executive directors is benchmarked with the relevant market, performance oriented, balanced between financial and sectoral market, based on comparative scales, aligned to corporate goals, role assumed and number of meetings attended.

Details of sitting fees and commission paid to the Non-Executive Directors during the Financial Year ended March 31, 2019.

(₹ in lakh)

Directors	Sitting Fees	Commission
Mr. Anil D. Ambani	2.40	-
Mr. Amitabh Jhunjhunwala	8.40	-
Mr. Rajendra P. Chitale	7.20	15.00
Dr. Bidhubhusan Samal	9.60	15.00
Mr. V. N. Kaul	6.80	15.00
Ms. Chhaya Virani	6.40	15.00

Notes:

- a. There were no other pecuniary relationships or transactions of non-executive directors vis-à-vis the Company.
- b. The Company has so far not issued any stock options to its non-executive directors.
- c. Pursuant to the limits approved by the Board, all non-executive directors, were paid sitting fees of ₹40,000 (excluding goods and services tax) for attending each meeting of the Board and its Committee(s).
- d. Remuneration by way of commission to the non-executive directors was paid for the financial year 2017-18.

During the year, in terms of the approval granted by the shareholders and as per the policy on appointment and remuneration for Directors, Key Managerial Personnel and Senior Management Employees, Mr. Anmol Ambani, Executive Director was paid remuneration as follows:

Sr. No.	Particulars	(₹ in lakhs)
1	Remuneration	120.00
2	Performance Link Incentives	-
3	Perquisites	-
4	Benefits, bonuses, stock options, pension, etc.	2.89

The tenure of office of the Executive Director is for 5 years from the respective date of appointment and can be terminated by either party by giving three months' notice in writing. There is no separate provision for payment of severance fees.

Employee Stock Option Scheme

In order to share the growth in value and reward the employees for having participated in the success of the Company, our Employee Stock Option Scheme (the "Scheme") has been implemented by the Company to the eligible employees based on specified criteria.

The Plans are prepared in due compliance of the Scheme, Securities and Exchange Board of India (Employee Stock Option

Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and other applicable laws, which were in compliance with the requirements of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

IV. Stakeholders Relationship Committee

The Company has a Stakeholders Relationship Committee. The composition and terms of reference of Stakeholders Relationship Committee are in compliance with the provisions of Section 178 of the Companies Act, 2013, Listing Regulations and other applicable laws. The Committee comprises of Dr. Bidhubhusan Samal as Chairman, Mr. Amitabh Jhunjhunwala and Ms. Chhaya Virani as Members.

The terms of reference, *inter-alia*, comprises the following:

- Resolving the grievances of the securityholders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings, etc;
- Reviewing the measures taken for effective exercise of voting rights by shareholders;
- Reviewing the service standards adopted by the Company in respect of various services being rendered by the Registrar & Transfer Agent; and
- Review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

Attendance at the meeting of the Stakeholders Relationship Committee held during 2018 – 19

The Stakeholders Relationship Committee held its meetings April 26, 2018, August 10, 2018, November 27, 2018 and February 13, 2019.

The meetings were attended by the members as below:

Members	Number of Meetings	
	held during the tenure	attended
Dr. Bidhubhusan Samal	4	4
Mr. Amitabh Jhunjhunwala	4	4
Ms. Chhaya Virani	4	3

The maximum time gap between any two meetings during the year under review was 108 days and the minimum gap was 76 days.

The Chairman of the Stakeholders Relationship Committee was present at the last Annual General Meeting of the Company.

The Company Secretary acts as the Secretary to the Stakeholders Relationship Committee.

V. Compliance Officer

Mr. Atul Tandon, Company Secretary is the Compliance Officer for complying with the requirements of various provisions of Law, Rules, Regulations applicable to the Company including SEBI Regulations and the Uniform Listing Agreements executed with the Stock Exchanges.

VI. Corporate Social Responsibility (CSR) Committee

The Company has a Corporate Social Responsibility (CSR) Committee. The composition and terms of reference of Corporate Social Responsibility (CSR) Committee are in compliance with the provisions of Section 135 of the Companies Act, 2013 and other applicable laws. The Committee comprises of Dr. Bidhubhusan Samal as Chairman, Mr. Amitabh Jhunjhunwala, Mr. V. N. Kaul and Mr. Anmol Ambani as Members. The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'Corporate Social Responsibility Policy'.

The CSR Committee has formulated a CSR policy indicating the activities to be undertaken by the Company.

The Corporate Social Responsibility (CSR) Committee held its meetings on August 10, 2018 and February 13, 2019.

The meetings were attended by the members as below:

Members	Number of Meetings	
	held during the tenure	attended
Dr. Bidhubhusan Samal	2	2
Mr. Amitabh Jhunjhunwala	2	2
Mr. V. N. Kaul	2	2
Mr. Anmol Ambani	2	1

The Company Secretary acts as the Secretary to the CSR Committee.

VII. Risk Management Committee

The Company has a Risk Management Committee. The composition and terms of reference of Risk Management Committee are in compliance with the provisions of the Listing Regulations and Guidelines on Corporate Governance issued by the Reserve Bank of India. The Committee comprises of Mr. V. N. Kaul as Chairman and Ms. Chhaya Virani as a Member.

The Committee is authorised to discharge its responsibilities as follows:

- Overseeing and approving the risk management, internal compliance and control policies and procedures of the Company;
- Overseeing the design and implementation of the risk management and internal control systems (including reporting and internal audit systems), in conjunction with existing business processes and systems, to manage the Company's material business risks;
- Review and monitor the risk management plan, cyber security and related risks;
- Setting reporting guidelines for management;
- Establishing policies for the monitoring and evaluation of risk management systems to assess the effectiveness of those systems in minimizing risks that may impact adversely on the business objectives of the Company;
- Oversight of internal systems to evaluate compliance with corporate policies;
- Providing guidance to the Board on making the Company's risk management policies; and
- Monitoring the subsidiary companies.

Corporate Governance Report

During the year, the Risk Management Committee held its meetings on April 26, 2018, August 10, 2018 and November 27, 2018 which was attended by all the Committee Members.

The minutes of the meetings of all the Committee(s) of the Board of Directors are placed before the Board.

During the year, the Board has accepted all the recommendations of all the Committee(s).

VIII. General Body Meetings

The Company held its last three Annual General Meetings (AGM) as under:

Financial Year	Date and Time	Whether Special Resolution passed or not
2017-18	September 18, 2018 1:15 P.M.	Yes, Continuation of Dr. Bidhubhusan Samal as an Independent Director, Continuation of Mr. V. N. Kaul as an Independent Director, Private Placement of Non-Convertible Debentures and / or other Debt Securities, Approval of Qualified Institutional Placement ("QIPs")
2016-17	September 26, 2017 10:00 A.M.	Yes, Adoption of new Articles of Association of the Company, Private Placement of Non-Convertible Debentures and / or other Debt Securities, Approval of Qualified Institutional Placement ("QIPs")
2015-16	September 27, 2016 10:00 A.M.	Yes, Private Placement of Non-Convertible Debentures and / or other Debt Securities, Approval of Qualified Institutional Placement ("QIPs")

The above Annual General Meetings were held at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020. During the year, there was no Extra-Ordinary General Meeting held by the Company.

IX. Postal Ballot

The Company had not conducted any business through Postal Ballot during the financial year 2018-19.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing of a special resolution through postal ballot.

X. Details of Utilisation

During the year, the Company has not raised any funds through preferential allotment or qualified institutions placement as

specified under Regulation 32(7A) of the Listing Regulations.

XI. Means of communication

- Quarterly Results:** Quarterly results are published in The Financial Express (English) newspaper circulating in substantially the whole of India and in Loksatta and Navshakti (Marathi) newspapers and are also posted on the Company's website.
- Media Releases and Presentations:** Official media releases are sent to the Stock Exchanges before their release to the media for wider dissemination. Presentations made to media, analysts, institutional investors, etc. are posted on the Company's website.
- Website:** The Company's website contains a separate dedicated section 'Investor Relations'. It contains comprehensive database of information of interest to our investors including the financial results and Annual Report of the Company, information on dividend declared by the Company, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered / facilities extended by the Company to our investors, in a user friendly manner. The basic information about the Company is provided on the Company's website and the same is updated regularly.
- Annual Report:** The Annual Report containing, *inter-alia*, Notice of Annual General Meeting, Audited Financial Statement, Consolidated Financial Statement, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Business Responsibility Report, Management Discussion and Analysis Report and Corporate Governance Report forms part of the Annual Report and are displayed on the Company's website. The Companies Act, 2013 read with the Rules made thereunder and the Listing Regulations facilitate the service of documents to members through electronic means. The Company E-mails the soft copies of the Annual Report to all those members whose E-mail IDs are available with its Registrar and Transfer Agent or Depositories.
- NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web-based system designed by NSE for corporates. The shareholding pattern, corporate governance report, corporate announcement, media release, results, annual report etc. are filed electronically on NEAPS.
- BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** The Listing Centre is a web-based application designed by BSE for corporates. The shareholding pattern, corporate governance report, media release, results, annual report etc. are filed electronically on the Listing Centre.
- Unique Investor Helpdesk:** Exclusively for investor servicing, the Company has set up a Unique Investor Helpdesk with multiple access modes as under:
Toll free no. (India) : 1800 4250 999
Tel. : +91 40 6716 1500
Fax : +91 40 6716 1791
E-mail : rclinvestor@karvy.com
- Designated E-mailid:** The Company has also designated E-mail id: rcl.investor@relianceada.com exclusively for investor servicing.

- i. **SEBI Complaints Redressal System (SCORES):** The investors' complaints are also being processed through the centralised web based complaint redressal system. The salient features of SCORES are availability of centralised data base of the complaints, uploading online action taken reports by the Company. Through SCORES the investors can view online, the action taken and current status of the complaints.

XII. Management Discussion and Analysis

A Management Discussion and Analysis Report forms part of this Annual Report and includes discussions on various matters specified under Regulation 34(2), Schedule V of the Listing Regulations and Guidelines on Corporate Governance issued by the Reserve Bank of India.

XIII. Subsidiaries

Pursuant to Regulation 16(1)(c) of the Listing Regulations, Reliance General Insurance Company Limited (RGICL), Reliance Nippon Life Insurance Company Limited (RNLICL), Reliance Home Finance Limited (RHFL) and Reliance Commercial Finance Limited (RCFL) are material subsidiaries. Further, in terms of Regulation 24 of the Listing Regulations, Mr. Rajendra P. Chitale and Ms. Chhaya Virani, Independent Directors of the Company have been appointed on the board of RGICL. Mr. Rajendra P. Chitale, Independent Director of the Company has been appointed on the board of RNLICL.

The Company monitors performance of subsidiary companies, *inter-alia*, by the following means:

- a. Financial statements, in particular the investments made by unlisted subsidiary companies are reviewed quarterly by the Audit Committee of the Company.
- b. Minutes of the meetings of the board of directors of all unlisted subsidiary companies are placed before the Company's Board regularly.
- c. A statement containing all the significant transactions and arrangements entered into by the unlisted subsidiary companies are placed before the Company's Board / Audit Committee.
- d. Review of Risk Management process by the Risk Management Committee / Audit Committee / Board.

The policy for determination of material subsidiary is put on the website of the Company at the link <http://www.reliancecapital.co.in/pdf/Policy-for-Determination-of-Material-Subsidiary.pdf>.

XIV. Disclosures

- a. There has been no non-compliance by the Company and no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority during the last three financial years.
- b. **Related party transactions**
During the financial year 2018-19, no transactions of material nature had been entered into by the Company that may have a potential conflict with interest of the Company. The details of related party transactions are

disclosed in Notes to Financial Statement. The policy on related party transactions is put on the website of the Company at the link http://www.reliancecapital.co.in/pdf/Policy_for_Related_Party_Transaction.pdf.

c. Accounting treatment

In the preparation of Financial Statement, the Company has followed the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies. The Accounting Policies followed by the Company to the extent relevant, are set out elsewhere in this Annual Report.

d. Risk management

The Company has laid down a robust Risk Management Policy, defining Risk profiles involving Strategic, Technological, Operational, Financial, Credit, Organisational, Legal and Regulatory risks within a well defined framework. The Risk Management Policy acts as an enabler of growth for the Company by helping its businesses to identify the inherent risks, assess, evaluate and monitor these risks continuously and undertake effective steps to manage these risks.

Mr. V. N. Kaul acts as the Chairman and Ms. Chhaya Virani is a Member of Risk Management Committee. The Committee periodically reviews the robustness of the Risk Management Policy. The periodical update on the risk management practices and mitigation plan of the Company and subsidiaries are presented to the Audit Committee and Board of Directors. The Audit Committee and Board periodically review such updates and findings and suggest areas where internal controls and risk management practices can be improved.

e. Policy Guidelines on "Know Your Customer" (KYC) norms and Anti – Money Laundering (AML) Measures

In keeping with specific requirements for Non-Banking Financial Companies the Company has also formulated a Prevention of Money Laundering and Know Your Customer Policy and the same has been posted on the Company's website.

f. Code of Conduct

The Company has adopted the Code of Conduct for directors and senior management. The Code has been circulated to all the members of the Board and senior management and the same has been posted on the Company's website. The Board members and senior management have affirmed their compliance with the Code and a declaration signed by the Executive Director of the Company is given below:

"It is hereby declared that the Company has obtained from all members of the Board and senior management personnel affirmation that they have complied with the Code of Conduct for Directors and Senior Management of the Company for the year 2018-19."

Anmol Ambani
Executive Director

Corporate Governance Report

g. **CEO / CFO certification**

Mr. Anmol Ambani, Executive Director and Mr. Amit Bapna, Chief Financial Officer of the Company has provided certification on financial reporting and internal controls to the Board as required under Regulation 17(8) of the Listing Regulations.

h. **Certificate from Company Secretary in Practice**

Pursuant to the provisions of the Schedule V of the Listing Regulations, the Company has obtained a Certificate from M/s. Aashish K. Bhatt & Associates, Practicing Company Secretaries confirming that none of the Directors of the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

i. **Review of Directors' Responsibility Statement**

The Board in its report has confirmed that the Financial Statements for the year ended March 31, 2019 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

XV. **Policy on prohibition of insider trading**

The Company has formulated the "Reliance Capital Limited – Code of Practices and Procedures and Code of Conduct to Regulate, Monitor and Report trading in securities and fair disclosure of Unpublished Price Sensitive Information" (Code) in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, from time to time. The Board has appointed Mr. Atul Tandon, Company Secretary as the Compliance Officer under the Code responsible for complying with the procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code under the overall supervision of the Board. The Company's Code, *inter-alia*, prohibits purchase and/or sale of securities of the Company by an insider, while in possession of unpublished price sensitive information in relation to the Company and also during certain prohibited periods. The Company's Code is available on the website of the Company.

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Trading Window for dealing in the securities of the Company by the designated persons shall remain closed during the period from end of every quarter / year till the expiry of 48 hours from the declaration of quarterly / yearly financial results of the Company.

XVI. **Compliance of Regulation 34(3) and Para F of Schedule V of the Listing Regulations**

As per Regulation 34(3) and Para F of Schedule V of the Listing Regulations, the details in respect of equity shares lying in 'Reliance Capital Limited – Unclaimed Suspense Account'

were as follows:

Particulars	No. of shareholders	No. of shares
(i) Aggregate number of shareholders and the outstanding shares in the suspense account lying at April 1, 2018	2 656	32 857
(ii) Number of shareholders who approached listed entity for transfer of shares from suspense account during April 1, 2018 to March 31, 2019	40	585
(iii) Number of shareholders to whom shares were transferred from suspense account during the April 1, 2018 to March 31, 2019	40	585
(iv) Number of Shares Transfer to IEPF	147	2 499
(v) Aggregate number of shareholders and the outstanding shares in the suspense account lying at March 31, 2019	2 469	29 773

The voting rights on the shares outstanding in the "Reliance Capital Limited – Unclaimed Suspense Account" as on March 31, 2019 shall remain frozen till the rightful owner of such shares claims the share(s).

Wherever shareholders have claimed the share(s), after proper verifications, the share certificates were dispatched to them or share(s) were credited to the respective beneficiary account.

XVII. **Fees to Statutory Auditors**

The details of fees paid to M/s. Pathak H.D. & Associates, Chartered Accountants, Statutory Auditors and their network entities by the Company and its subsidiaries during the year ended March 31, 2019 are as follows:

(₹ in crore)

Sr. No.	Particulars	2018-19
1.	Audit Fees*	1.51
2.	Certification and other reimbursement charges*	0.81
	Total	2.32

* Auditor's remuneration for the year ended March 31, 2019 comprises of remuneration of ₹ 1.19 crore paid by the Company and its subsidiaries to M/s. Price Waterhouse & Co Chartered Accountants LLP and their network entities the erstwhile statutory auditors.

Corporate Governance Report

XVIII. Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

As reported by the Internal Complaints Committee, the disclosure is as under:

Sr. No.	Particulars	Details
1.	Number of complaints filed during the financial year	Nil
2.	Number of complaints disposed of during the financial year	Nil
3.	Number of complaints pending as on end of the financial year	Nil

XIX. Compliance with non-mandatory requirements

1. The Board

Our Chairman is a non-executive Chairman and is entitled to maintain Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.

2. Audit qualifications

There are no audit qualifications on the financial statements of the Company for the year 2018-19.

3. Separate posts of Chairman and CEO

The Company appointed Mr. Anmol Ambani as Executive

Director of the Company. Thus, Company maintains separate posts of Chairman and CEO.

4. Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee of the Company.

XX. General shareholder information

The mandatory and various additional information of interest to investors are voluntarily furnished in a separate section on investor information in this Annual Report.

Certificate from Company Secretary in Practice on corporate governance

Certificate from Company Secretary in Practice on compliance of Regulation 34(3) of the Listing Regulations relating to corporate governance is published in this Annual Report.

Review of governance practices

We have in this Report attempted to present the governance practices and principles being followed at Reliance Capital, as evolved over a period, and as best suited to the needs of our business and stakeholders.

Our disclosures and governance practices are continually revisited, reviewed and revised to respond to the dynamic needs of our business and ensure that our standards are at par with the globally recognised practices of governance, so as to meet the expectations of all our stakeholders.

Compliance of Corporate Governance requirements specified in Regulations 17 to 27 and Regulation 46(2)(b) to (i) of the Listing Regulations

Sr. No.	Particulars	Regulation	Compliance Status	Compliance Observed
1.	Board of Directors	17	Yes	<ul style="list-style-type: none"> Composition & Meetings Review of compliance reports & compliance certificate Plans for orderly succession for appointments Code of Conduct Fees / compensation to Non-Executive Directors Minimum information to be placed before the Board Risk assessment and management Performance evaluation
2.	Maximum number of Directorship	17A	Yes	<ul style="list-style-type: none"> Directorship in listed entities
3.	Audit Committee	18	Yes	<ul style="list-style-type: none"> Composition & Meetings Powers of the Committee Role of the Committee and review of information by the Committee
4.	Nomination and Remuneration Committee	19	Yes	<ul style="list-style-type: none"> Composition Role of the Committee
5.	Stakeholders Relationship Committee	20	Yes	<ul style="list-style-type: none"> Composition Role of the Committee
6.	Risk Management Committee	21	Yes	<ul style="list-style-type: none"> Composition Role of the Committee
7.	Vigil Mechanism	22	Yes	<ul style="list-style-type: none"> Review of Vigil Mechanism for Directors and employees Direct access to Chairman of Audit Committee
8.	Related Party Transactions	23	Yes	<ul style="list-style-type: none"> Policy of Materiality of Related Party Transactions and dealing with Related Party Transactions Approval including omnibus approval of Audit Committee and the Board Review of Related Party Transactions No material Related Party Transactions
9.	Subsidiaries of the Company	24	Yes	<ul style="list-style-type: none"> Appointment of Company's Independent Director on the board of material subsidiary Review of financial statements of subsidiary by the Audit Committee Minutes of the board of directors of the unlisted subsidiaries are placed at the meeting of the board of directors of the Company Significant transactions and arrangements of subsidiary are placed at the meeting of the Board of Directors of the Company
10.	Secretarial Compliance Report	24A	Yes	<ul style="list-style-type: none"> Secretarial Compliance Report
11.	Obligations with respect to Independent Directors	25	Yes	<ul style="list-style-type: none"> No alternate director for Independent Directors Maximum Directorship and tenure Meetings of Independent Directors Cessation and appointment of Independent Directors Familiarisation of Independent Directors Declaration by Independent Directors Director's & officer's liability insurance
12.	Obligations with respect to employees including Senior Management, Key Managerial Personnel, Directors and Promoters	26	Yes	<ul style="list-style-type: none"> Memberships / Chairmanships in Committees Affirmation on compliance of Code of Conduct by Directors and Senior Management Disclosure of shareholding by Non-Executive Directors Disclosures by Senior Management about potential conflicts of interest No agreement with regard to compensation or profit sharing in connection with dealings in securities of the Company by Key Managerial Personnel, Director and Promoter
13.	Other Corporate Governance Requirements	27	Yes	<ul style="list-style-type: none"> Compliance with discretionary requirements Filing of compliance report on Corporate Governance
14.	Website	46(2)(b) to (i)	Yes	<ul style="list-style-type: none"> Terms and conditions for appointment of Independent Directors Composition of various Committees of the Board of Directors Code of Conduct of Board of Directors and Senior Management Details of establishment of Vigil Mechanism / Whistle-blower policy Policy on dealing with Related Party Transactions Policy for determining material subsidiaries Details of familiarisation programmes imparted to Independent Directors

Reliance Capital Limited

Certificate on Corporate Governance by Practising Company Secretary

To,
**The Members of
Reliance Capital Limited**

Reliance Centre, Ground Floor
19, Walchand Hirachand Marg
Ballard Estate, Mumbai 400 001

I have examined the compliance of conditions of Corporate Governance by Reliance Capital Limited ('the Company') for the year ended March 31, 2019, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations, 2015") as referred to in Regulation 15(2) of the SEBI Listing Regulations, 2015 for the period from April 01, 2018 to March 31, 2019.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management and my examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015 and the Guidelines on Corporate Governance issued by the Reserve Bank of India.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate is issued solely for the purposes of complying with the aforesaid Regulations and should not be used by any other person or for any other purpose.

For **Aashish K. Bhatt & Associates**
Practising Company Secretaries
(ICSI Unique Code S2008MH100200)

Aashish K. Bhatt
Proprietor
ACS No.: 19639, COP No.: 7023

Mumbai
August 29, 2019

No Disqualification Certificate from Company Secretary in Practice

(pursuant to Regulation 34(3) and Schedule V Para C Sub clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
**The Members of
Reliance Capital Limited**

Reliance Centre, Ground Floor
19, Walchand Hirachand Marg
Ballard Estate, Mumbai 400 001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Reliance Capital Limited having CIN L65910MH1986PLC165645 and having registered office at Reliance Centre, Ground Floor, 19, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2019 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company	Date of Cessation
1.	Mr. Anil D. Ambani	00004878	19.06.2005	-
2.	Dr. Bidhubhusan Samal	00007256	30.10.2009	-
3.	Mr. Rajendra P. Chitale	00015986	19.06.2005	-
4.	Mr. Amitabh Jhunjhunwala	00045174	07.03.2003	-
5.	Mr. Vijayendra Nath Kaul	03070263	30.04.2010	-
6.	Ms. Chhaya Virani	06953556	30.09.2014	-
7.	Mr. Anmol Ambani	07591624	23.08.2016	-

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Aashish K. Bhatt & Associates**
Practising Company Secretaries
(ICSI Unique Code S2008MH100200)

Aashish K. Bhatt
Proprietor
ACS No.: 19639, COP No.: 7023

Mumbai
August 29, 2019

Investor Information

Important points

Investors should hold securities in dematerialised form, as transfer of shares in physical form is no longer permissible.

As mandated by SEBI, w.e.f. April 1, 2019, request for effecting transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository except for transmission and transposition of securities.

Members are advised to dematerialise securities in the Company to facilitate transfer of securities.

Holding securities in dematerialised form is beneficial to the investors in the following manner:

- A safe and convenient way to hold securities;
- Elimination of risk(s) associated with physical certificates such as bad delivery, fake securities, delays, thefts, etc.;
- Immediate transfer of securities;
- No stamp duty on electronic transfer of securities;
- Reduction in transaction cost;
- Reduction in paperwork involved in transfer of securities;
- No odd lot problem, even one share can be traded;
- Availability of nomination facility;
- Ease in effecting change of address / bank account details as change with Depository Participants (DPs) gets registered with all companies in which investor holds securities electronically;
- Easier transmission of securities as the same is done by DPs for all securities in demat account;
- Automatic credit into demat account of shares, arising out of bonus / split / consolidation / merger / etc.;
- Convenient method of consolidation of folios/ accounts;
- Holding investments in Equity, Debt Instruments, Government securities, Mutual Fund Units etc. in a single account;
- Ease of pledging of securities; and
- Ease in monitoring of portfolio.

Hold securities in consolidated form

Investors holding shares in multiple folios are requested to consolidate their holdings in single folio. Holding of securities in one folio enables shareholders to monitor the same with ease.

Electronic Payment Services

Investors should avail the Electronic Payment Services for payment of dividend as the same reduces risk attached to physical dividend warrants. Some of the advantages of payment through electronic credit services are as under:

- Avoidance of frequent visits to banks for depositing the physical instruments;
- Prompt credit to the bank account of the investor through electronic clearing;
- Fraudulent encashment of warrants is avoided;
- Exposure to delays / loss in postal service avoided; and
- As there can be no loss in transit of warrants, issue of duplicate warrants is avoided.

Printing of bank account numbers, names and addresses of bank branches on dividend warrants provide protection against fraudulent encashment of dividend warrants. Members are requested to provide the same to the Company's Registrar and Transfer Agent (RTA) for incorporation on their dividend warrants.

Register for SMS alert facility

Investor should register with Depository Participants for the SMS alert facility. Both Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) alert investors through SMS of the debits and credits in their demat account.

Intimate mobile number

Shareholders are requested to intimate their mobile number and changes therein, if any, to Company's RTA viz. Karvy Fintech Private Limited (Karvy), if shares are held in physical form or to their DP if the holding is in electronic form, to receive communications on corporate actions and other information of the Company.

Submit nomination form and avoid transmission hassle

Nomination helps nominees to get the shares transmitted in their favour without any hassles. Investors should get the nomination registered with the Company in case of physical holding and with their Depository Participants in case shares are held in dematerialised form.

Form may be downloaded from the Company's website, under the section 'Investor Relations'. However, if shares are held in dematerialised form, nomination has to be registered with the concerned Depository Participants directly, as per the form prescribed by the Depository Participants.

Deal only with SEBI registered intermediaries

Investors should deal only with SEBI registered intermediaries so that in case of deficiency of services, investor may take up the matter with SEBI.

Corporate benefits in electronic form

Investor holding shares in physical form should opt for corporate benefits like bonus / split / consolidation / merger / etc. in electronic form by providing their demat account details to the Company's RTA.

Register e-mail address

Investors should register their e-mail address with the Company / Depository Participants. This will help them in receiving all communication from the Company electronically at their e-mail address. This also avoids delay in receiving communications from the Company. Prescribed form for registration may please be downloaded from the Company's website.

Course of action for revalidation of dividend warrant for previous years

Shareholders may write to the Company's RTA, furnishing the particulars of the dividend not received, and quoting the folio number / DP ID and Client ID particulars (in case of dematerialised shares), as the case may be and provide bank details along with cancelled cheque bearing the name of the shareholder for updation of bank details and payment of unpaid dividend. The RTA would request the concerned shareholder to execute an indemnity before processing the request. As per circular dated April 20, 2018 issued by SEBI, the uncashed dividend can be remitted by electronic transfer only and no duplicate dividend warrants will be issued by the Company. The shareholders are advised to register their bank details with the Company / RTA or their DPs, as the case may be, to claim uncashed dividend from the Company.

Facility for a Basic Services Demat Account (BSDA)

SEBI has stated that all the depository participants shall make available a BSDA for the shareholders unless otherwise opted for regular demat account with (a) No Annual Maintenance charges if the value of holding is upto ₹ 50,000; and (b) Annual Maintenance charges not exceeding ₹ 100 for value of holding from ₹ 50,001 to ₹ 2,00,000. (Refer circular CIR/MRD/DP/22/2012 dated August 27, 2012 and circular CIR/MRD/DP/20/2015 dated December 11, 2015)

Annual General Meeting

The 33rd Annual General Meeting (AGM) will be held on Monday, September 30, 2019 at 10:00 A.M., at Rama & Sundri Watumull Auditorium, Vidyasagar, Principal K. M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai 400 020.

Reliance Capital Limited

Investor Information

E-voting

The Members can cast their vote online from 10:00 A.M. on September 26, 2019 to 5:00 P.M. on September 29, 2019.

Financial year of the Company

The financial year of the Company is from April 1 to March 31 each year.

Website

The Company's website www.reliancecapital.co.in contains a separate dedicated section called 'Investor Relations'. It contains comprehensive database of information of interest to our investors including the financial results, annual reports, dividends declared, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered / facilities extended to our investors.

Dedicated e-mail id for investors

For the convenience of our investors, the Company has designated an e-mail id i.e. rcl.investor@relianceada.com for investors.

Registrar and Transfer Agent (RTA)

Karvy Fintech Private Limited

Unit: Reliance Capital Limited

Karvy Selenium Tower – B

Plot No. 31 & 32, Survey No. 116/22, 115/24, 115/25

Financial District, Nanakramguda

Hyderabad 500 032

Toll free no. (India) : 1800 4250 999

Tel. : +91 40 6716 1500 Fax : +91 40 6716 1791

E-mail : rclinvestor@karvy.com

Website: www.karvyfintech.com

Karvy Computershare Private Limited (KCPL), the erstwhile Registrar and Transfer Agent of the Company has transferred its operations to Karvy Fintech Private Limited (KFPL), with effect from November 17, 2018, pursuant to a composite Scheme of Arrangement and Amalgamation inter-alia between KCPL and KFPL.

Unclaimed dividends

The provisions of Sections 124 and 125 on unclaimed dividend and Investor Education and Protection Fund (IEPF) under the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) have come into force with effect from September 7, 2016.

The Company has transferred the dividend for the year 1996-97 to 2010-11 remaining unclaimed for seven years from the date of declaration to IEPF.

During the year under review, the Company has transferred ₹ 1,73,43,568/- from the unclaimed dividend account 2011-12 to IEPF pursuant to the provisions of the Companies Act, 2013. Unclaimed dividend amount of ₹ 4,03,007/- has been retained in the unpaid dividend account on account of pending legal cases.

During the year, the Company has transferred to the IEPF Authority 1,21,584 shares of ₹ 10 each in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer, i.e. November 26, 2018.

Details of shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link: <http://www.reliancecapital.co.in/Details-of-equity-shares-transferred-to-IEPF.aspx>. The said details have also been uploaded on the website of the IEPF Authority and

the same can be accessed through the link: www.iepf.gov.in.

The dividend and other benefits, if any, for the following years remaining unclaimed for seven years from the date of declaration are required to be transferred by the Company to IEPF and the various dates for transfer of such amount are as under:

Financial year ended	Dividend per share (₹)	Date of declaration	Due for transfer on	Amount lying in the unpaid dividend account (in ₹)
31-03-2012	7.50	04-09-2012	03-10-2019	2 19 95 158.37
Special Interim Dividend	5.00	10-09-2012	09-10-2019	1 61 30 828.77
31-03-2013	8.00	27-08-2013	26-09-2020	2 53 11 804.09
31-03-2014	8.50	30-09-2014	29-10-2021	2 63 07 905.41
31-03-2015	9.00	30-09-2015	29-10-2022	2 88 62 785.76
31-03-2016	10.00	27-09-2016	26-09-2023	3 39 75 075.00
31-03-2017	10.50	26-09-2017	25-09-2024	3 75 26 989.00
31-03-2018	11.00	18-09-2018	17-09-2025	2 78 86 628.00

Members who have so far not encashed dividend warrants for the aforesaid years are requested to approach the Company's Registrar and Transfer Agent, Karvy Fintech Private Limited immediately.

The Company shall transfer to IEPF within the stipulated period (a) the unpaid or unclaimed dividend for the financial year 2011-12; (b) the shares on which dividend has not been claimed or encashed for last seven consecutive years or more.

The Company has individually communicated to the concerned shareholders whose shares are liable to be transferred to the IEPF, to enable them to take appropriate action for claiming the unclaimed dividends and shares, if any, by due date, failing which the Company would transfer the aforesaid shares to the IEPF as per the procedure set out in the Rules.

Members are requested to note that no claims shall lie against the Company in respect of their shares or the amounts so transferred to IEPF and no payment shall be made in respect of any such claim. Any shareholder whose shares and unclaimed dividends and sale proceeds of fractional shares has been transferred to the Fund, may claim the shares or apply for claiming the dividend transferred to IEPF by making an application in Form IEPF 5 available on the website www.iepf.gov.in along with the applicable fee.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 18, 2018 (date of last Annual General Meeting) and the details of such shareholders and shares due for transfer on the website of the Company, as also on the website of the Ministry of Corporate Affairs.

The voting rights on the shares transferred to IEPF Authority shall remain frozen till the rightful owner claims the shares.

Share transfer system

With a view to address the difficulties in transfer of shares, faced by non-residents and foreign nationals, the Securities and Exchange Board of India vide its circular no. SEBI/HO/MIRSD/DOS3/CIR/P/2019/30 dated February 11, 2019, has decided to grant relaxations to non-residents from the requirement to furnish PAN and permit them to transfer equity shares held by them in listed entities to their immediate relatives subject to the following conditions:

- The relaxation shall only be available for transfers executed after January 1, 2016.
- The relaxation shall only be available to non-commercial transactions, i.e. transfer by way of gift among immediate relatives.

Investor Information

c. The non-resident shall provide copy of an alternate valid document to ascertain identity as well as the non-resident status.

Shareholding Pattern

Category of shareholders	As on 31.03.2019		As on 31.03.2018	
	Number of Shares	%	Number of Shares	%
(A) Shareholding of promoter and promoter group				
(i) Indian	11 94 20 661	47.26	13 13 82 303	51.99
(ii) Foreign	-	-	-	-
Total shareholding of promoter and promoter group	11 94 20 661	47.26	13 13 82 303	51.99
(B) Public shareholding				
(i) Institutions	7 58 93 845	30.03	7 19 65 842	28.48
(ii) Non-institutions	5 45 82 731	21.60	4 65 97 826	18.44
Total public shareholding	13 04 76 576	51.63	11 85 63 668	46.92
(C) Shares held by custodians and against which depository receipts have been issued	12 11 665	0.48	11 58 711	0.46
(D) ESOS Trust	16 00 000	0.63	16 00 000	0.63
Grand Total (A)+(B)+(C)+(D)	25 27 08 902	100.00	25 27 04 682	100.00

Distribution of Shareholding

Number of shares	Number of shareholders as on 31.03.2019		Total shares as on 31.03.2019		Number of shareholders as on 31.03.2018		Total shares as on 31.03.2018	
	Number	%	Number	%	Number	%	Number	%
Upto 500	7 32 206	98.35	2 43 28 729	9.63	7 61 621	98.76	2 28 44 928	9.04
501 to 5000	11 422	1.53	1 37 25 791	5.43	8 837	1.15	1 02 88 233	4.07
5001 to 100000	735	0.10	1 30 59 198	5.17	591	0.08	1 08 21 125	4.28
Above 100000	114	0.02	20 15 95 184	79.77	108	0.01	20 87 50 396	82.61
Total	7 44 477	100.00	25 27 08 902	100.00	7 71 157	100.00	25 27 04 682	100.00

Dematerialisation of shares and Liquidity

The Company was among the first few companies to admit its shares to the depository system of NSDL for dematerialisation of shares. The International Securities Identification Number (ISIN) allotted to the Company is INE 013A01015. The Company was the first to admit its shares and go 'live' on to the depository system of CDSL for dematerialisation of shares. The equity shares of the Company are compulsorily traded in dematerialised form as mandated by SEBI.

Status of dematerialisation of shares

As on March 31, 2019, 98.26 per cent of the Company's shares are held in dematerialised form.

Investors' Grievances Attended

Received from	Received during		Redressed during		Pending as on	
	2018-2019	2017-2018	2018-2019	2017-2018	31.03.2019	31.03.2018
SEBI	84	36	84	36	Nil	Nil
Stock Exchanges	22	17	22	17	Nil	Nil
NSDL/CDSL	11	-	11	-	Nil	Nil
Direct from investors	11	2	11	2	Nil	Nil
Total	128	55	128	55	Nil	Nil

Analysis of Grievances

	2018 - 2019		2017 - 2018	
	Numbers	%	Numbers	%
Non-receipt of dividend	34	26.56	25	45.45
Non-receipt of share certificates	-	-	-	-
Others	94	73.44	30	54.55
Total	128	100.00	55	100.00

There was no complaint pending as on March 31, 2019.

Notes :

1. The shareholder base was 7,44,477 as of March 31, 2019 and 7,71,157 as of March 31, 2018.

Reliance Capital Limited

Investor Information

2. Investors queries / grievances are normally attended within a period of 3 days from the date of receipt thereof, except in cases involving external agencies or compliance with longer procedural requirements specified by the authorities concerned.

Legal Proceedings

There are certain pending cases relating to disputes over title to shares, in which the Company is made a party. These cases are however not material in nature.

Equity History

Sr. No.	Date	Particulars	Price per equity share (₹)	No. of shares	Cumulative Total
1.	05-03-1986	Shares issued upon incorporation	10	7 000	7 000
2.	14-06-1990 & 21-06-1990	1 st Public Issue	10	1 99 93 000	2 00 00 000
3.	28-08-1992	Shares issued upon amalgamation	10	18 70 000	2 18 70 000
4.	10-02-1993	1 st Rights Issue 1992 with a ratio of 1:1	40	2 18 77 500	4 37 47 500
5.	18-07-1994 & 29-10-1994	Preferential Allotment to Promoters	50	2 74 00 000	7 11 47 500
6.	20-01-1995 & 17-02-1995	Public Issue 1995	140	4 33 97 592	11 45 45 092
7.	29-03-1995	Rights Issue 1995	50	1 40 01 970	12 85 47 062
8.	11-07-1995	Allotment of Rights kept in abeyance	50	42 790	12 85 89 852
9.	13-11-1995	Allotment of Rights kept in abeyance	50	13 280	12 86 03 132
10.	09-02-1996	Allotment of Rights kept in abeyance	50	9 620	12 86 12 752
11.	29-06-1996	Allotment of Rights kept in abeyance	150	12 400	12 86 25 152
12.	31-03-1997	Allotment of Rights kept in abeyance	50	25 298	12 86 50 450
13.	04-11-1996	Forfeiture of equity shares relating to Public Issue of 1990 and Rights Issue 1992	-	(1 23 400)	12 85 27 050
14.	27-04-2000	Forfeiture of equity shares relating to Public and Rights Issue 1995	-	(12 61 455)	12 72 65 595
15.	27-04-2000 to 29-07-2003	Forfeiture of equity shares annulled	-	40 649	12 73 06 244
16.	21-07-2005	Preferential Allotment to FIIs	228	1 62 60 001	14 35 66 245
17.	02-08-2005	Preferential Allotment to Promoters	228	6 00 00 000	20 35 66 245
18.	22-08-2005	Allotment to Promoter upon Conversion of warrants on preferential basis	228	38 00 000	20 73 66 245
19.	31-03-2006	Allotment to Promoter upon Conversion of warrants on preferential basis	228	1 55 00 000	22 28 66 245
20.	07-08-2006	Allotment pursuant to amalgamation of Reliance Capital Ventures Ltd. (RCVL) with the Company	10	6 11 56 521	
21.	07-08-2006	Less: Shares extinguished due to amalgamation of RCVL with the Company	-	(6 00 89 966)	22 39 32 800
22.	30-01-2007	Allotment to Promoter upon Conversion of warrants on preferential basis	228	2 17 00 000	24 56 32 800
23.	12-03-2015	Preferential allotment to Sumitomo Mitsui Trust Bank	530	70 00 000	25 26 32 800
24.	03-07-2017 to 04-09-2017	Allotment pursuant to ESOS	396	56 830	25 26 89 630
25.	01-12-2017 to 11-01-2018	Allotment pursuant to ESOS	296	15 052	25 27 04 682
26.	02-07-2018	Allotment pursuant to ESOS	296	4 220	25 27 08 902

Credit Rating:

Rating Agency	Type of Instrument	Rating as on April 1, 2018	Rating as on March 31, 2019
CARE Ratings Limited	Long Term Debt Programme	CARE AA+ (Double A Plus) (credit watch with developing implications)	CARE A+ (Single A Plus) (credit watch with developing implications) ^{1,4}
	Principal Protected Market Linked Debentures	CARE PP-MLD AA+ (PP-MLD Double A Plus) (credit watch with developing implications)	CARE A+ (PP-MLD Single A Plus) (credit watch with developing implications) ^{1,4}
	Subordinated Debt	CARE AA+ (Double A Plus) (credit watch with developing implications)	CARE A+ (Single A Plus) (credit watch with developing implications) ^{1,4}

Investor Information

Rating Agency	Type of Instrument	Rating as on April 1, 2018	Rating as on March 31, 2019
Brickwork Ratings India Private Limited	Principal Protected Market Linked Debentures	BWR PP MLD AAA (BWR Principal Protected Market Linked Debentures Triple A) (Stable)	BWR PP MLD AA (BWR Principal Protected Market Linked Debentures Double A) (credit watch with developing implications) ²
	Subordinated Tier II NCD	BWR AAA (BWR Triple A) (Stable)	BWR AA (BWR Double A) (credit watch with developing implications) ²
	Secured NCDs	BWR AAA (BWR Triple A) (Stable)	BWR AA (BWR Double A) (credit watch with developing implications) ²
	Commercial Paper	BWR A1+ (BWR A One Plus)	BWR A1+ (BWR A One Plus)
ICRA Limited	Commercial Paper	ICRA A1+	ICRA A2 (on rating watch with negative implications) ^{3,5}

Details of Revision

- (1) CARE Rating from AA+ to AA – 08-10-2018;
(2) BWR Rating from AAA to AA; BWR Rating Outlook from Stable to credit watch with developing implications – 16-02-2019;
(3) ICRA Rating from A1+ to A1; ICRA Rating Outlook from to on rating watch with negative implications – 05-03-2019;
(4) CARE Rating from AA to A+ – 06-03-2019; and
(5) ICRA Rating from A1 to A2 – 29-03-2019.

Stock Price and Volume

2018 – 19	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Volume Nos.	High (₹)	Low (₹)	Volume Nos.
April, 2018	461.60	415.95	69 22 682	461.60	415.35	6 82 46 908
May, 2018	448.75	364.10	1 07 23 745	448.80	363.90	9 07 63 648
June, 2018	434.75	381.50	73 15 955	434.90	381.45	7 09 93 047
July, 2018	425.35	334.50	1 18 31 570	426.05	334.30	10 16 13 743
August, 2018	475.15	399.40	1 16 74 759	476.00	398.35	9 82 28 733
September, 2018	487.60	274.35	1 30 43 204	487.70	274.10	12 81 58 219
October, 2018	292.75	221.85	1 90 21 317	292.30	221.60	16 38 38 774
November, 2018	264.00	223.55	1 24 53 853	264.00	222.85	10 99 13 719
December, 2018	236.60	195.50	1 70 08 913	236.75	222.85	14 40 78 568
January, 2019	232.00	187.80	1 48 06 027	232.05	187.50	11 08 64 419
February, 2019	200.00	107.00	6 17 97 782	200.00	102.35	53 04 40 615
March, 2019	212.00	165.55	3 07 85 705	212.70	165.20	24 69 04 603

[Source: This information is compiled from the data available on the websites of BSE and NSE]

Stock exchange listings

The Company's equity shares are actively traded on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), the Indian Stock Exchanges.

Listing on stock exchanges

Equity shares

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Fort
Mumbai 400 001
Website : www.bseindia.com

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor, Plot No. C/1, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Website : www.nseindia.com

Stock codes

BSE Limited : 500111
National Stock Exchange of India Limited : RELCAPITAL
ISIN for equity shares : INE 013A01015

An Index Scrip: Equity Shares of the Company are included in the Indices viz. Nifty 500, Nifty 200, Nifty Large Midcap 250, Nifty Midcap 100, Nifty Midcap 150, Nifty Midsmallcap 400, S&P BSE 500, S&P BSE Midcap, S&P BSE Finance, S&P BSE All Cap and MSCI Global Small Cap Index.

Global Depository Receipts (GDRs)

Luxembourg Stock Exchange

Societe De La Bourse, De Luxembourg
35A Boulevard Joseph II, Luxembourg
Website : www.bourse.lu

Depository bank for GDR holders

Deutsche Bank Trust Company America
60 Wall Street, New York – 10005

Security Codes of RCL GDRs

	Master Rule 144A GDRs	Master Regulation S GDRs
CUSIP	75945L103	75945L202
ISIN	US75945L1035	US75945L2025
Common Code	026469457	026470315

Reliance Capital Limited

Investor Information

Note: The GDRs are admitted to listing on the official list of the Luxembourg Stock Exchange and to trading on the Euro MTF market. The Rule 144A GDRs have been accepted for clearance and settlement through the facilities of DTC, New York. The Regulation S GDRs have been accepted for clearance and settlement through the facilities of Euroclear and Clearstream, Luxembourg. The Rule 144A GDRs have been designated as eligible for trading on PORTAL.

Outstanding GDRs of the Company, conversion date and likely impact on equity

Outstanding GDRs as on March 31, 2019 represent 12,11,665 equity shares constituting 0.48 per cent of the paid-up equity share capital of the Company. Each GDR represent one underlying equity share in the Company.

Commodity price risk or foreign exchange risk and hedging activities

The Company does not have any un-hedged exposure to commodity price risks and foreign exchange risk. The Company hedges its interest rate risk on market linked debentures by taking positions in futures and options.

Debt securities

The Debt Securities of the Company are listed on the BSE Limited.

Debenture Trustee

Vistra ITCL (India) Limited

The IL&FS Financial Center, Plot C-22, G Block

Bandra – Kurla Complex, Bandra East, Mumbai 400 051

Website : www.vistraitcl.com

Payment of listing fees

Annual listing fee for the year 2019-20 has been paid by the Company to the stock exchanges.

Payment of depository fees

Annual custody / issuer fee for the year 2019-20 has been paid by the Company to CDSL and will be paid to NSDL on receipt of invoice.

Share price performance in comparison to broad based indices – Sensex BSE and Nifty NSE

	RCL	Sensex BSE	Nifty NSE
FY 2018 -19	(51.69) %	17.30 %	14.93 %
2 years	(66.75) %	30.56 %	26.71 %
3 years	(44.48) %	52.60 %	50.21 %

Key financial reporting dates for the financial year 2019-20

Unaudited results for the first quarter ended June 30, 2019	first	On or before August 14, 2019
Unaudited results for the second quarter / half-year ended September 30, 2019		On or before November 14, 2019
Unaudited results for the third quarter / nine months ended December 31, 2019		On or before February 14, 2020
Audited results for the financial year 2019-20		On or before May 30, 2020

Depository services

For guidance on depository services, shareholders may write to the Company's RTA or National Securities Depository Limited, Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, website: www.nsdl.co.in or Central Depository Services (India) Limited, Unit No. A-2501, A Wing, Marathon Futurex, 25th Floor, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (E), Mumbai 400 013, website: www.cdslindia.com.

Reconciliation of share capital audit

The Securities and Exchange Board of India has directed that all issuer companies shall submit a report reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued / paid-up capital. The said certificate, duly certified by a qualified chartered accountant is submitted to the stock exchanges where the securities of the Company are listed within 30 days of the end of each quarter and the certificate is also placed before the Board of Directors of the Company.

Investors' correspondence may be addressed to the Registrar and Transfer Agent of the Company

Shareholders / Investors are requested to forward documents related to share transfer, dematerialisation requests (through their respective Depository Participant) and other related correspondence directly to Karvy Fintech Private Limited at the below mentioned address for speedy response:

Karvy Fintech Private Limited

Unit: Reliance Capital Limited

Karvy Selenyum Tower – B

Plot No. 31 & 32, Survey No. 116/22, 115/24, 115/25

Financial District, Nanakramguda

Hyderabad 500 032

E-mail : rclinvestor@karvy.com

Shareholders / Investors may send the above correspondence at the following address

Queries relating to Financial Statement of the Company may be addressed to :

Chief Financial Officer

Reliance Capital Limited

Reliance Centre, Ground Floor,

19, Walchand Hirachand Marg

Ballard Estate, Mumbai 400 001

Tel.: +91 22 4303 1000

Fax: +91 22 4303 6664

E-mail : rcl.investor@relianceada.com

Correspondence on investor services may be addressed to:

Company Secretary & Compliance Officer

Reliance Capital Limited

Reliance Centre, Ground Floor, 19, Walchand Hirachand Marg

Ballard Estate, Mumbai 400 001

Tel.: +91 22 4303 1000

Fax: +91 22 4303 6664

E-mail : rcl.investor@relianceada.com

Plant Locations

The Company is engaged in the business of financial services and as such has no plant.

Independent Auditors' Report on the Standalone Ind AS financial statements

To
The Members,
Reliance Capital Limited

**Report on the audit of the Standalone Ind AS financial statements
Opinion**

We have audited the standalone Ind AS financial statements of Reliance Capital Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the statement of Profit and Loss, (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit, (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

- (a) We draw attention to Note No. 41(a) of the Standalone Ind AS financial statements referring, to filing under Section 143(12)

of the Companies Act, 2013 to Ministry of Corporate Affairs by one of the previous auditors. Based on the facts fully described in the aforesaid note, views of the Company, in-depth examination carried out by the independent legal experts of the relevant records, there were no matters attracting the said Section.

- (b) We draw attention to Note No. 41(c) to the Standalone Ind AS financial statements which describes that the Company has Inter corporate deposits to two entities aggregating to ₹ 2 812 crore which are fully secured by way of first charge on their assets. The same is additionally secured by a corporate guarantee of ₹ 1 654 crore by a group company. The Company has already recovered ₹ 665 crore post the balance sheet date, and the balance amount of ₹ 2 147 crore is expected to be recovered soon. The Company has evaluated the financial position and the repayment capacity of the above entities and believes that no adjustments are required to the carrying value of the said exposures.

Our opinion is not modified in respect of the above matters.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matters below, our description of how our audit addressed the matters is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters

How our audit addressed the key audit matters

(a) First time adoption of Ind AS (as described in Note No. 53 of Standalone Ind AS financial statements)

In accordance with the roadmap for implementation of Ind AS for non-banking financial companies, as announced by the Ministry of Corporate Affairs, the company has adopted Ind AS from April 1, 2018 with an effective date of April 1, 2017 for such transition. For periods up to and including the year ended March 31, 2018, the company had prepared and presented its Standalone Ind AS financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). In order to give effect of the transition to the Ind AS these Standalone Ind AS financial statements for the year ended March 31, 2019, together with the comparative financial information for the previous year ended March 31, 2018 and the transition date balance sheet as at April 1, 2017 have been prepared under Ind AS.

- Read the Ind AS impact assessment performed by the Management and the resultant changes made to the accounting policies considering the requirements of the new framework.
- We understood the exemption availed by the management in applying the first-time adoption principles of Ind AS 101.
- We understood the Standalone Ind AS financial statements closure process (including disclosure in notes to accounts) and the additional controls established by the Company for transition to Ind AS. We have tested the design and operating effectiveness of key controls for processes identified by the company for impact assessment.
- We understood the changes made to the accounting policies in light of the requirements of the new framework.

Independent Auditors' Report on the Standalone Ind AS financial statements

Key audit matters	How our audit addressed the key audit matters
<p>The transition has involved significant change in the Company's policies and processes for financial reporting, including generation of supportable information and applying estimates to <i>inter-alia</i> determine impact of Ind AS on accounting and disclosure requirements prescribed under extant Reserve Bank of India (RBI) directions.</p> <p>In view of the complexity involved, Ind AS transition and the preparation of Standalone Ind AS financial statements subsequent to the transition date have been areas of key focus in our audit.</p>	<ul style="list-style-type: none"> We performed test of details on the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS. <p>We assessed the disclosures included in the Ind AS financial statements in accordance with the requirements of Ind AS 101, with respect to the previous years presented.</p>

(b) Impairment of financial assets and Corporate Guarantee (CG) Issued (expected credit losses) (as described in Note No. 7 & 18 of the Ind AS financial statements)

<p>Ind AS 109 requires the Company to recognise impairment loss allowance towards its financial assets designated at amortised cost and corporate guarantee issued using the expected credit loss (ECL) approach. Such ECL allowance is required to be measured considering the guiding principles of Ind AS 109 including:</p> <ul style="list-style-type: none"> unbiased, probability weighted outcome under various scenarios; time value of money; impact arising from forward looking macro-economic factors and; availability of reasonable and supportable information without undue costs. Applying these principles involves significant estimation in various aspects, such as: <ul style="list-style-type: none"> grouping of borrowers based on homogeneity by using appropriate statistical techniques; staging of loans and estimation of behavioral life; determining macro-economic factors impacting credit quality of receivables; estimation of losses for loan products with no/minimal historical defaults. 	<ul style="list-style-type: none"> We read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109. We tested the criteria for staging of loans/CG based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing stage 1 & 2 loans to assess whether any loss indicators were present requiring them to be classified under stage 3 and vice versa. We evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and tested the controls around data extraction and validation. Tested the ECL model, including assumptions and underlying computation. Assessed the floor/minimum rates of provisioning applied by the Company for loan products. Audited disclosures included in the Ind AS financial statements in respect of expected credit losses.
---	---

Considering the significance of such allowance to the overall Standalone Ind AS financial statements and the degree of estimation involved in computation of expected credit losses, this area is considered as a key audit matter impairment assessment.

Impairment assessment for Investments in subsidiaries and associates (as described in note 8 of the Ind AS financial statements)

<p>As detailed in Note 8, the Company has equity investments in subsidiary companies amounting to ₹ 15 197 crore and associate companies amounting to ₹ 5 208 crore. Such investments are carried at deemed cost as per Ind AS 27 – Separate Standalone Ind AS financial statements and are individually assessed for impairment as per Ind AS 36 – Impairment of Assets. Such impairment assessment commences with management's evaluation on whether there is an indication of impairment loss. As part of such evaluation, management considers financial information, liquidity and solvency position of investments in subsidiaries and associates. Management also considers other factors such as assessment of company's operations, business performance and modifications, if any, by the auditors of such subsidiaries and associates. No impairment triggers have been identified by the management based on above assessment.</p>	<p>Our audit procedures, in respect of testing impairment assessment for investments in subsidiaries and associates, included the following::</p> <ul style="list-style-type: none"> Obtained understanding of the process, evaluated the design and tested operating effectiveness of controls in respect of impairment assessment of investments in subsidiaries and associates. held discussions with management regarding appropriate implementation of policy on impairment. reconciled financial information mentioned in impairment assessment to underlying source details. Also, assessed of management's estimates considered in such assessment.
--	--

<p>We focused on this area due to magnitude of the carrying value of investments in subsidiaries and associates, which comprise 68.60% of the total assets as at March 31, 2019 and are subject to annual impairment assessment.</p>	<ul style="list-style-type: none"> obtained and read latest audited Standalone Ind AS financial statements of subsidiaries and associates. Noted key financial attributes.
--	---

We evaluated the impairment assessment performed by management.

Independent Auditors' Report on the Standalone Ind AS financial statements

Key audit matters	How our audit addressed the key audit matters
Fair valuation of investments in Financial Instruments (as described in Note No. 8 of the Ind AS financial statements)	
As detailed in Note No. 8, the Company has investments in compulsorily convertible debentures and other financial instruments. Such investments are recognized under the 'fair value through profit and loss', and through other comprehensive income, category as per Ind AS 109 – Financial Instruments. The valuation method considered in measuring such investments are based on inputs that are not observable by third parties and for which valuation is provided by management's external experts. The valuation of such investments is important to our audit considering the value and use of management's estimates.	<p>We carried out following procedures in respect to investments:</p> <ul style="list-style-type: none"> held discussions with management and obtained understanding of valuation process including management's determination and approval of assumptions and data inputs evaluated the design and tested operating effectiveness of controls related to the data considered in the valuation, related calculations and review of report provided by management's external expert <p>We evaluated fair valuation of such investments taking into account the requirements of Ind AS 109 – Financial Instruments.</p>
Valuation of Market Linked Debentures (as described in note 15 Standalone Ind AS financial statements)	
<p>The Company has issued Market Linked Debentures (MLD) during current and previous years. The outstanding balance of MLD as on March 31, 2019 is ₹ 619 crore. These MLDs are economically hedged with Exchange instruments like Nifty, Bank Nifty & Stock Options. The Company has done an internal valuation of the outstanding MLD using internal valuation techniques.</p> <p>Considering that internal valuation of MLD is significant to overall Standalone Ind AS financial statements and the degree of management's judgement involved in the estimate, any error in the estimate could lead to material misstatement in the Standalone Ind AS financial statements. Therefore, it is considered as a key audit matter.</p>	<ul style="list-style-type: none"> Audit procedures included an assessment of internal controls over valuation methodologies, inputs, judgments made and assumptions used by management in determining fair valuation of MLD. Assessed and reviewed the fair valuation of MLD by the Company for compliance with Ind AS. Compared resulted valuations against independent sources and externally available market valuation data for sample cases.

Information Other than the Standalone Ind AS financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in Board's Report including Annexures to Board's Report, but does not include the Standalone Ind AS financial statements and our auditor's report thereon. The report containing other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Standalone Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the report containing other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Other Matter

We draw attention to the following matters:

Note No. 53 to the Standalone Ind AS financial statements which states that the company has adopted Ind AS for the financial year commencing from April 1, 2018, and accordingly, the standalone annual financial results have been prepared by the Company's Management in compliance with Ind AS.

Note No. 46 to the standalone Ind AS financial statements in respect of Scheme of Arrangement (the "Scheme"), as approved by National Company Law Tribunal vide its order dated 10 August 2017, pursuant to which adjustment amounting to ₹ 73 crore was made

to the Capital Reserve of the Standalone Ind AS financial statements of the Company for the year ended March 31, 2018. As stated in Note No. 46 to the standalone Ind AS financial statements, the scheme of arrangement was given effect to in the Standalone Ind AS financial statements from the appointed date as per the Scheme (i.e. April 1, 2017) which was different from the date required under Ind AS 105 – Non-current Assets Held for Sale and Discontinued Operations and Ind AS 16 Property, Plant and Equipment.

Our opinion is not modified in respect of the above matters.

The comparative financial information of the Company for the transition date opening balance sheet as at April 1, 2017 included in these Standalone Ind AS financial statements, is based on the previously issued statutory Standalone Ind AS financial statements for the year ended March 31, 2017 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us along with then Joint Statutory Auditor, M/s B S R & Co. LLP, Chartered Accountants, we expressed an unmodified opinion vide report dated April 27, 2017. The adjustments to those Standalone Ind AS financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

The comparative financial information of the Company for the year ended March 31, 2018 included in the standalone Ind AS financial statements, are based on the previously issued statutory Standalone Ind AS financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited jointly by us along with Price Waterhouse & Co. Chartered Accountants LLP whose audit report for the year ended March 31, 2018 dated 26 April 2018 expressed an unmodified opinion on those Standalone Ind AS financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of above matters.

Independent Auditors' Report on the Standalone Ind AS financial statements

Responsibilities of management and those charged with governance for the Standalone Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Standalone Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

Independent Auditors' Report on the Standalone Ind AS financial statements

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 39 to the financial statements;
 - The Company did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019; – Refer Note 49 to the financial statements;
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.
- For **Pathak H.D. & Associates**
Firm Registration No.: 107783W
Chartered Accountants
- Parimal Kumar Jha**
Partner
Membership No.: 124262
UDIN:19124262AAAAW5998
- Mumbai
August 14, 2019

Annexure A to the Independent Auditors' Report on the Standalone Ind AS financial statements

Referred to in the Independent Auditors' Report of even date to the members of Reliance Capital Limited ("the Company") on the Standalone Ind AS financial statements for the year ended March 31, 2019

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

- We have audited the internal financial controls over financial reporting of Reliance Capital Limited ('the Company') as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

- The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

- Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance

about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

- Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error.
- We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

- A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the

Annexure A to the Independent Auditors' Report on the Standalone Ind AS financial statements

company's assets that could have a material effect on the Standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

8. Based on our audit, information & explanation provided by the management, following weakness have been observed with regard to internal financial control.

The Company needs to strengthen loan processing documentation including justification for sanctioning the loans/ exposures, risk assessment of exposures and its mitigation, monitoring of end use of funds, evaluation of borrower's repayment capacity and the policy of sanctioning the loan to entities with weaker credit worthiness.

Qualified Opinion

9. In our opinion and to the best of information and according to explanations given to us, the Company has maintained adequate internal financial controls over financial reporting as at March 31, 2019 based on the internal control over financial reporting criteria established by the company considering the essential components of internal control

stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI and except for possible effects of the material weakness described in the Basis of Qualified Opinion paragraph above on the achievement of the objectives of the Control criteria, the Company's internal financial control over financial reporting were operating effectively as at March 31, 2019.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim Standalone Ind AS financial statements will not be prevented or detected on a timely basis.

10. We have considered the material weakness identified and reported above in determining the nature and extent of audit tests applied in our audit of the Standalone Ind AS financial statements of the Company for the year ended March 31, 2019 and these material weaknesses do not affect our opinion on the Standalone Ind AS financial statements of the Company.

For **Pathak H.D. & Associates**
Firm Registration No.: 107783W
Chartered Accountants

Parimal Kumar Jha
Partner
Membership No.: 124262
UDIN:19124262AAAAW5998

Mumbai
August 14, 2019

Annexure B to the Independent Auditors' Report on the Standalone Ind AS financial statements

Referred to in the Independent Auditors' Report of even date to the members of Reliance Capital Limited ("the Company") on the Standalone Ind AS financial statements as of and for the year ended March 31, 2019

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment.
- (b) The property, plant and equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the property, plant and equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note No. 11 & 12 on property, plant and equipment and investment property to the Standalone Ind AS financial statements, are held in the name of the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loan or provided any guarantee or security in connection with any loan taken by parties covered under section 185 of the Act. Therefore, the provisions of section 185 are not applicable to the Company. The Company is registered as Core Investment Company with RBI. Thus, the provision of Section 186 except sub-section (1) of the Act is not applicable to the Company. In our opinion and according to the information and explanations given to us, during the year, the Company has not made any investments through more than two layers of investment companies as mentioned in sub section (1) of Section 186 of the Act.
- v. The Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Therefore, the provisions of Clause 3(v) of the said Order are not applicable to the Company.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Therefore, the provisions of Clause 3(vi) of the said Order are not applicable to the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, income tax and professional tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including service tax, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, service-tax, value added tax, goods and service tax which have not been deposited on account of any dispute. The particulars of dues of sales tax as at March 31, 2019, which have not been

deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
Madhya Pradesh Sales Tax Act, 1958	Sales Tax	4 30 472	1996-1997	Appellate Deputy Commissioner of the Commercial Tax, Indore Division I
Gujarat Sales Tax Act, 1969	Sales Tax	4 75 916	2001-2002	Gujarat Sales Tax Tribunal, Ahmedabad

- viii. According to the records of the Company examined by us & the information and explanation given to us and as per the additional terms of repayment wherever applicable, the Company has not defaulted in repayment of loans or borrowings to any financial institutions or banks or government or dues to debenture holders as at balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained.
- x. Attention is invited to note no -41(a) of the standalone Ind AS financial statements and para (a) of emphasis of matter in our report, in addition thereto during the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the Standalone Ind AS financial statements as required by the Ind AS.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. According to the information and explanations given to us the Company is registered as Core Investment Company under section 45-IA of the Reserve Bank of India Act, 1934.

For Pathak H.D. & Associates
Firm Registration No.: 107783W
Chartered Accountants

Parimal Kumar Jha
Partner
Membership No.: 124262
UDIN:19124262AAAAW5998

Mumbai
August 14, 2019

Reliance Capital Limited

Standalone Balance Sheet as at March 31, 2019

(₹ in crore)				
Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
ASSETS				
Financial assets				
Cash and cash equivalents	4	2	2 942	2 517
Bank balance other than cash and cash equivalents above	5	47	66	1 695
Receivables				
(I) Trade receivables	6	3	4	-
(II) Other receivables		-	-	-
Loans	7	6 557	3 408	6 274
Investments	8	21 185	24 571	24 856
Other financial assets	9	1 373	731	82
Total Financial Assets		29 167	31 722	35 424
Non-financial assets				
Current tax assets (Net)	10	26	44	29
Investment Property	11	125	173	176
Property, plant and equipment	12	70	90	123
Other intangible assets (*₹ 24 77 373)	13	*	2	7
Other non-financial assets	14	357	317	331
Total Non - Financial Assets		578	626	666
Total assets		29 745	32 348	36 090
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Debt securities	15	17 720	19 595	15 130
Borrowings	16	1 734	951	3 423
Other financial liabilities	17	1 019	1 003	797
Total Financial Liabilities		20 473	21 549	19 350
Non-financial Liabilities				
Provisions	18	367	1 525	1 204
Other non-financial liabilities	19	37	64	32
Total Non - Financial Assets		404	1 589	1 236
EQUITY				
Equity share capital	20	253	253	253
Other equity	21	8 615	8 957	15 251
Total equity		8 868	9 210	15 504
Total liabilities and equity		29 745	32 348	36 090
Significant Accounting Policies	2			

The accompanying notes (1-53) forms integral part of the Standalone Ind AS financial statements.

As per our report of even date attached
For **Pathak H.D. & Associates**
Firm Registration No.: 107783W
Chartered Accountants

Parimal Kumar Jha
Partner
Membership No.: 124262
Mumbai
Dated: August 14, 2019

For and on behalf of the Board
Chairman
Vice Chairman

Directors

Executive Director
Chief Financial Officer
Company Secretary & Compliance Officer
Mumbai
Dated: August 14, 2019

Anil D. Ambani
Amitabh Jhunjhunwala
Rajendra P. Chitale
Dr. Bidhubhusan Samal
V. N. Kaul
Chhaya Virani
Anmol Ambani
Amit Bapna
Atul Tandon

Standalone Statement of Profit and Loss for the year ended March 31, 2019

(₹ in crore)			
Particulars	Note No,	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations			
Interest income	22	2 113	2 246
Dividend income		150	279
Rental Income		8	10
Fees and commission Income	23	36	36
Others	24	5	12
Total revenue from operations		2 312	2 583
Other income	25	5	4
Total income		2 317	2 587
Expenses			
Finance costs	26	1 937	1 835
Net loss on fair value changes	27	699	1 804
Impairment on financial instruments (net)	28	(653)	4 264
Employee benefits expenses	29	51	89
Depreciation, amortisation and impairment	11,12 &13	53	22
Others expenses	30	73	122
Total expenses		2 160	8 136
Profit/(loss) before tax		157	(5 549)
Income tax expense:	31		
- Current tax		-	202
- Taxation of earlier Years		-	9
- Deferred tax		-	-
Total tax expense		-	211
Profit/(loss) for the year		157	(5 760)
Other comprehensive income			
Items that will not be reclassified to profit / (loss)			
- Change in fair value of FVOCI instrument		(167)	(184)
- Remeasurements of post-employment benefit obligations (*₹ 38 78 924)		*	1
- Income tax relating to these items		-	-
Other comprehensive income for the year		(167)	(183)
Total comprehensive income for the year		(10)	(5 943)
Earnings per equity share			
- Basic (₹)	38	6.26	(227.98)
- Diluted (₹)	38	6.25	(227.98)
Significant Accounting Policies	2		

The accompanying notes (1-53) forms integral part of the Standalone Ind AS financial statements.

As per our report of even date attached
For **Pathak H.D. & Associates**
Firm Registration No.: 107783W
Chartered Accountants

Parimal Kumar Jha
Partner
Membership No.: 124262
Mumbai
Dated: August 14, 2019

For and on behalf of the Board
Chairman
Vice Chairman

Directors

Executive Director
Chief Financial Officer
Company Secretary & Compliance Officer
Mumbai
Dated: August 14, 2019

Anil D. Ambani
Amitabh Jhunjhunwala
Rajendra P. Chitale
Dr. Bidhubhusan Samal
V. N. Kaul
Chhaya Virani
Anmol Ambani
Amit Bapna
Atul Tandon

Standalone Statement of Changes in Equity for the year ended March 31, 2019

A. Equity share capital

Particulars	Note No.	Number	Amount
As at April 1, 2017	20	25 26 32 800	253
As at March 31, 2018		25 27 04 682	253
As at March 31, 2019		25 27 08 902	253

B. Other equity

Particulars	Note No.	Reserves and surplus							Other comprehensive income	Total other equity	
		Reserves and surplus									
		Securities premium	Capital Redemption reserve	Capital reserve	Statutory reserve fund	General reserve	Surplus/ (deficit) in the statement of profit and loss	Treasury Shares			RCL ESOP Trust Reserve
As at April 1, 2017	21	3 655	10	853	1 678	4 817	4 122	-	5	112	15 251
Profit for the year		-	-	-	-	-	(5 760)	-	-	-	(5 760)
Other comprehensive income		-	-	-	-	-	-	-	-	(183)	(183)
		3 655	10	853	1 678	4 817	(1 638)	-	5	(71)	9 308
Transactions with owners in their capacity as owners:											
- Issue of equity share, net of transaction cost		3	-	-	-	-	-	-	-	-	3
- Amount transferred (to) / from on account of Demerger		-	-	(74)	-	-	-	-	-	-	(74)
- Remeasurements of post-employment benefit obligations (*₹ 37 24 311)		-	-	-	-	-	-	-	-	*	*
- Income of the Trust for the year		-	-	-	-	-	1	-	-	-	1
- Treasury shares		-	-	-	-	-	-	2	-	-	2
- Stock option expense for the year		-	-	-	-	-	-	-	6	-	6
- Dividends paid		-	-	-	-	-	(265)	-	-	-	(265)
- Dividend distribution tax		-	-	-	-	-	(25)	-	-	-	(25)
- Transfer to Statutory reserve fund		-	-	-	166	-	(166)	-	-	-	-
As at March 31, 2018		3 658	10	779	1 844	4 817	(2 093)	2	11	(71)	8 957
Profit for the year		-	-	-	-	-	157	-	-	-	157
Other comprehensive income		-	-	-	-	-	-	-	-	(167)	(167)
		3 658	10	779	1 844	4 817	(1 936)	2	11	(238)	8 947

Standalone statement of changes in equity for the year ended March 31, 2019

Particulars	Note No.	Reserves and surplus					Other comprehensive income	Total other equity
		Securities premium	Capital redemption reserve	Capital reserve	Statutory reserve fund	General reserve	Surplus/ (deficit) in the statement of profit and loss	
							RCL ESOP Trust Reserve	Equity Instruments through Other Comprehensive Income
Transactions with owners in their capacity as owners:								
- Issue of equity share, net of transaction cost	1	-	-	-	-	-	-	1
- Remeasurements of post-employment benefit obligations (*₹ 38 78 924)	-	-	-	-	-	-	-	*
- Stock option expense for the year	-	-	-	-	-	-	(4)	(4)
- Dividends paid	-	-	-	-	-	-	(276)	(276)
- Dividend distribution tax	-	-	-	-	-	-	(53)	(53)
- Transfer to Statutory reserve fund	-	-	-	-	31	-	(31)	-
As at March 31, 2019		3 659	10	779	1 875	4 817	(2 296)	2
Significant Accounting Policies	2						7	(238)
								8 615

The accompanying notes (1-53) forms integral part of the Standalone Ind AS financial statements.

As per our report of even date attached
For **Pathak H.D. & Associates**
Firm Registration No.: 107783W
Chartered Accountants

Parimal Kumar Jha
Partner
Membership No.: 124262
Mumbai
Dated: August 14, 2019

For and on behalf of the Board
Chairman
Vice Chairman

Directors

Executive Director
Chief Financial Officer
Company Secretary & Compliance Officer
Mumbai
Dated: August 14, 2019

Anil D. Ambani
Amitabh Jhunjhunwala
Rajendra P. Chitale
Dr. Bidhubhusan Samal
V. N. Kaul
Chhaya Virani
Anmol Ambani
Amit Bapna
Atul Tandon

Reliance Capital Limited

Standalone Cash Flow Statement for the year ended March 31, 2019

Particulars	Note No.	(₹ in crore)	
		As at March 31, 2019	As at March 31, 2018
CASH FLOW FROM OPERATING ACTIVITIES :			
Profit/(Loss) before tax:		157	(5 549)
Adjustments :			
Depreciation and amortisation expense		53	22
Bad debts recovered & credit balance written back		(7)	(11)
Net impairment on financial instruments and balances written off		(653)	4 264
Provision for gratuity / leave encashment		1	(2)
Loss on sale of fixed assets		1	3
Interest income on investments		(718)	(782)
Yield on preference share		-	(48)
Dividend income on investments		(150)	(279)
Net (gain) / loss on fair value of investment		699	1 804
Share based payment to employees		2	3
Amortised brokerage on borrowings		57	33
Discount on commercial papers		88	99
Interest expenses		1 793	1 704
Operating profit before working capital changes		1 323	1 261
Adjustments for (increase)/ decrease in operating assets:			
Unamortised expenses incurred		(30)	(73)
Interest Paid		(1 722)	(1 512)
Trade receivables & loans and advances		(1 758)	(145)
Trade payables and liabilities		(2 349)	377
Cash generated from operations		(4 536)	(92)
Less : Income taxes paid (net of refunds)		17	(225)
Net cash used in from operating activities		(4 519)	(317)
CASH FLOW FROM INVESTING ACTIVITIES :			
Purchase of fixed assets (including capital advances)		(1)	(2)
Sale of property, plant and equipments (including capital advances)		8	27
Proceeds from sale of investments (net)		2 199	(1 377)
Interest received		757	166
Dividend received		150	282
Net cash inflow / (outflow) from investing activities		3 113	(904)
CASH FLOW FROM FINANCING ACTIVITIES :			
Dividends paid (including dividend tax thereon)		(329)	(290)
Debt securities issued (repaid) (net)		(1 900)	1 933
Borrowing other than debt securities issued (net)		694	
Equity share capital issued (including premium)		1	3
Net cash inflow / (outflow) from financing activities		(1 534)	1 646
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES		(2 940)	425
Add : Cash and cash equivalents at beginning of the year		2 942	2 517
Cash and cash equivalents at end of the year		2	2 942

2

The accompanying notes (1-53) are integral part of these Standalone Ind AS financial statements.

The previous year's figures have been regrouped and reclassified wherever necessary. The figures for the previous year includes figures of Real Estate Lending Business of the Company which is demerged with Reliance Home Finance Limited with effect from April 1, 2017 i.e. the Appointed Date and therefore to that extent not strictly comparable to that of current year's figures.

Cash and cash equivalents include cash on hand and bank balances.

As per our report of even date attached
For **Pathak H.D. & Associates**
Firm Registration No.: 107783W
Chartered Accountants

For and on behalf of the Board
Chairman
Vice Chairman

Directors

Executive Director
Chief Financial Officer
Company Secretary & Compliance Officer
Mumbai
Dated: August 14, 2019

Anil D. Ambani
Amitabh Jhunjhunwala
Rajendra P. Chitale
Dr. Bidhubhusan Samal
V. N. Kaul
Chhaya Virani
Anmol Ambani
Amit Bapna
Atul Tandon

Parimal Kumar Jha
Partner
Membership No.: 124262
Mumbai
Dated: August 14, 2019

Notes to the Standalone Financial Statement for the year ended March 31, 2019

1. Background

Reliance Capital Limited ('the Company') is registered as Non-Banking Financial Company (NBFC) as defined under Section 45-IA of the Reserve Bank of India Act, 1934 (RBI). The Company has received during the year certificate of Core Investment Company ('CIC') in terms of the Core Investment Companies (Reserve Bank) Directions, 2016 (RBI CIC Directions). As a CIC, the Company is primarily a holding company, holding investments in its subsidiaries, associates and other group companies. The Company's subsidiaries and associates are engaged in a wide array of businesses in the financial service sector.

2. Significant Accounting Policies

The principal accounting policies applied in the preparation of these Standalone Ind AS financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a Basis of Preparation of Standalone Ind AS financial statements

(i) Compliance with Ind AS

The Standalone Ind AS financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Indian Accounting Standards) Rules, 2015 (as amended)] and other relevant provisions of the Act.

The Standalone Ind AS financial statements up to year ended March 31, 2018 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, and relevant provisions of the Act.

These Standalone Ind AS financial statements are the first Standalone Ind AS financial statements of the Company under Ind AS. Explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows has been given under notes to Standalone Ind AS financial statements.

(ii) Historical cost convention

The Standalone Ind AS financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivatives instruments) are measured at fair value.
- Defined benefit plans – plan assets measured at fair value; and
- Share based payments

(iii) Standard issued but not yet effective

On March 30, 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease, rentals are charged to the statement of profit and loss. The Group is currently evaluating the implication of Ind AS 116 on the Standalone Ind AS financial statements.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019.

- a. Ind AS 12, Income taxes — Appendix C on uncertainty over income tax treatments
- b. Ind AS 19 — Employee benefits
- c. Ind AS 23 — Borrowing costs
- d. Ind AS 28 — investment in associates and joint ventures
- e. Ind AS 103 and Ind AS 111 — Business combinations and joint arrangements
- f. Ind AS 109 — Financial instruments

The Company does not have any material impact of such amendments.

b Investment in subsidiaries, associates and joint ventures

Investments in subsidiary companies, associate companies and joint venture company are carried at cost and fair value (deemed cost) as per Ind AS -101 and 109 less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary companies, associate company and joint venture company, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

c Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

d Foreign currency translation

(i) Functional and presentation currency

Items included in Standalone Ind AS financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Standalone Ind AS financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(ii) Translation and balances

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies at the year end are restated at year end rates.

e Financial instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at fair value through P&L, which results in an accounting loss being recognised in profit and loss.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

- a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
- b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

f Financial assets

(i) Classification and subsequent measurement

The Standalone Ind AS financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act..

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets is recognised using the effective interest rate method.

Fair value through other comprehensive income(FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Fair value option for financial assets: The Company may also irrevocably designate financial assets at fair value through profit or loss if doing so significantly reduces or eliminates an accounting mismatch created by assets and liabilities being measured on different bases.

Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

- a) Purchased or originated credit impaired (POCI) financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.
- b) Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For FVOCI financial assets – assets that are credit-impaired at initial recognition – the Company calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

Notes to the Standalone Financial Statement for the year ended March 31, 2019

The Company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Changes in the fair value of financial assets at fair value through profit or loss are recognised in net gain/loss on fair value changes in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Gains and losses on equity investments at FVPL are included in the statement of profit or loss.

(ii) Impairment

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognizes a loss allowance for such losses at each reporting date.

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses).

(iii) Write-off policy

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Company's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

(iv) Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Company transfers substantially all the risks and rewards of ownership, or (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control. The Company directly reduces the gross carrying amount of a financial asset when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

g Financial liabilities

(i) Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost, except for:

- Financial liabilities at fair value through profit or loss: this classification is applied to derivatives and financial liabilities held for trading and other financial liabilities designated as such at initial recognition. The Company has issued certain non-convertible debentures, the rate of interest on which is linked to performance of specified indices (Market linked debentures-MLD) over the period of the debentures. The Company has opted to designate the entire hybrid contract at FVPL as the embedded derivative significantly modifies the cash flows that otherwise would be required by the contract. The Company hedges its interest rate risk on MLD by taking positions in future & options based on specified indices. Any gain / loss on these hedge positions is recognised in statement of profit or loss.

(ii) Derecognition

Financial liabilities are derecognised when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expires).

The exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

h Financial guarantee obligation

Financial guarantee obligation are obligation that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

For financial guarantee obligation, the loss allowance is recognised as a provision.

i Repossessed collateral

Repossession collateral represents financial and non-financial assets acquired by the Company in settlement of overdue loans. The assets are initially recognised at book value when acquired and included in premises and equipment, other financial assets, investment properties or inventories within other assets depending on their nature and the Company's intention in respect of recovery of these assets, and are subsequently remeasured and accounted for in accordance with the accounting policies for these categories of assets.

j Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated and qualifies as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives that are not designated as hedges

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in statement of profit and loss.

k Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised when (or as) the Company satisfies a performance obligation by transferring a promised good or service to a customer.

When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

(i) Interest income

Interest income is recognised using the effective interest rate.

(ii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(iii) Income from investments

Profit / (Loss) earned from sale of securities is recognised on trade date basis. The cost of securities is computed based on weighted average basis.

(iv) Discount on investments

The difference between the acquisition cost and face value of debt instruments is recognised as interest income over the tenor of the instrument on straight-line basis.

(v) Redemption premium on investments

Redemption premium on investments is recognised as income over the tenor of the investment.

(vi) Management fee income

Management fee income towards support services is accounted as and when services are rendered and it becomes due on contractual terms with the parties.

(vii) Rental income

Lease rental income is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term.

l Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Taxes

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit entitlement is recognised where there is convincing evidence that the same can be realised in future.

Deferred Taxes

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

m Operating Lease

As a lessee

Lease payments for assets taken on an operating lease are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

n Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in liabilities in the balance sheet.

o Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Notes to the Standalone Financial Statement for the year ended March 31, 2019

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property plant and equipment recognised as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

Depreciation methods, estimated useful lives & residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

The estimated useful lives for the different types of assets are :

- (i) Furniture and Fixtures – 10 years
- (ii) Office equipments – 5 years
- (iii) Computers – 3 years
- (iv) Vehicles – 8 years
- (v) Plant & Machinery given on lease – 8 years
- (vi) Data processing machineries given on lease – 3 years
- (vii) Vehicles given on lease – 8 years
- (viii) Buildings – 60 years

The Company provides pro-rata depreciation from the day the asset is put to use and for any asset sold, till the date of sale. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the statement of profit or loss.

p Intangible assets

Intangible assets are recognised where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortisation.

Intangible Assets are amortised on straight-line basis over the useful life of the asset up to a maximum of 5 years commencing from the month in which such asset is first installed.

The Company provides pro-rata depreciation from the day the asset is put to use and for any asset sold, till the date of sale.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

q Investment properties

An investment property is accounted for in accordance with cost model. The cost of any shares in a co-operative society or a company, the holding of which is directly related to the right to hold the investment property, is added to the carrying amount of the investment property.

Depreciation on Property, Plant and Equipment is provided in accordance with the provisions of Schedule II of the Companies Act, 2013. Tangible assets are depreciated on straight line basis method over the useful life of assets, as prescribed in Part C of Schedule II of the Companies Act, 2013.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

r Borrowing costs

Borrowing costs, which are directly attributable to the acquisition / construction of fixed assets, till the time such assets are ready for intended use, are capitalised as part of the cost of the assets. Other borrowing costs are recognised as an expense in the year in which they are incurred. Brokerage costs directly attributable to a borrowing are expensed over the tenure of the borrowing.

s Provisions, contingent liabilities and contingent assets

The Company creates a provision when there is a present obligation as a result of past events and it is probable that there will be outflow of resources and a reliable estimate of the obligation can be made of the amount of the obligation. Contingent liabilities are not recognised but are disclosed in the notes to the Standalone Ind AS financial statements. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised nor disclosed in the Standalone Ind AS financial statements.

t Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Post-employment obligations

Defined benefit plans

Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Accrued Benefit Method (same as Projected Unit Credit Method), which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

Defined contribution plans

Provident fund

Company's contributions to the recognised provident fund, which is a defined contribution scheme, are charged to the Statement of Profit and Loss.

(iii) Other long-term employee benefit obligations

Compensated absences (Leave Encashment)

Leave encashment which is a defined benefit, is accrued for based on an actuarial valuation at the balance sheet date carried out by an independent actuary.

Phantom Shares

As a long-term incentive plan to employees, the Company has initiated Phantom Stock Option Plan which are cash settlement rights where the employees are entitled to get cash compensation based on agreed formula linked to the key performance indicators of the Company. The employees are entitled to receive cash payment equivalent to appreciation in the value over the defined base price of the phantom shares. The present value of the obligation under such plan is determined based on actuarial valuation.

u Share-based payments

Employee Stock Option Scheme (ESOS)

The employees of the Company and its subsidiaries are entitled for grant of stock options (equity shares), based on the eligibility criteria set in the ESOS plan of the Company. The fair value of options granted under ESOS is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined reference to the fair value of the options granted excluding the impact of any service conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

ESOS Trust

The Company's ESOS scheme is administered through the RCL ESOS Trust. The Company treats the trust as its extension and shares held by RCL ESOS Trust are treated as treasury shares and accordingly RCL ESOS Trust has been consolidated in the Company's books.

v Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Treasury shares are presented as a deduction from equity and no gain or loss is recognised on the purchase, sale, issue or cancellation of such shares.

w Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Notes to the Standalone Financial Statement for the year ended March 31, 2019

x Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year, if any and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

y Rounding of amounts

All amounts disclosed in the Standalone Ind AS financial statements and notes have been rounded off to the nearest crore as per the requirements of Schedule III, unless otherwise stated.

3. Critical estimates and judgements

The Company makes estimates and assumptions that affect the amounts recognised in the Standalone Ind AS financial statements, and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the Standalone Ind AS financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include the following:

3.1 Estimation of fair value of unlisted investments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions.

3.2 Effective interest rate method

The Company recognises interest income/expense using the effective interest rate, i.e., a rate that represents the best estimate of a constant rate of return over the expected life of the loans. The effective interest method also accounts for the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

3.3 The Company considers some of its investment in associate to be realised with in 1 year for asset liability management accordingly financials statement are prepared on going concern.

3.4 Impairment of financial assets using the expected credit loss method

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history, existing market conditions as well as forward looking estimates at the end of each reporting period.

3.5 Current tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit entitlement is recognised where there is convincing evidence that the same can be realised in future.

3.6 Deferred tax

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits. Recognition therefore involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised.

3.7 Estimation of fair value of investments property

The Company has carried out the valuation activity to assess fair value of its Investment in land and property. Accordingly, fair value estimates for investment in land and property is classified as level 3.

Particulars	(₹ in crore)		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
4 Cash and cash equivalents			
Balances with banks:			
In current accounts (refer note below)	2	2 942	2 517
Total	2	2 942	2 517

Note: Balance as at March 31, 2018 includes ₹ 1,500 crore which was lein against bank guarantee for third party.

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2019

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
5 Bank balance other than cash and cash equivalents above			
Balances with banks:			
In earmarked accounts			
- unclaimed dividend	22	21	19
In Fixed deposits	25	45	1 676
Total	47	66	1 695

Notes:

- Balances with banks include in Fixed deposit accounts, ₹ 5,33,932 (Previous year ₹ 5,33,932) is kept as deposit with sales tax authority, ₹ 20,00,000 (Previous year ₹ 20,00,000) is kept as deposit with the Pension Fund Regulatory and Development Authority (PFRDA) and ₹ 25 crore (Previous year ₹ 45) is kept as deposit with stock exchanges for margins.
- The Company has not taken bank overdraft, therefore the cash and cash equivalents for the cash flow statement is same as cash and cash equivalents given above.
- Balances with banks include deposits of ₹ 25 crore (previous year ₹ 45 crore) having original maturity of more than 12 months.
- Balance as at April 1, 2017 includes ₹ 1,500 crore which was kept as deposit with bank for issuing of bank guarantee for third party.

6 Trade receivables

Receivables considered good - Unsecured	3	4	-
Total	3	4	-

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

7 Loans

At amortised cost

Loans and advances (unsecured)	139	1 838	1 917
Loans and advances to related parties (unsecured)	110	1 176	1 957
Others (secured)	8 885	6 880	5 543
Total (A) - Gross	9 134	9 894	9 417
(Less): Impairment loss allowance	(2 577)	(6 486)	(3 143)
Total (A) - Net	6 557	3 408	6 274
Secured by property, plant and equipments and other receivables	8 885	6 880	5 543
Unsecured	249	3 014	3 874
Total (B) - Gross	9 134	9 894	9 417
(Less): Impairment loss allowance	(2 577)	(6 486)	(3 143)
Total (B) - Net	6 557	3 408	6 274
Loans in India			
- Public sector	-	-	-
- Others	9 134	9 894	9 417
Total (C) - Gross	9 134	9 894	9 417
(Less): Impairment loss allowance	(2 577)	(6 486)	(3 143)
Total (C) - Net	6 557	3 408	6 274

a) Summary of loans by stage distribution

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 1, 2017			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	2 998	5 550	586	9 134	1 704	3 313	4 877	9 894	4 283	5 124	10	9 417
Less: Impairment loss allowance	(102)	(1 889)	(586)	(2 577)	(56)	(1 553)	(4 877)	(6 486)	(155)	(2 978)	(10)	(3 143)
Total	2 896	3 661	-	6 557	1 648	1 760	-	3 408	4 128	2 146	-	6 274

Notes to the Standalone Financial Statement for the year ended March 31, 2019

b) Analysis of changes in the gross carrying amount by stages in relation to loans and its corresponding impairment loss allowance (ECL) is as follows:

(₹ in crore)

Particulars	As at March 31, 2019							
	Stage 1		Stage 2		Stage 3		Total	
	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
Opening balance	1 704	56	3 313	1 553	4 877	4 877	9 894	6 486
Changes in opening credit exposures (additional disbursement net of repayments)	2 396	96	1 140	292	(69)	(70)	3 467	318
Transfers to Stage 1	1	-	(1)	-	-	-	-	-
Transfers to Stage 2	(1 098)	(44)	1 098	44	-	-	-	-
Transfers to Stage 3	(5)	(6)	-	-	5	6	-	-
Amounts written off/ loss on sale of assignment	-	-	-	-	(4 227)	(4 227)	(4 227)	(4 227)
Closing balance	2 998	102	5 550	1 889	586	586	9 134	2 577

Particulars	As at March 31, 2018							
	Stage 1		Stage 2		Stage 3		Total	
	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
Opening balance	4 283	155	5 124	2 978	10	10	9 417	3 143
Changes in opening credit exposures (additional disbursement net of repayments)	(1 805)	642	2 286	2 711	(4)	(10)	477	3 343
Transfers to Stage 1	6	-	-	-	(6)	-	-	-
Transfers to Stage 2	(40)	(1)	40	1	-	-	-	-
Transfers to Stage 3	(740)	(740)	(4 137)	(4 137)	4 877	4 877	-	-
Closing balance	1 704	56	3 313	1 553	4 877	4 877	9 894	6 486

Note: Refer Note No. 41.

(₹ in crore)

Particulars	Face Value	Quantity			Value		
		As at March 31, 2019	As at March 31, 2018	As at April 1, 2017	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
8 Investments							
Investments in Equity Instruments							
Quoted, fully paid-up							
At Deemed cost*							
Reliance Nippon Life Asset Management Limited (Refer Note No. ii)	10	26 23 95 000	26 23 95 000	-	5 128	5 127	-
Reliance Home Finance Limited (Refer Note No. ii)	10	23 39 69 188	23 39 69 188	-	896	896	-
At FVTOCI							
BSE Limited	2	-	-	65 000	-	-	6
Reliance Communications Limited*	5	2 96 95 295	2 96 95 295	2 96 95 295	3	65	114
Reliance Industrial Infrastructure Limited	10	-	-	1 60 100	-	-	7
Reliance Power Limited	10	41 17 823	41 17 823	41 17 823	5	15	20
Yatra Online Inc	\$ 10	-	29 80 139	30 23 771	-	128	186
					6 032	6 231	333
Unquoted, fully paid-up							
At FVTOCI							
Azalia Media Services Private Limited	10	19 38 000	19 38 000	19 38 000	2	2	2
Global Wind Power Limited	10	20 00 000	20 00 000	20 00 000	-	-	-
Nationwide Communication Private Limited*	10	-	400	400	-	-	-
Paytm E-Commerce Private Limited (*₹ 79 240)	10	-	7 924	7 924	-	*	*
Reliance Broadcast Network Limited	5	1 57 27 957	1 57 27 957	1 57 27 957	30	134	208
Reliance DigiTech Limited	10	9 000	9 000	9 000	-	-	-
Reliance MediaWorks Limited **	5	19 32 089	19 32 089	19 32 089	-	-	-
Reliance Net Limited	10	5 26 497	5 26 497	5 26 497	-	-	-
Vrushvik Entertainment Private Limited	10	19 38 000	19 38 000	19 38 000	2	2	2
					34	138	212

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2019

(₹ in crore)

Particulars	Face Value	Quantity			Value		
		As at March 31, 2019	As at March 31, 2018	As at April 1, 2017	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Subsidiary Companies*							
Unquoted, fully paid-up							
At Deemed cost							
Quant Capital Private Limited	10	74 01 423	74 01 423	74 01 423	105	105	105
Reliance Capital AIF Trustee Company Private Limited (*₹ 6 00 000)	10	60 000	60 000	60 000	*	*	*
Reliance Health Insurance Limited	10	18 65 50 000	4 00 50 000		187	41	
Reliance Money Precious Metals Private Limited	10	80 00 000	80 00 000	80 00 000	-	-	-
Reliance Capital Trustee Co. Limited (*₹ 5 07 000)	10	50 700	50 700	50 700	*	*	*
Reliance Commodities Limited	10	30 00 000	30 00 000	30 00 000	3	3	3
Reliance Exchangenext Limited	10	4 22 60 000	4 22 60 000	4 22 60 000	35	35	35
Reliance Financial Limited	10	2 41 57 897	2 41 57 897	2 41 57 897	218	218	218
Reliance General Insurance Company Limited	10	25 15 49 920	25 15 49 920	12 57 74 960	5 028	5 029	5 028
Reliance Commercial Finance Limited	10	13 53 25 700	13 53 25 700	12 28 25 700	2 213	2 216	1 817
Reliance Home Finance Limited (Refer Note No. ii)	10	-	-	11 74 20 000	-	-	521
Reliance Nippon Life Insurance Company Limited	10	61 01 24 985	61 01 24 985	61 01 24 985	5 078	5 078	5 077
Reliance Securities Limited	10	21 00 00 000	21 00 00 000	5 00 00 000	707	707	546
Reliance Capital Pension Fund Limited	10	42 50 000	42 50 000	-	5	5	-
Reliance Money Solutions Private Limited (*₹ 1 00 000)	10	10 000	10 000	10 000	*	*	*
Reliance Corporate Advisory Services Limited	10	121 80 00 000	121 80 00 000	121 80 00 000	689	689	689
Reliance Wealth Management Limited	10	3 25 00 000	1 75 00 000	1 75 00 000	33	18	18
					14 301	14 144	14 057
Associate Companies*							
Equity Shares - unquoted, fully paid-up							
At Deemed cost							
Ammolite Holdings Limited	\$ 1	1 000	1 000	1 000	-	-	-
Reliance Nippon Life Asset Management Limited (Refer Note No. ii)	10	-	-	58 75 200	-	-	5 854
Reliance Asset Reconstruction Company Limited	10	4 90 00 000	4 90 00 000	4 90 00 000	80	80	80
					80	80	5 934
					20 447	20 593	20 536
Sub-Total (A)							
Investments in preference shares							
Unquoted, fully paid-up							
At FVTPL							
0% Non Convertible Redeemable Preference Shares of Reliance Value Services Limited	10	20 60 000	20 60 000	20 60 000	-	-	-
0% Compulsory Non Convertible Preference Shares of Nationwide Communication Private Limited*	10	-	-	29 00 000	-	-	-
0% Non- Convertible Redeemable Preference Shares of Reliance Alpha Services Private Limited	10	85 000	85 000	85 000	-	-	-
Scalable Display Technologies, Inc. Series A-1 Preferred Stock	\$ 0.001	1 50 846	1 50 846	1 50 846	-	-	-
					-	-	-
Subsidiary Companies*							
Preference Shares - unquoted, fully paid-up							
At Amortised cost							
9% Non-Cumulative Non-Convertible Redeemable Preference Shares of Quant Broking Private Limited	10	10 000	10 000	10 000	-	-	-
10% Non-Convertible Cumulative Redeemable Preference Shares of Reliance Securities Limited	10	-	-	12 50 00 000	-	-	125
12% Cumulative Redeemable Preference Shares of Reliance Securities Limited	10	-	-	2 50 00 000	-	-	25
12% Non-Convertible Cumulative Redeemable Preference Shares of Reliance Financial Limited	10	1 61 05 225	1 61 05 225	-	16	16	-
0% Optionally Convertible Redeemable Preference Shares of Reliance Money Solutions Private Limited (*₹ 35 00 000)	10	35 000	35 000	35 000	*	*	*

Notes to the Standalone Financial Statement for the year ended March 31, 2019

(₹ in crore)

Particulars	Face Value	Quantity			Value		
		As at March 31, 2019	As at March 31, 2018	As at April 1, 2017	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
12% Non-Convertible Cumulative compulsory Redeemable preference shares of Reliance Commercial Finance Limited (Previously 0%Non-Cumulative Non-Participative and Non-Convertible Redeemable Preference Shares)	10	40 00 00 000	40 00 00 000	40 00 00 000	400	448	400
12% Non-Convertible Cumulative Redeemable Preference Shares of Reliance Money Precious Metals Private Limited	10	1 70 00 000	1 70 00 000	1 70 00 000	-	-	-
10% Non-Convertible Non-Cumulative Redeemable Preference Shares of Reliance Commercial Finance Limited	1	9 660	-	-	-	-	-
11% Non-Cumulative Non-Convertible Redeemable Preference Shares of Reliance Money Solutions Private Limited	10	-	-	2 50 00 000	-	-	25
12% Non-Cumulative Non-Convertible Redeemable Preference Shares of Reliance Financial Limited	10	-	-	1 60 00 000	-	-	18
					416	464	593
Sub-Total (B)					416	464	593
Investments in Government or Trust Securities - At cost							
Unquoted							
National Saving Certificates (*₹ 45 000) (Deposited with sales tax department)	-	-	-	-	*	*	*
Pass Through Certificates (Subsidiary)*							
Reliance ARC-SBI-Maan Sarovar Trust Security Receipt	1 000	79 537	79 537	79 537	8	8	8
Sub-Total (C)					8	8	8
Investments in debentures or bonds							
Associate Companies*							
Unquoted, fully paid-up							
At FVTPL							
Series DDB I - Non Secured Redeemable Non Interest Bearing Non Convertible Deep Discount Bonds - Ammolite Holdings Limited	\$ 961	7 524	7 524	7 524	-	-	-
					-	-	-
Unquoted, fully paid-up							
At FVTPL							
Khandagiri Finance and Trading Private Limited 21.94% NCD 02 Sep 2017	1 00 000	-	-	500	-	-	-
11% Compulsory Convertible Debentures of Crest Logistics & Engineers Private Limited	1 000	80 00 000	80 00 000	80 00 000	-	717	800
11% Compulsory Convertible Debentures of Reliance Business Broadcast News Holding Limited	1 000	10 01 200	23 00 000	-	100	230	-
11% Compulsory Convertible Debentures of Reliance Unicorn Enterprises Limited	1 000	88 00 000	88 00 000	88 00 000	-	-	192
11% Compulsory Convertible Debentures of Reliance Value Services Private Limited	1 000	92 00 000	92 00 000	92 00 000	-	-	-
11% Compulsory Convertible Debentures of Reliance Digitech Limited	1 000	80 00 000	80 00 000	80 00 000	-	195	521
11% Compulsory Convertible Debentures of Reliance Entertainment Networks Private Limited (Formerly Reliance Land Private Limited)	1 000	-	2 16 00 000	94 00 000	-	1 333	597
11% Compulsory Convertible Debentures of Reliance Alpha Services Private Limited	1 000	1 01 00 000	1 01 00 000	1 01 00 000	-	264	478
11% Compulsory Convertible Debentures of Reliance Venture Asset Management Private Limited	1 000	90 00 000	90 00 000	90 00 000	-	629	874
					100	3 368	3 462
Sub-Total (D)					100	3 368	3 462

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2019

(₹ in crore)

Particulars	Face Value	Quantity			Value		
		As at March 31, 2019	As at March 31, 2018	As at April 1, 2017	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Investments in units of fund and Mutual Funds							
Investment in units of fund - unquoted , fully paid-up							
At FVTPL							
Class A Units of Reliance Alternative Investments Fund	10	7 77 96 044	7 77 96 044	14 02 78 694	116	119	233
Class B Units of Reliance Alternative Investments Fund – Private Equity Scheme I (*₹ 46 20 729)	0.01	46 20 72 909	46 20 72 909	46 20 72 909	*	*	*
India Seed Investment Fund	-	-	-	500	-	-	-
Reliance Yield Opportunities Fund AIF Scheme I	10,000	-	-	-	5	5	5
Reliance Yield Maximiser AIF – Scheme I	-	-	-	-	6	5	3
Reliance Yield Maximiser AIF – Scheme II	-	-	-	-	3	3	5
Reliance Yield Maximiser Scheme III	-	-	-	-	1	5	5
Reliance Eq Opportunities AIF Scheme I	10,000	-	-	-	12	1	-
					143	138	251
Investment in Mutual fund- quoted , fully paid-up							
At FVTPL							
Canara Robeco MF Capi.Port.Orie.Fund 23Oct2017	10	-	-	10 00 001	-	-	1
Reliance Japan Equity Fund	10	-	-	50 00 000	-	-	5
Reliance Mutual Fund Credit Risk Fund	10	19 43 589	-	-	5	-	-
Aditya Birla Sun Life MF Credit Risk Fund	10	36 86 582	-	-	5	-	-
Franklin Templeton Asset Management (India) Private Limited	10	12 768	-	-	5	-	-
Reliance MF Floating Rate Fund DIR PL Growth	10	17 48 937	-	-	5	-	-
Reliance MF low duration Fund-Dir Gro Plan	10	20 726	-	-	5	-	-
Reliance MF Classic Bond Fund Dir Growth	10	69 55 314	-	-	11	-	-
Reliance Liquid Fund – Treasury Plan	10	76 641	-	-	35	-	-
					71	-	6
					214	138	257
Sub-Total (E)							
Investment in Warrants-unquoted, partly paid-up							
At FVTPL							
Textrade International Limited (Refer Note No. v)	-	-	60 985	60 985	-	-	-
Sub-Total (F)							
Total investments (A+B+C+D+E+F)							
					21 185	24 571	24 856
Total Investment at Deemed Cost / Cost							
					20 413	20 255	19 999
Total Investment at FVTPL							
					730	3 970	4 312
Total Investment at OCI							
					42	346	545
Investments in India							
					21 185	24 571	24 856
Investments outside India							
					-	-	-

* Related Party

** Value Written Off

Notes:

- The equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value through OCI rather than profit or loss as these are strategic investments and the Company considered this to be more relevant.
- Reliance Nippon Life Asset Management Limited and Reliance Home Finance Limited got listed during FY 2017-18, therefore they have been reclassified from Unquoted to Quoted equity shares from FY 2017-18 onwards.
- The Company has created pari passu pledge on equity share capital of Reliance General Insurance Company Limited on March 25, 2019 to secure Non-Convertible Debentures (NCDs) issued by Reliance MediaWorks Financial Services Private Limited for an amount of ₹ 650 crore.
- Investment in 38,85,24,405 (Previous year 38,85,24,405) equity shares of Reliance Nippon Life Insurance Company Limited and 9,000 (Previous year 9,000) equity shares of Reliance DigiTech Limited are carried at fair value i.e. at amount transferred under the Scheme of Amalgamation.
- The Company has been allotted warrants without paying any consideration at the time of allotment.

Notes to the Standalone Financial Statement for the year ended March 31, 2019

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
9 Other financial assets considered good otherwise stated			
Interest accrued on loans	755	362	52
Interest accrued on investments	584	623	7
Less : Provision on Interest accrued on investments	-	(275)	-
Receivables from related party	10	2	4
Other deposits	24	19	19
Total	1 373	731	82
10 Current tax assets (net)			
Income tax paid in advance (net of provision)	26	44	29
Total	26	44	29

Particulars	As at March 31, 2019		As at March 31, 2018	
	Land	Buildings	Land	Buildings
11 Investment Property				
Gross carrying amount				
Deemed cost	29	149	29	149
Additions	-	-	-	-
Disposals and transfers	-	(6)	-	-
Closing gross carrying amount	29	143	29	149
Accumulated amortisation	-	5	-	2
Amortisation during the year	-	2	-	3
Impairment during the year	25	15	-	-
Disposals and transfers [*₹ (21 37 813)]	-	(*)	-	-
Closing accumulated depreciation / Impairment	25	22	-	5
Net carrying amount	4	121	29	144

Notes:

- On transition date the company has elected to carry previous GAAP carrying amount as deemed cost.
- The Company has carried out the valuation activity to assess fair value of its Investment in land and property which is ₹ 125 crore. Accordingly, fair value estimates for investment in land and property is classified as level 3.

Information regarding Income & Expenditure of Investment property

(₹ in crore)

Particulars	2018-19	2017-18
Rental income derived from investment property	-	-
Direct operating expenses (including repairs and maintenance) associated with rental income	-	-
Profit (loss) arising from sale of investment property	(3)	-
Impairment during the year	(40)	-
Depreciation for the year	(2)	(3)
(Loss)/Profit arising from investment property before indirect expenses	(45)	(3)

Notes to the Standalone Financial Statement for the year ended March 31, 2019

12 Property, plant and equipment

Particulars	Own Assets						Leased Assets			Total
	Buildings	Furniture and fixtures	Office Equipments	Data processing machineries	Vehicles	Leasehold improvement	Plant and equipments	Data processing machineries	Vehicles	
Gross carrying amount										
Cost as at April 1, 2017	88.70	1.61	0.35	20.89	7.17	2.11	63.58	24.02	3.34	211.77
Additions	0.06	0.01	0.03	0.80	1.55	0.10	-	-	-	2.55
Disposals and transfers	17.49	0.43	-	0.09	1.48	1.94	20.51	-	-	41.94
Closing gross carrying amount	71.27	1.19	0.38	21.60	7.24	0.27	43.07	24.02	3.34	172.38
Accumulated depreciation										
Opening accumulated depreciation	8.18	1.17	0.27	19.76	5.11	2.11	30.24	21.35	2.73	90.92
Depreciation charge during the year	1.32	0.08	0.03	1.65	0.56	-	6.08	1.82	0.34	11.88
Disposals and transfers	1.80	0.17	-	0.07	1.12	1.84	14.93	-	-	19.93
Closing accumulated depreciation	7.70	1.08	0.30	21.34	4.55	0.27	21.39	23.17	3.07	82.87
Net carrying amount as at March 31, 2018	63.57	0.11	0.08	0.26	2.69	-	21.68	0.85	0.27	89.51
Gross carrying amount										
Opening gross carrying amount	71.27	1.19	0.38	21.60	7.24	0.27	43.07	24.02	3.34	172.38
Additions	-	-	0.02	0.52	0.49	-	-	-	-	1.03
Disposals and transfers	10.81	-	-	-	0.22	-	5.07	-	1.97	18.07
Closing gross carrying amount	60.46	1.19	0.40	22.12	7.51	0.27	38.00	24.02	1.37	155.34
Accumulated depreciation										
Opening accumulated depreciation	7.70	1.08	0.30	21.34	4.55	0.27	21.39	23.17	3.07	82.87
Depreciation charge during the year	1.08	0.04	0.03	0.01	0.63	-	5.51	0.85	0.27	8.42
Disposals and transfers	0.43	-	-	-	0.12	-	2.97	-	1.97	5.49
Closing accumulated depreciation	8.35	1.12	0.33	21.35	5.06	0.27	23.93	24.02	1.37	85.80
Net carrying amount as at March 31, 2019	52.11	0.07	0.07	0.77	2.45	-	14.07	-	-	69.54

Notes:

- # includes Gross Carrying Amount transferred & Accumulated Depreciation transferred Pursuant to Scheme of Arrangement column represents assets transferred under the Scheme of Arrangement to Reliance Home Finance Limited in FY 2017-18.
- Buildings include ₹ 0.01 crore (Previous year ₹ 0.01 crore) which is given as security for Non-Convertible Debentures.
- On transition date the Company has elected to carry previous GAAP carrying amount as deemed cost.

Notes to the Standalone Financial Statement for the year ended March 31, 2019

Particulars	(₹ in crore)	
	Computer software's/Licensing cost	
	As at March 31, 2019	As at March 31, 2018
13 Intangible assets		
Gross carrying amount		
Opening deemed cost	55	55
Additions	-	-
Disposals and transfers	-	-
Closing gross carrying amount	55	55
Accumulated amortisation		
Opening accumulated amortisation	53	48
Amortisation during the year	2	5
Disposals and transfers	-	-
Closing accumulated depreciation	55	53
Net carrying amount [₹ 24 77 373]	-	2

Notes:

- In respect of Intangible assets it is other than internally generated.
- On transition date the Company has elected to carry previous GAAP carrying amount as deemed cost.

Particulars	(₹ in crore)		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
14 Other non-financial asset-unsecured goods otherwise stated			
Capital advances	300	300	318
Balance with Vat, Service & GST authorities	8	9	6
Advances	47	5	3
Prepaid expenses	2	3	4
Total	357	317	331
15 Debt securities			
At amortised cost			
Debentures and bonds			
- Secured	15 723	17 383	12 995
- Unsecured	1 378	1 389	1 382
At fair value through profit and loss			
- Debentures (secured)	619	823	753
Total	17 720	19 595	15 130
Debt securities in India	17 720	19 595	15 130
Debt securities outside India	-	-	-
Total	17 720	19 595	15 130

Non-Convertible Debentures (NCDs) are redeemable at par, in one or more installments, on various dates.

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2019

(a) Maturity profile and rate of interest of Non-Convertible Debentures are as set out below:

(₹ in crore)											
Rate of Interest	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	Total
#	155	448	-	-	-	-	-	-	-	-	603
8.20%	75	-	-	-	-	-	-	-	-	-	75
8.23%	20	-	-	-	-	-	-	-	-	-	20
8.25%	620	350	-	-	-	-	-	-	-	-	970
8.28%	235	-	-	-	-	-	-	-	-	-	235
8.32%	-	400	-	-	-	-	-	-	-	-	400
8.42%	-	-	14	-	-	-	-	-	-	-	14
8.47%	-	-	25	-	-	-	-	-	-	-	25
8.50%	-	-	478	-	-	-	-	-	-	-	478
8.65%	-	-	20	-	-	-	-	-	-	-	20
8.75%	100	15	239	163	184	-	-	-	-	-	701
8.80%	-	-	-	-	300	-	-	-	-	-	300
8.83%	-	-	-	984	-	-	-	-	-	-	984
8.85%	-	-	200	-	-	-	-	1 479	-	-	1 679
8.90%	-	-	500	-	-	-	-	-	-	-	500
8.93%	-	-	-	-	-	-	-	-	900	-	900
9.00%	-	-	-	-	-	-	-	1 476	-	-	1 476
9.05%	-	-	-	-	-	-	-	-	1 500	-	1 500
9.10%	75	-	-	-	-	-	-	-	-	-	75
9.12%	-	15	-	-	-	-	-	-	-	-	15
9.25%	150	-	-	-	6	-	-	-	-	-	156
9.32%	-	-	-	-	-	20	-	-	-	-	20
9.40%	-	-	-	-	1 497	-	-	-	-	-	1 497
9.42%	-	-	-	-	-	40	-	-	-	-	40
9.50%	-	-	-	-	5	-	-	-	-	-	5
9.65%	-	-	-	-	-	242	-	-	-	-	242
9.70%	15	-	-	-	-	-	-	-	-	-	15
9.75%	5	-	-	-	-	-	-	-	-	-	5
9.80%	-	-	-	498	-	-	-	-	-	-	498
9.85%	-	-	-	44	-	-	-	-	-	-	44
9.90%	-	498	-	74	-	-	-	-	-	-	572
9.95%	-	-	-	84	-	-	-	-	-	-	84
10.00%	-	-	-	10	-	-	-	-	-	-	10
10.05%	-	-	-	7	-	-	-	-	-	-	7
10.10%	-	-	-	10	-	1 068	-	-	-	-	1 078
10.15%	-	-	-	-	-	-	8	-	-	-	8
10.19%	-	-	-	-	152	-	-	-	-	-	152
10.20%	-	-	-	81	-	-	-	-	-	-	81
10.24%	500	-	-	-	-	-	-	-	-	-	500
10.25%	-	-	-	40	-	-	-	-	-	-	40
10.28%	15	-	-	-	-	-	-	-	-	-	15
10.35%	-	155	-	5	-	-	-	-	-	-	160
10.40%	5	-	-	344	-	-	-	-	-	-	349
10.50%	-	-	25	20	15	-	-	-	-	-	60
10.60%	-	-	82	50	-	-	-	-	-	-	132
10.75%	-	-	361	-	-	-	-	-	-	-	361
MLD	218	160	144	81	-	-	-	-	-	16	619
TOTAL	2 188	2 041	2 088	2 495	2 159	1 370	8	2 955	2 400	16	17 720

Zero coupon deep discount non convertible debentures

Notes to the Standalone Financial Statement for the year ended March 31, 2019

(b) Details about the nature of the security

(a) The Secured Non-Convertible Debentures of the Company aggregating to ₹ 16,446 crore (Previous year ₹ 18,327 crore) as on March 31, 2019 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 of the Company as specifically mentioned in the respective Trust Deeds and the asset cover thereof exceeds hundred percent of the principal amount of the said Debentures.

(b) Unsecured NCDs amounting to ₹ 1,405 crore (Previous year ₹ 1,423 crore) are in respect to Tier II subordinate debts.

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
16 Borrowings (other than debt securities)			
At amortised cost			
Term loan			
- From banks / financial institutions (secured)	609	610	-
- From banks / financial institutions (unsecured)	193	-	-
- Commercial paper (unsecured)	932	341	3 423
Total (A)	1 734	951	3 423
Borrowings in India	1 734	951	3 423
Borrowings outside India	-	-	-
Total (B)	1 734	951	3 423

a) **Maturity profile of Long-Term loans from banks / Financial institutions are as set out below :**

(₹ in crore)

Rate of Interest	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total
8.80%	19	19	19	19	19	14	109
10.60%	-	100	100	100	100	100	500
13.00%	193	-	-	-	-	-	193
TOTAL	212	119	119	119	119	114	802

b) **Details about the nature of the security**

Term Loans from banks / financial institution includes ₹ 615 crore (Previous year 615) are secured by pari passu first charge on all present and future book debts, receivables, bills, claims and loan assets of the Company subsidiary.

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
17 Other financial liability			
Interest accrued but not due on debentures	966	896	705
Security deposits	4	5	6
Other payables	19	81	67
Book Overdraft	8	-	-
Unclaimed dividend *	22	21	19
Total	1 019	1 003	797

* Does not include any amounts, due and outstanding, to be transferred to the Investor Education and Protection Fund created pursuant to Section 125 of the Companies Act, 2013.

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2019

Particulars	(₹ in crore)		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
18 Provisions			
Provision for Employee benefits			
Leave encashment	-	2	2
Gratuity	1	-	1
Others			
Provision for Financial Guarantee Obligation	346	1 503	1 198
Other provisions	20	20	3
Total	367	1 525	1 204

Summary of ECL on Financial Guarantee Obligation by stage distribution

Particulars	(₹ in crore)			
	Stage 1	Stage 2	Stage 3	Total
March 31, 2019	101	234	11	346
March 31, 2018	61	892	550	1 503
April 1, 2017	69	986	143	1 198

Particulars	(₹ in crore)		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
19 Other non-financial liabilities			
Advance receipts from customers (*₹ 46 84 559, **₹ 46 84 580)	*	**	1
Other Payables	37	64	31
Total	37	64	32

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Number	₹	Number	₹	Number	₹
20 Equity share capital						
Authorised shares						
Equity shares of ₹ 10 each	30 00 00 000	300	30 00 00 000	300	30 00 00 000	300
Preference shares of ₹ 10 each	10 00 00 000	100	10 00 00 000	100	10 00 00 000	100
Issued and subscribed						
Equity shares of ₹ 10 each	25 40 53 108	254	25 40 48 888	254	25 39 77 006	254
Paid up						
Equity shares of ₹ 10 each	25 27 08 902	252	25 27 04 682	252	25 26 32 800	252
Add: Forfeited shares (amount originally paid up on 13 44 206 equity shares of ₹ 10 each (previous year 13 44 206))	13 44 206	1	13 44 206	1	13 44 206	1
Total	25 40 53 108	253	25 40 48 888	253	25 39 77 006	253

Notes to the Standalone Financial Statement for the year ended March 31, 2019

a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year.

(₹ in crore)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Number	₹	Number	₹	Number	₹
Outstanding at the beginning of the year	25 27 04 682	253	25 26 32 800	253	25 26 32 800	253
Stock options exercised under the ESOS (*₹ 42 200, ** ₹ 7 18 820)	4 220	*	71 882	**	-	-
Outstanding at the end of the year	25 27 08 902	253	25 27 04 682	253	25 26 32 800	253

b) Terms and rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholder.

The Board of Directors have recommended a dividend of Nil [₹ Nil (Previous year ₹ 11) per equity share].

c) Shares reserved for issue under options

Information relating to the Reliance Capital Limited Employee Stock Option Scheme (ESOS), including details regrading options issued, exercised and lapsed during the year and options outstanding at the end of the reporting period is set out in Note No. 33.

d) Details of shareholders holding more than 5% of the shares in the Company

Equity shareholders	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Number	% holding	Number	% holding	Number	% holding
Reliance Inceptum Private Limited	9 41 39 206	37.43%	9 77 14 206	38.67%	9 77 14 206	38.67%
Reliance Infrastructure Consulting & Engineers Private Limited	1 95 88 991	7.79%	2 79 75 633	11.07%	2 79 75 633	11.07%

e) As on March 31, 2019, 12,11,665 equity shares (Previous year 11,58,711 equity shares) are held by custodian against which depository receipts have been issued.

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
21 Other Equity			
Securities premium account			
Opening balance	3 658	3 655	
Add : Changes during the year	1	3	
Closing balance	3 659	3 658	3 655
Capital redemption reserve	10	10	10
Capital reserve *			
Opening balance	779	853	
(Less) : Changes during the year	-	(74)	
Closing balance	779	779	853
Statutory reserve fund **			
Opening balance	1 844	1 678	
Add/(Less) : Changes during the year	31	166	
Closing balance	1 875	1 844	1 678
General reserve ***	4 817	4 817	4 817

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2019

Particulars	(₹ in crore)		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Surplus/(deficit) in the statement of profit and loss			
Opening balance	(2 093)	4 122	
Net profit for the period	157	(5 760)	
(Less) : Accumulated Income of Trust	-	1	
(Less) : Transfer to Statutory Reserve Fund	(31)	(166)	
(Less) : Proposed Dividend	(276)	(265)	
(Less) : Tax on Proposed Dividend	(53)	(25)	
Closing balance	(2 296)	(2 093)	4 122
Treasury Shares			
Opening balance	2	-	
Add/(Less) : Changes during the year	-	2	
Closing balance	2	2	-
Other comprehensive Income			
Opening balance	(71)	112	
(Less) : Changes during the year	(167)	(183)	
Closing balance	(238)	(71)	112
RCAP ESOP Trust Reserve			
Opening balance	11	5	
Add/(Less) : Changes during the year	(4)	6	
Closing balance	7	11	5
Total	8 615	8 957	15 251

* Includes ₹ 773 crore (Previous year ₹ 773 crore) created pursuant to the Scheme of Amalgamation approved by High Court which shall for all regulatory and accounting purposes be considered to be part of the owned funds / net worth of the Company.

** Created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934.

*** Includes ₹ 3,837 crore (Previous year ₹ 3,837 crore) created pursuant to Scheme of Amalgamation.

Nature and purpose of reserve

a) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

b) General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

c) FVOCI equity investments

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

d) ESOP trust reserve and Treasury shares

Profit on sale of treasury shares by RCAP ESOS trust is recognised in RCAP ESOS trust reserve.

Notes to the Standalone Financial Statement for the year ended March 31, 2019

		(₹ in crore)	
Particulars	2018-19	2017-18	
22 Interest income			
On financial assets measured at amortised costs:			
- Loans	1 359	1 330	
- Fixed Deposits and others	36	134	
On financial assets measured at FVTPL:			
Interest income from investments	718	782	
Total	2 113	2 246	
23 Fees and commission Income			
- Processing fees [Previous year ₹ 1 95 652]	-	-	
- Management Fee	36	36	
Total	36	36	
24 Other operating income			
Bad debt recovered	5	12	
Other operating income [₹ 15 51 617 (Previous year ₹ 11 71 878)]	-	-	
Total	5	12	
25 Other income			
Credit Balance / Excess Provision Written Back	2	-	
Miscellaneous income	3	4	
Total	5	4	
26 Finance cost			
On financial liabilities measured at amortised cost:			
Interest and finance charges			
Debentures	1 618	1 620	
Bank / Financial institutions	89	26	
Inter corporate deposits	29	-	
Commercial Papers	87	99	
Others (Previous year ₹10 42 153)	1	-	
Amortised Brokerage	57	33	
On financial liabilities measured at FVTPL:			
Debentures	56	57	
Total	1 937	1 835	
27 Net gain on fair value changes			
Realised	(830)	(25)	
Unrealised	1 529	1 829	
Total	699	1 804	
28 Impairment on financial instruments (net)			
On financial instruments measured at amortised cost:			
Loans	(4 245)	3 958	
Financial guarantee obligation	(1 158)	306	
Bad Debts Written Off	3 873	-	
Loss on sale of assignment	877	-	
Total	(653)	4 264	
29 Employee benefits expenses			
Salaries and wages	45	83	
Contribution to provident and other funds	3	3	
Staff welfare expenses	3	3	
Total	51	89	

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2019

Particulars	(₹ in crore)	
	2018-19	2017-18
30 Other expenses		
Bank charges [₹2 04 163 (Previous year ₹3 88 217)]	-	-
Rental charges	21	18
Rates and taxes	2	2
Repairs and maintenance		
- Buildings [₹12 83 614 (Previous year ₹34 72 500)]	-	-
- Others	7	4
Electricity [₹30 61 299 (Previous year ₹26 37 790)]	-	-
Insurance	1	1
Travel and conveyance	2	2
Postage, Telegram and Telephones	1	1
Legal & Professional Fees	26	68
Payments to auditors [refer note (a) below]	1	1
Sales and marketing expenses	1	3
Employee Seminar and Training	1	1
Donation [₹1 12 062 (Previous year ₹2 67 000)]	-	-
Corporate social responsibility (CSR) expenditure [refer note (b) below]	6	13
Directors' sitting fees [₹44 47 200 (Previous year ₹49 49 400)]	-	-
Loss on retirement of fixed assets (net)	1	3
Miscellaneous expenses	3	5
Total	73	122

Notes:

a) Breakup of Auditors' remuneration

Audit fees	1	1
Tax audit fees [(₹ 1 07 500 (Previous Year ₹ 1 07 500)]	-	-
Certification charges and other reimbursement [(₹ 1 64 090, (Previous Year ₹ Nil)]	-	-
Total	1	1

b) Contribution for corporate social responsibility (CSR)

As per Section 135 of the Companies Act, 2013 the Company is under obligation to incur ₹ 6 crore (Previous year ₹ 13 crore) and has incurred the same in cash, being 2% of the average net profit during the three immediately preceding financial years, calculated in the manner as stated in the Act towards Corporate Social Responsibility through a non-profit centre engaged in the provision of health care for the purpose other than construction / acquisition of asset.

31 Income tax

a) The components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

Particulars	(₹ in crore)	
	2018-19	2017-18
Current tax	-	202
Adjustment in respect of current income tax of prior years	-	9
Deferred tax	-	-
Total	-	211

Notes to the Standalone Financial Statement for the year ended March 31, 2019

b) Reconciliation of the total tax charge

	(₹ in crore)	
Particulars	2018-19	2017-18
Reconciliation of Profit Before Tax to Taxable Profit	157	(5 549)
Effect of expenses that are not deductible in determining taxable profit	(4 700)	6 766
Effect of incomes which are exempt from tax	(150)	(281)
Taxable (loss) / Profit	(4 693)	936
Tax at India's statutory income tax rate	21.55%	21.34%
Income tax expense at effective tax rate	-	202
Effective tax rate	-	21.58%

c) Deferred tax assets/liabilities

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities / (assets):

	(₹ in crore)			
Particulars	As at April 1, 2017	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at March 31, 2018
Deferred tax liability :				
Related to Fixed Assets	19	-	-	14
Capital gain effects-without STT	87	-	-	-
Capital gain effects with STT	603	-	-	594
Deferred Expenses - DSA & Brokerage	23	-	-	56
	732	-	-	664
Deferred tax asset :				
Provision for Leave Encashment	1	-	-	1
Provision for Gratuity	1	-	-	-
Provision for Expected Credit Loss	1 523	-	-	2 994
	1 525	-	-	2 995
Net deferred tax liability \ (asset)	(793)	-	-	(2 331)

	(₹ in crore)			
Particulars	As at March 31, 2018	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at March 31, 2019
Deferred tax liability :				
Related to Fixed Assets	14	-	-	11
Capital gain effects with STT	594	-	-	594
Deferred Expenses - DSA & Brokerage	56	-	-	46
	664	-	-	651
Deferred tax asset :				
Provision for Leave Encashment	1	-	-	-
Provision for Gratuity (* ₹ 28 00 119)	-	-	-	*
Provision for Expected Credit Loss	2 994	-	-	1 131
	2 995	-	-	1 131
Net deferred tax liability \ (asset)	(2 331)	-	-	(480)

Note: As a matter of prudence the company had decided not to recognise Deferred tax assets (net) in books of accounts.

32 Tax on proposed dividend

In view of Section 115-O of the Income Tax Act, 1961, the Company has reduced its dividend tax liabilities to the extent dividend received from its subsidiary company:

	(₹ in crore)	
	2018-19	2017-18
Company dividend		
Company paid / proposed dividend	268	265
Less: Dividend received from subsidiary	21	145
Dividend for distribution tax	157	120
Dividend distribution tax thereon	53	25

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2019

33 Employee share based payments

- a) The Company introduced ESOP 2015 which covers eligible employees of the Company and its subsidiaries. The vesting of the options is from expiry of one year till five years as per Plan. Each Option entitles the holder thereof to apply for and be allotted/transferred one Equity Share of the Company upon payment of the exercise price during the exercise period.

Details of scheme of Employee Stock Option Plans are as under :

	ESOS 2015
Date of Grant	October 15, 2015
Price of Underlying Stock (₹)	396
Exercise Price (₹)	396

* In terms of the provisions of the ESOS, exercise price of ₹ 396 has been adjusted to ₹ 296, on account of corporate action for demerger of Real Estate Lending Business of the Company, in line with the difference in the volume weighted average price of the Equity Shares of the Company on the National Stock Exchange of India Limited on pre and post demerger date.

The fair value of the options granted was estimated on the date of grant using the Black Scholes Model with the following assumptions:

Risk Free Interest Rate	7.51%- 7.56%
Expected Dividend Yield	2.28%
Expected Life (years)	4.51 to 6.51
Expected Volatility	44.61% to 46.39%
Weighted Average Fair Value (₹)	565

The information covering stock options granted, exercised, forfeited and outstanding at the year end is as follows: (As certified by the management)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Average exercise price	Number of options	Average exercise price	Number of options
Outstanding at the beginning of the year	296	2 40 622	296	5 26 780
Granted during the year	-	-	-	-
Exercised during the year	296	4 220	296	71 882
Forfeited / Lapsed / Expired during the year	-	24 812	-	2 14 276
Outstanding at the end of the year	296	2 11 590	296	2 40 622
Vested and exercisable	296	1 05 795	296	69 514

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2019 was ₹ 296 (previous year ₹ 296).

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price	Outstanding as at March 31, 2019	Outstanding as at March 31, 2018	Outstanding as at April 1, 2017
October 15, 2015	October 15, 2020	296	2 11 590	2 40 622	5 26 780
Total			2 11 590	2 40 622	5 26 780

- b) The Company introduced ESOS 2017 which covers eligible employees of the Company and its subsidiaries. The vesting of the options is from expiry of one year till four years as per Plan. Each Option entitles the holder thereof to apply for and be allotted / transferred one Equity Share of the Company upon payment of the exercise price during the exercise period.

Details of ESOS 2017:

Date of Grant	ESOS 2017				
	July 27, 2017	February 8, 2018	March 28, 2018	October 05, 2018	February 13, 2019
Price of Underlying Stock (₹)	556	442	429	270	137
Exercise / Strike Price (₹)	556	442	429	270	137

Notes to the Standalone Financial Statement for the year ended March 31, 2019

- c) The fair value of the options granted was estimated on the date of grant using the Black Scholes Model with the following assumptions:

Risk Free Interest Rate	6.25% - 6.59%	6.89% - 7.46%	7.13% - 7.34%	7.78% - 8.06%	7.04% - 7.20%
Expected Dividend Yield	1.59%	2.38%	2.45%	4.07%	8.05%
Expected Life (years)	2.50 to 5.51	2.50 to 5.51	4.01 to 5.51	2.50 to 5.51	4.01 to 5.51
Expected Volatility	39.58% to 41.92%	42.75% to 42.03%	42.69% to 41.93%	42.23% to 42.77%	46.01% to 45.17%
Weighted Average Fair Value (₹)	829	597	593	86.64	33.96

The information covering stock options granted, exercised, forfeited and outstanding at the year end is as follows: (As certified by the management)

	No. of stock options as at March 31, 2018				
Outstanding at the beginning of the year	-	-	-	-	-
Granted during the year	9 21 000	81 100	1 18 000	-	-
Exercised during the year	-	-	-	-	-
Forfeited / Lapsed / Expired during the year	31 000	-	-	-	-
Outstanding at the end of the year	8 90 000	81 100	1 18 000	-	-

	No. of stock options as at March 31, 2019				
Outstanding at the beginning of the year	8 90 000	81 100	1 18 000	-	-
Granted during the year	-	-	12 64 950	21 38 720	8 200
Exercised during the year	-	-	-	-	-
Forfeited / Lapsed / Expired during the year	8 90 000	81 100	13 82 950	85 680	-
Outstanding at the end of the year	-	-	-	20 53 040	8 200

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price	Outstanding as at March 31, 2019	Outstanding as at March 31, 2018	Outstanding as at April 1, 2017
October 05, 2018	October 05, 2022	270	20 53 040	-	-
February 13, 2019	October 05, 2022	137	8 200	-	-
Total			20 61 240	-	-

- d) **Fair value of options granted**

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The options granted for no consideration and will vest upon the completion of service condition as specified in scheme in graded manner. Vested options are exercisable for the period of five years after the vesting.

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

34 Employee benefit obligations

- a) **Defined contribution plans**

Contribution to defined contribution plans, recognised as expense for the year is as under:

	(₹ in crore)	
Particulars	2018-19	2017-18
Employer's contribution to provident fund	2	2
Employer's contribution to superannuation fund [₹ 6 43 184 (Previous year ₹ 8 17 003)]	-	-
Employer's contribution to pension scheme	1	1

b) Defined benefit plans

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

i) Balance Sheet

(₹ in crore)

	Present value of obligation	Fair value of plan assets	Net amount
As at April 1, 2017	11	7	4
Current service cost	1	-	1
Interest expense/(income) [₹ 28 95 704]	1	1	*
Liability transferred in / Acquisition	1	-	1
Liability transferred in / Divestments	(5)	(5)	-
Return on plan assets [₹ (21 75 584) **₹ 21 75 584]	-	*	**
Actuarial loss / (gain) arising from change in financial assumptions	-	-	-
Actuarial loss / (gain) arising from change in demographic assumptions [₹ (25 37 832)]	*	-	*
Actuarial loss / (gain) arising on account of experience changes	(1)	-	(1)
Employer contributions	-	5	(5)
Benefit payments	(3)	(3)	-
As at March 31, 2018 [₹ (1 34 501)]	5	5	*
Current service cost [₹ 42 71 737]	*	-	*
Interest expense/(income) [₹ 37 17 252, **₹ 38 25 929, ***₹ (01 08 677)]	*	**	***
Liability transferred in / Acquisition [₹ 17 30 388]	*	-	*
Liability transferred in / Divestments	-	-	-
Return on plan assets [₹ (17 12 488) **₹ 17 12 488]	-	*	**
Actuarial loss / (gain) arising from change in financial assumptions [₹ 15 73 135]	*	-	*
Actuarial loss / (gain) arising from change in demographic assumptions	-	-	-
Actuarial loss / (gain) arising on account of experience changes [₹ 5 93 301]	*	-	*
Employer contributions [₹ 3 36 403 **₹ (3 36 403)]	-	*	**
Benefit payments	(1)	(1)	-
As at March 31, 2019	<u>4</u>	<u>4</u>	<u>-</u>
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Present value of plan liabilities	4	5	11
Fair value of plan assets	4	5	7
Plan liability net of plan assets [₹ (13 45 010)]	-	*	4

Notes to the Standalone Financial Statement for the year ended March 31, 2019

ii) Expenses recognised in Statement of Profit and Loss

	(₹ in crore)	
Particulars	2018-19	2017-18
Employee Benefit Expenses: [₹ 41 63 060]	-	1
Current service cost [₹ 42 71 737]	-	1
Total	1	2
Finance cost [₹ (1 08 677) (Previous year ₹ 28 95 704)]	-	-
Net impact on the profit before tax	1	2
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in interest expense/income [₹ 17 12 488 (Previous year ₹ 21 75 584)]	-	-
Actuarial gains/(losses) arising from changes in demographic assumptions [(Previous year ₹ (25 37 832))]	-	-
Actuarial gains/(losses) arising from changes in financial assumptions [₹ 15 73 135]	-	-
Actuarial gains/(losses) arising from changes in experience [₹ 5 93 301]	-	(1)
Net impact on the other comprehensive income before tax	-	(1)
[₹ 38 78 924]		

iii) Expenses recognised in Other Comprehensive Income (OCI)

Actuarial loss / (gain) on obligation for the period [₹ 21 66 436]	-	(1)
Return on plan assets, excluding interest income [₹ 17 12 488 (Previous year ₹ 21 75 584)]	-	-
Change in asset ceiling	-	-
Net expenses recognised in Other Comprehensive Income (OCI)	-	(1)
[₹ 38 78 924]		

iv) Defined benefit plans assets

	(₹ in crore)		
Category of assets (% allocation)	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Insurer managed funds	100%	100%	100%
Total	100%	100%	100%

v) Actuarial assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Expected return on plan assets	8.08%	7.34%	7.34%
Discount rate	8.08%	8.08%	7.34%
Salary escalation rate*	6.00%	6.00%	6.00%
Rate of employee turnover	Categorywise	Categorywise	Categorywise
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality rate After employment	N.A.	N.A.	N.A.

* takes into account the inflation, seniority, promotions and other relevant factors

vi) Sensitivity Analysis

Particulars	(₹ in crore)	
	As at March 31, 2019	As at March 31, 2018
Projected Benefit obligation on current assumption	4	5
Delta effect of +1% change in rate of discounting [₹ (31 08 975) (Previous year ₹ (3080468))]	-	-
Delta effect of -1% change in rate of discounting [₹ 35 40 794 (Previous year ₹ 34 86 794)]	-	-
Delta effect of +1% change in rate of salary increase [₹ 35 61 644 (Previous year ₹ 35 24 276)]	-	-
Delta effect of -1% change in rate of salary increase [₹ (31 80 772) (Previous year ₹ (31 68 416))]	-	-
Delta effect of +1% change in rate of employee turnover [₹ 3 02 409 (Previous year ₹ 4 23 327)]	-	-
Delta effect of -1% change in rate of employee turnover [₹ (3 42 301) (Previous year ₹ 4 71 717)]	-	-

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding aa other assumptions constant. The seenstivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised.

vii) Maturity

The defined benefit obligations from fund shall mature after year end as follows:

Particulars	(₹ in crore)	
	As at March 31, 2019	As at March 31, 2018
1 st Following Year	1	1
2 nd Following Year [₹ 18 67 402 (Previous year ₹ 21 11 758)]	-	-
3 rd Following Year [₹ 24 01 399 (Previous year ₹ 35 86 130)]	-	-
4 th Following Year [₹ 20 13 507 (Previous year ₹ 26 16 617)]	-	-
5 th Following Year [₹ 30 99 033 (Previous year ₹ 22 65 188)]	-	-
Sum of 6 to 10	2	3
Sum of Years 11 and above	6	3

The average duration of the defined benefit obligation is 7.38 years (previous year - 7.40 years)

c) Phantom Stock Option Scheme:

As a long term incentive plan to employees, the Company has initiated Phantom Stock Option Plan on October 15, 2015 which are cash settlement rights where the employees are entitled to get cash compensation based on a agreed formulae linked to market value of subsidiary company shares upon exercise of phantom stock options over notional or hypothetical shares.

Liability towards the scheme is accounted for on the basis of an independent actuarial valuation done at the year end. The valuation of the shares is done considering the Projected Unit Credit Method and the progression of share price up to the exercise of the option. Fair Value of Phantom Stock Options was estimated on the date of grant on the assumptions of Discount Rate of 6.77% and Expected Life of 4 years.

Vested Phantom Options can be exercised on continuation of employment any time upto 3 years from the date of last vesting and upon cessation of employment as per the terms of the Scheme. Settlement of Phantom Option is done in cash within 90 days from the date of exercise. For the current year the Company has created provision of ₹ Nil (Previous year ₹ 3 crore).

Notes to the Standalone Financial Statement for the year ended March 31, 2019

35 Segment information

In accordance with Ind AS 108 'Operating Segment', segment information has been given in the consolidated Ind AS financial statements of Reliance Capital Limited, and therefore, no separate disclosure on segment information is given in these financial statements.

36 Related party transactions

A. List of Related Parties and their relationship:

i) Major investing party

Reliance Inceptum Private Limited (RIPL)

ii) Individual Promoter

Mr. Anil D. Ambani, the person having significant influence during the year

iii) Subsidiaries

Reliance Capital Trustee Co. Limited (RCTC)
 Reliance Capital AIF Trustee Company Private Limited (RCATCPL)
 Reliance General Insurance Company Limited (RGICL)
 Reliance Nippon Life Insurance Company Limited (RNLICL)
 Reliance Health Insurance Limited (RHIL)
 Reliance Home Finance Limited (RHFL)
 Reliance Exchangenext Limited (RNext)
 Reliance Corporate Advisory Services Limited (RCASL)
 Reliance Securities Limited (RSL)
 Reliance Commercial Finance Limited (RCFL)
 Reliance Commodities Limited (RCoL)
 Reliance Financial Limited (RFL)
 Reliance Money Precious Metals Private Limited (RMPMPL)
 Reliance Money Solutions Private Limited (RMSPL)
 Reliance Wealth Management Limited (RWML)
 Reliance Capital Pension Fund Limited (RCPFL) (w.e.f. July 3, 2017)
 Reliance ARC-SBI-Maan Sarovar Trust Security Receipt (RASMST)
 Quant Capital Private Limited (QCPL)
 Quant Broking Private Limited (QBPL)
 Quant Investment Services Private Limited (QISPL)
 Quant Securities Private Limited (QSPL)
 Gullfoss Enterprises Private Limited (GEPL) (w.e.f. February 20, 2019)

iv) Associates

Reliance Nippon Life Asset Management Limited (RNLAML)
 Reliance Capital Pension Fund Limited (RCPFL) (ceased w.e.f. July 3, 2017)
 Reliance Asset Reconstruction Company Limited (RARCLL)
 Indian Commodity Exchange Limited (ICEX) (ceased w.e.f. September 25, 2018)
 Ammolite Holdings Limited (AHL)

v) Key Management Personnel

Mr. Anmol Ambani – Executive Director
 Mr. Amit Bapna – Chief Financial Officer
 Mr. Atul tandon – Company Secretary & Compliance Officer

B. Other related parties with whom transactions have taken place during the year:

i) Enterprise over which individual described in clause A (i) above has significant influence

Reliance Communications Limited (RCL)
 Reliance Big Entertainment Private Limited (RBEPL)
 Reliance Communications Infrastructure Limited (RCIL)
 Reliance Infratel Limited (RIL)
 Globalcom IDC Limited (GIDC)
 Reliance Webstore Limited (RWL)
 Nationwide Communication Private Limited (NCPL)
 Reliance Cleangen Limited (RCGL)
 Reliance Naval and Engineering Limited (RNAVAL)
 E-Complex Private Limited (ECPL)
 Reliance Infrastructure Limited (RInfra)

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2019

C. Transactions during the year with related parties:

(₹ in crore)					
Particulars	Year	Subsidiaries	Others (B above)	Associates	Total
Property, plant and equipment					
a) Purchased during the year (* ₹ 6 07 125)	2018-19	*	-	-	*
	2017-18	-	-	-	-
b) Sold during the year (* ₹ 73 603)	2018-19	-	-	-	-
	2017-18	*	-	-	*
Investments					
a) Subscribed / Purchased during the year	2018-19	162	-	-	162
	2017-18	989	2	5	996
b) Redeemed / Sold during the year (* ₹ 79 240)	2018-19	*	-	-	-
	2017-18	166	-	-	166
c) Closing Balances	2018-19	15 621	3	5 208	20 832
	2017-18	15 513	65	5 206	20 783
	2016-17	14 658	114	5 934	20 706
Loans Given					
a) Given during the year	2018-19	170	6	38	214
	2017-18	64	323	-	387
b) Returned /Adjusted during the year	2018-19	96	1 219	8	1 323
	2017-18	474	637	-	1 111
c) Assignment of loan	2018-19	-	877	-	877
	2017-18	-	-	-	-
d) Closing Balances	2018-19	80	5	30	115
	2017-18	6	1 340	-	1 346
	2016-17	309	1 654	-	1 963
e) ECL provision on loan outstanding (* ₹ 18 43 748)	2018-19	3	5	1	9
	2017-18	*	1 146	-	1 146
	2016-17	17	782	-	799
f) Interest accrued on Loans (* ₹ 41 39 556)	2018-19	1	1	1	3
	2017-18	*	190	-	190
	2016-17	-	6	-	6
g) ECL provision on interest outstanding [* ₹ 4 15 557, ** ₹ 1 81 009, *** ₹ 1 35 806]	2018-19	*	1	**	1
	2017-18	***	168	-	168
	2016-17	-	2	-	2
Advances					
a) Closing Balances [* ₹ 24 442 (** ₹ 30 65 599) (*** ₹ 5 42 167)]	2018-19	10	-	*	10
	2017-18	2	-	**	2
	2016-17	3	-	***	3
Debentures					
a) Redeemed during the year	2018-19	241	-	-	241
	2017-18	302	-	-	302
b) Closing Balances	2018-19	138	-	-	138
	2017-18	223	-	-	223
	2016-17	247	-	-	247
c) Accrued interest on debentures	2018-19	4	-	-	4
	2017-18	10	-	-	10
	2016-17	14	-	-	14
Income					
a) Interest & Finance Income	2018-19	1	15	1	17
	2017-18	22	169	-	191
b) Rent [* ₹ 9 00 000 (** ₹ 2 25 000)]	2018-19	-	*	-	*
	2017-18	-	**	-	**
c) Dividend Income	2018-19	44	-	106	150
	2017-18	23	-	259	282
d) Reimbursement of Expenditure [* 1 10 549 (** ₹ 4 18 215)]	2018-19	20	*	4	24
	2017-18	15	**	3	18
e) Management Fees	2018-19	30	-	6	36
	2017-18	30	-	6	36
f) Other operating income [* ₹ 3 40 000 (** ₹ 4 00 000)]	2018-19	-	-	*	*
	2017-18	-	-	**	**

Notes to the Standalone Financial Statement for the year ended March 31, 2019

						(₹ in crore)
Particulars	Year	Subsidiaries	Others (B above)	Associates	Total	
Expenditure						
a) Finance cost paid	2018-19	38	-	-	38	
	2017-18	66	-	-	66	
b) Insurance	2018-19	1	-	-	1	
	2017-18	1	-	-	1	
c) Rent	2018-19	-	-	-	-	
	2017-18	-	-	-	-	
d) Brokerage paid during the year	2018-19	1	-	-	1	
	2017-18	1	-	-	1	
e) Reimbursement of Expenditure (* ₹ 3 54 000)	2018-19	-	-	-	-	
	2017-18	*	-	8	8	
f) Provision / (Reversal) for Diminution in value of Investments	2018-19	-	62	-	62	
	2017-18	-	49	-	49	
g) ECL provision on loan and interest (net)	2018-19	3	(1 308)	1	(1 304)	
	2017-18	(17)	530	-	513	
h) Bad debts written off / loss on sale of assignment	2018-19	-	1 313	-	1 313	
	2017-18	-	-	-	-	
i) Investments written off	2018-19	-	-	-	-	
	2017-18	17	-	-	17	
Contingent liability						
a) Guarantees to banks and financial institutions on behalf of third parties.	2018-19	200	50	-	250	
	2017-18	200	483	-	683	
	2016-17	-	836	-	836	

Employee Benefit expenses ₹ 6 crore (Previous year ₹ 5 crore)

D. The nature and volume of material transactions for the year with above related parties are as follows:

Property, plant and equipment

2018-19

Property, plant and equipment purchased during the year include ₹ 6,07,125 to RCFL.

2017-18

Property, plant and equipment sold during the year include ₹ 67,206 to RSL.

Investments

2018-19

Investments Subscribed / Purchased during the year include ₹ 147 crore from RHIL and ₹ 15 crore from RWML. Investments Redeemed / Sold during the year include ₹ 79,240 crore to RCASL and ₹ 0.01 to RNext. Investments Balance as at March 31, 2019 includes ₹ 5,028 crore of RGICL, ₹ 2,613 crore to RCFL, ₹ 5 078 crore to RNLICL, ₹ 3 crore RCL, and ₹ 5,128 crore RNLAML.

2017-18

Investments Subscribed / Purchased during the year include ₹ 400 crore from RCFL, ₹ 16 crore from RFL, ₹ 160 crore from RSL, ₹ 373 crore from RHFL, ₹ 5 crore to RNLAML, and includes ₹ 2 crore from NCPL. Investment redeemed / sold during the year includes ₹ 150 crore to RSL. Investments Balance as at March 31, 2018 includes ₹ 5,029 crore of RGICL, ₹ 2,664 crore to RCFL, ₹ 5,078 crore to RNLICL, ₹ 65 crore RCL, and ₹ 5,127 crore RNLAML.

2016-17

Investments Balance as at April 1, 2017 includes ₹ 5,028 crore of RGICL, ₹ 2,217 crore to RCFL, ₹ 5,077 crore to RNLICL, ₹ 114 crore RCL, and ₹ 5,854 crore RNLAML.

Loans Given

2018-19

Loans given during the year includes ₹ 46,00,000 to RNext, ₹ 75 crore to RSL, ₹ 95 crore to RHFL, ₹ 38 crore to RARCL and ₹ 6 crore RBEPL. Loan Returned/Adjusted during the year include ₹95 crore from RHFL, ₹ 8 crore from RARCL, ₹ 1 crore to RNext, ₹ 177 crore from RBEPL, ₹ 450 crore RCIL, ₹ 426 crore RIL ₹ 83 crore to RNAVAL, ₹ 57 crore to ECPL and ₹ 25 crore to RInfra. Assignment of loan 877 crore to RCL. Loan given Balance as at March 31, 2019 include ₹ 5 crore to RNext, ₹ 75 crore to RSL, ₹ 30 crore to RARCL and ₹ 5 crore RCGL. ECL provision on loan outstanding includes ₹ 3 crore to RSL, ₹ 1 crore to RARCand ₹ 5 crore to RCGL. Accrued Interest on loans as at March 31, 2019 includes ₹ 1 crore from RSL, ₹ 1 crore to RNext, ₹ 1 crore to RARCL and ₹ 1 crore to RCGL. ECL provision on interest outstanding includes ₹ 2,38,986 to RNext, ₹ 1,76,571 to RSL ₹ 1,81,009 to RARC and ₹ 1 crore to RCGL.

2017-18

Loans given during the year includes ₹ 11 crore to RNext, ₹ 33 crore to RCASL, ₹ 20 crore to RSL, ₹ 100 crore to RCIL, ₹ 28 crore to RBEPL, ₹ 83 crore to RNAVAL, ₹ 57 crore to ECPL and ₹ 50 crore to RInfra. Loan Returned/Adjusted during the year include ₹107 crore from RCFL, ₹ 335 crore from RCASL, ₹ 20 crore to RSL, ₹ 600 crore to RCL, ₹ 12 crore from RBEPL. ECL provision on loan outstanding includes ₹ 18,43,748 to RNext, ₹224 crore to RCL, ₹ 400 crore to RCIL,

Notes to the Standalone Financial Statement for the year ended March 31, 2019

₹ 376 crore to RIL. Loan given Balance as at March 31, 2018 include ₹ 5 crore to RNext, ₹ 171 crore to RBEPL. Accrued Interest on loans as at March 31, 2018 includes ₹ 21 crore from RBEPL. ECL provision on interest outstanding includes ₹ 1,35,806 to RNext, ₹ 51 crore to RCL, ₹ 50 crore to RCIL, ₹ 51 crore to RIL.

2016-17

Loan given Balance as at April 1, 2017 include ₹302 crore to RCASL, ₹376 crore to RIL, ₹ 824 crore to RCL, ₹ 300 crore to RCIL, ₹ 155 crore to RBEPL. ECL provision on loan outstanding includes ₹ 11 crore to RCASL, ₹ 6 crore to RNext, ₹ 426 crore to RCL, ₹ 155 crore to RCIL, ₹ 195 crore to RIL. Accrued Interest on loans as at April 1, 2017 includes ₹ 4 crore from RBEPL, ₹ 1 crore to RIL and ₹ 3 crore to RCL. ECL provision on interest outstanding includes ₹ 1 crore to RCL and ₹ 1 crore to RIL.

Advances

2018-19

Advance balance as at March 31, 2019 includes ₹ 35,94,975 to RGICL, ₹ 2 crore to RSL, ₹ 3 crore RNLICL, ₹ 3 crore RCFL, ₹ 2 crore RHFL and ₹ 24,442 to RARCL.

2017-18

Advance balance as at March 31, 2018 includes ₹ 28,44,523 to RGICL, ₹ 2 crore to RSL, and ₹ 1,72,222 to RARCL.

2016-17

Advance balance as at April 1, 2017 includes ₹ 1 crore to RGICL, ₹ 2 crore to RSL, and ₹ 5,42,167 to RARCL.

Debentures (Borrowings)

2018-19

Debentures redeemed during the year include ₹ 2 crore to RSL, ₹ 70 crore to RGICL and ₹ 165 crore to RFL. Debentures balance as at March 31 2019 includes ₹ 2 crore to RSL, ₹ 127 crore to RGICL, ₹ 8 crore to RFL and ₹ 1 crore to RCoL. Accrued Interest on debentures as at March 31, 2019 include ₹ 4 crore to RGICL

2017-18

Debentures redeemed during the year include ₹ 190 crore to RSL, ₹ 60 crore to RGICL and ₹ 52 crore to RFL. Debentures balance as at March 31 2018 includes ₹ 4 crore to RSL, ₹ 196 crore to RGICL, ₹ 16 crore to RFL and ₹ 5 crore to RCoL. Accrued Interest on debentures as at March 31, 2018 include ₹ 10 crore to RGICL

2016-17

Debentures balance as at April 1 2017 includes ₹ 9 crore to RSL, ₹ 225 crore to RGICL and ₹ 12 crore to RFL. Accrued Interest on debentures as at April 1, 2017 include ₹ 14 crore to RGICL

Income

2018-19

Interest & Finance Income includes ₹ 1 from RSL, ₹ 1 from RNext, ₹ 15 crore from RBEPL ₹ 49 crore from RIL and ₹ 50 crore from RCIL. Rent income include ₹ 9,00,000 from RCIL. Dividend Income includes ₹ 13 crore from RGIC, ₹ 7 crore from RCFL, ₹ 23 crore from RHF, ₹ 105 crore from RNLAML and ₹ 1 crore from RARCL. Reimbursement of Expenditure include ₹ 5 crore from RGICL, ₹ 4 crore from RNLAM, ₹ 1 crore from RSL, ₹ 1 crore from RHFL, ₹ 6 crore from RNLICL and ₹ 3 crore from RCFL. Management Fees include ₹ 6 crore from RGICL, ₹ 6 crore from RSL, ₹ 6 crore from RHFL, ₹ 6 crore from RCFL, ₹ 6 crore from RNLICL and ₹ 6 crore from RNLAM. Other operating incomes includes ₹ 3,40,000 from RARCL.

2017-18

Interest & Finance Income includes ₹ 4,36,986 from RSL, ₹ 45,99,307 from RNext, ₹ 9 crore from RCASL, ₹ 13 crore from RCFL, ₹ 48 crore from RCL, ₹ 22 crore from RBEPL ₹ 49 crore from RIL and ₹ 50 crore from RCIL. Rent income include ₹ 2,25,000 from RCIL. Dividend Income includes ₹ 6 crore from RGIC, ₹ 6 crore from RCFL, ₹ 6 crore from RHFL, ₹ 258 crore from RNLAM, and ₹ 1 crore from RARCL. Reimbursement of Expenditure include ₹ 4 crore from RGICL, ₹ 2 crore from RSL, ₹ 3 crore from RCFL, ₹ 2 crore from RHFL, ₹ 5 crore from RNLICL, ₹ 2 crore from RHIL and ₹ 3 crore from RNLAM, . Management Fees include ₹ 6 crore from RGICL, ₹ 6 crore from RSL, ₹ 6 crore from RHFL, ₹ 6 crore from RCFL, ₹ 6 crore from RNLICL and ₹ 6 crore from RNLAM. Other operating incomes includes ₹ 4,00,000 from RARCL.

Expenditure

2018-19

Finance cost paid include ₹ 17 crore to RGICL, ₹ 20 crore to RFL and ₹ 44,21,650 crore to RSL. Insurance include ₹ 1 crore to RGICL and ₹14,16,250 to RNLICL. Brokerage paid during the year ₹ 1 crore to RSL. Provision / Reversal for diminution in value of investments include provision of ₹ 62 crore of RCL. ECL provision on loan and interest (net) ₹ 3 crore to RSL, ₹ (275 crore) to RCL, ₹ (450 crore) to RCIL, ₹ (427 crore) to RIL and ₹ 1 crore to RARC. Bad debts written off / loss on sale of assignment include ₹ 275 crore of RCL, ₹ 450 crore of RCIL and ₹ 427 crore of RIL. Employee benefit expenses include ₹ 4 crore to Mr. Amit Bapna, ₹ 1 crore to Mr. Atul Tandon and ₹ 1 crore to Mr. Anmol Ambani.

2017-18

Finance cost paid include ₹ 20 crore to RGICL, ₹9 crore to RFL and ₹ 36 crore to RSL. Insurance include ₹ 1 crore to RGICL and ₹15,40,000 to RNLICL. Brokerage paid during the year ₹ 1 crore to RSL. Reimbursement of Expenditure include ₹ 3,54,000 to RCFL and ₹ 8 crore to RNLAML. ECL provision on loan and interest ₹ 11 crore to RCASL, ₹ 11 crore to RNext ₹ 153 crore on RCL, ₹ 295 crore on RCIL and ₹ 231 crore on RIL. Provision / Reversal for diminution in value of investments include reversal of ₹ 49 crore of RCL. Investments written off include ₹ 17 crore of RMPMPL. Employee benefit expenses include ₹ 3 crore to Mr. Amit Bapna, ₹ 1 crore to Mr. Atul Tandon and ₹ 1 crore to Mr. Anmol Ambani.

Notes to the Standalone Financial Statement for the year ended March 31, 2019
Contingent Liability
2018-19

Guarantees to Banks and Financial Institutions on behalf of third parties include ₹ 200 crore for RCFL and ₹ 50 crore for RBEPL.

2017-18

Guarantees to Banks and Financial Institutions on behalf of third parties include ₹ 200 crore for RCFL, ₹ 50 crore for RBEPL, and ₹ 433 crore for RIL.

2016-17

Guarantees to Banks and Financial Institutions on behalf of third parties include ₹ 50 crore for RBEPL, ₹ 550 crore for RIL, ₹ 118 crore to RCL and ₹ 118 crore to RCIL.

Notes :

- Expenses incurred towards public utilities services such as communication and electricity charges have not been considered for related party transaction.
- The above discloses transactions entered during the period of existence of related party relationship. The balances and transactions are not disclosed before existence of related party relationship and after cessation of related party relationship.
- In regard to transactions with Reliance Home Finance Limited (Previous year Reliance Commercial Finance Limited) till effective date of demerger Refer Note No. 37.
- In addition to the above Director Sitting Fees of ₹ 2,40,000 (FY 2017-18 ₹ 2,80,000) has been paid to Mr. Anil D. Ambani, an individual having control.
- The Company has provided security amounting to ₹ 707 crore for the Listed Secured Non-Convertible Debentures of its wholly-owned subsidiary viz. Reliance Home Finance Limited by way of first pari passu hypothecation charge on all present and future book debts and business receivables of the Company (except security created / to be created towards securing term loans and cash credit limits). Business receivables includes current assets and investments.

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
37 Operating lease commitments			
Company as lessee			
The Company have given assets on operating lease, which expire upto FY 2021-22 (Previous Year: FY 2021-22).			
Within one year of the balance sheet date	5	8	10
Due in a period between one year and five years	7	8	11
Due after five years	-	-	-

(₹ in crore)

Particulars	2018-19	2017-18
38 Basic and diluted Earnings per share (EPS)		
a) The basic earnings per share has been calculated based on the following:		
Net profit after tax available for equity shareholders	157	(5 760)
Weighted average number of equity shares	25 11 07 838	25 26 73 801
b) The reconciliation between the basic and the diluted earnings per share is as follows:		
Basic earnings per share	6.26	(227.98)
Effect of outstanding stock options	0.01	-
Diluted earnings per share	6.25	(227.98)
c) Weighted average number of equity shares is computed for the purpose of calculating diluted earning per share, after giving the dilutive impact of the outstanding stock options for the respective years.		
Weighted average number of shares for computation of Basic EPS	25 11 07 838	25 26 73 801
Dilutive effect of outstanding stock options	2 75 609	4 34 967
Weighted average number of shares for computation of Diluted EPS	25 13 83 447	25 31 08 768

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2019

Particulars	(₹ in crore)		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
39 Contingent liabilities			
- Guarantees to Banks and Financial Institutions on behalf of third parties	4 278	4 960	4 497
- Claims against the Company not acknowledge as debt	56	2	2
Total	4 334	4 962	4 499
40 Capital commitments			
Estimated amount of contracts remaining to be executed on capital account (net of advances)	60	61	61
Uncalled liability on shares and other investments partly paid	-	11	7
Total	60	72	68

- 41** a) The Company's previous auditor, 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. 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.
- b) In the ordinary course of business, the Company makes loans to borrowers and also recovers outstanding loans of diverse amounts from them as routine commercial transactions. Some of these involving similar amounts of loans made and amounts recovered were independent transactions in accordance with business requirements and the liquidity position. Applicable impairment and provisioning tests have been made and recorded appropriately in the Standalone Ind AS financial statements, ensuring that there is no impact on revenue recognition during the year.
- c) The Company has Inter Corporate deposit of ₹ 2,812 crore to two Corporate entities which are fully secured by way of first charge on their assets. The same is additionally secured by a group company corporate guarantee of ₹ 1,654 crore. The Company has already recovered ₹ 665 crore post the balance sheet date, and the balance amount of ₹ 2,147 crore is expected to be recovered soon. The Company has evaluated the financial position and the repayment capacity of the above entities and believes that no adjustments are required to the carrying value of the said exposure.
- d) The Company is committed to reduce overall debt and is working towards the same. The Company is taking active steps to monetize its assets and is undertaking various strategic stake sale initiatives. In view of all the actions that are currently underway, these financial results have been prepared on the basis that the Company is a Going Concern.
- e) The Company has received security charge on some loan assets after March 31, 2019 but before finalisation of accounts, hence considered as secured.
- f) The Company has entered into Binding Share Purchase Agreement on May 23, 2019 for sale of its entire shareholding in Reliance Nippon Life Asset Management Limited to Nippon Life Insurance. This is subject to requisite regulatory approvals.

42 Core Investment Company ('CIC')

- i) During the year the Company has received Certificate of Registration from the Reserve Bank of India as Non-Banking Financial Company Core Investment Company – Non-Deposit Taking Systemically Important (NBFC-CIC-ND-SI) under Section 45-IA of Reserve Bank of India Act, 1934.
- ii) Compliance Ratios :

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Investments & loans to group companies as a proportion of Net Assets (%)	93%	97%	94%
Investments in equity shares and compulsory convertible instruments of group companies as a proportion of Net Assets (%)	69%	61%	61%
Capital Adequacy Ratio (%) [Adjusted Net worth / Risk Weighted Assets]	26%	47%	38%
Leverage Ratio (Times) [Outside Liabilities / Adjusted Network]	2.80	1.48	1.78

Regulatory capital Tier I capital, which comprises share capital, share premium, special reserves, share option outstanding account, retained earnings including current year profit less accrued dividends. Certain adjustments are made to Ind AS-based results and reserves, as prescribed by the Reserve Bank of India.

Notes to the Standalone Financial Statement for the year ended March 31, 2019
43 Disclosure of loans / advances and investments in its own shares pursuant to Regulation 53 of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015.

(₹ in crore)

Particulars	Outstanding Balance		Maximum Balance Outstanding	
	March 31, 2019	March 31, 2018	2018-19	2017-18
i) Loans and advances in the nature of loans to subsidiaries				
a) Reliance Securities Limited	75	-	75	20
b) Reliance ExchangeNext Limited	5	6	6	6
c) Reliance Corporate Advisory Services Limited	-	-	-	302
d) Reliance Home Finance Company Limited	-	-	55	-
ii) Loans and advances in the nature of loans to associates				
a) Reliance Asset Reconstruction Company Limited	30	-	30	-
iii) Loans and advances in nature of loans to firms / companies in which directors are interested.	-	-	-	-
	No. of shares		Amount in ₹	
iv) Investments by loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.	-	-	-	-

44 Disclosure of details as required by Para 21 of Core Investment Companies (Reserve Bank) Directions, 2016 (RBI CIC Directions)

(₹ in crore)

Particulars	Amount Outstanding		Amount Overdue	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
1) Loans and advances availed by CIC inclusive of interest accrued thereon but not paid				
a) Debentures				
(Other than falling within the meaning of public deposits)				
i) Secured [inclusive of ₹ 907 crore (Previous year ₹ 835 crore) interest accrued thereon]	17 353	19 162	-	-
ii) Unsecured[inclusive of ₹ 58 crore (Previous year ₹ 61 crore) interest accrued thereon]	1 463	1 484	-	-
b) Deferred Credits	-	-	-	-
c) Term Loans	805	615	-	-
d) Inter-corporate Loans and Borrowing	-	-	-	-
e) Commercial Paper	933	342	-	-
f) Other Loans	-	-	-	-

Note: above loans are without netting off prepaid brokerage of ₹ 136 crore (previous year ₹ 162 crore)

(₹ in crore)

Particulars	Amount Outstanding	
	March 31, 2019	March 31, 2018
2) Break up of loans and advances including bills receivable other than those included in (3) below (Gross Amount)(Refer Note (b) below)		
a) Secured	8 885	6 880
b) Unsecured	305	3 022
	9 190	9 902

Note:

- Housing loans / loans against property and construction finance granted are secured by equitable registered mortgage of property and / or undertaking to create a security and other loans and advances are secured by way of hypothecation and/or pledging of the underlying asset.
- In case of loans & advances given in para (2) above

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2019

(₹ in crore)

Particulars	Amount Outstanding	
	March 31, 2019	March 31, 2018
3) Break up of leased assets and stock on hire and Other assets counting towards AFC activities: Lease assets including lease rentals under sundry debtors:		
1) Financial lease (net of depreciation and lease adjustment)	-	-
2) Operating lease (net of depreciation)	14	22
4) Break up of investments		
a) Current investments		
1) Quoted		
i) Shares		
a) Equity	5 128	5 127
b) Preference	-	-
ii) Units of Mutual fund	71	-
2) Unquoted		
i) Others		
- Preference shares	-	-
- Pass Through Certificates	-	-
- Reliance Capital Partners	-	-
b) Long term investments		
1) Quoted		
i) Shares		
a) Equity	904	1 104
b) Preference	-	-
ii) Debentures and bonds	-	-
iii) Government securities	-	-
2) Unquoted		
i) Shares		
a) Equity	14 415	14 362
b) Preference	416	464
ii) Debentures and bonds	100	3 368
iii) Units of Mutual fund	-	-
iv) GOI securities [₹ 45 000 (Previous year ₹ 45 000)]	-	-
v) Others	-	-
a) Pass Through Certificates & Security Receipts	8	8
b) Units of Private Equity/Seed Fund	143	138
	21 185	24 571

5) Borrower group-wise classification of assets financed (Gross Amount) as in (2) and (3) above:

(₹ in crore)

Particulars	Secured		Unsecured		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
a) Related parties						
1) Subsidiaries	-	-	89	8	89	8
2) Companies in the same group - Associates	-	-	30	-	30	-
3) Other related parties	-	-	-	1 170	-	1 170
b) Companies in the same group - as per CIC	8 885	6 880	139	1 838	9 024	8 718
c) Other than related parties	14	22	47	6	61	28
Total	8 899	6 902	305	3 022	9 204	9 924

Notes to the Standalone Financial Statement for the year ended March 31, 2019

- 6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted excluding stock in trade)

(₹ in crore)

Particulars	Market value / Fair Value or NAV		Book Value (Net of provisions)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
a) Related parties				
1) Subsidiaries	15 398	16 010	15 621	15 513
2) Companies in the same group - Associates	5 582	6 572	5 208	5 206
3) Other related parties	-	65	-	65
b) Companies in the same group - as per CIC	142	3 521	142	3 521
b) Other than related parties	214	266	214	266
Total	21 336	26 434	21 185	24 571

- 7) Other information (₹ in crore)

Particulars	March 31, 2019	March 31, 2018
a) Gross Non Performing Assets		
1) Related Parties	-	1 000
2) Other than Related Parties	586	3 877
b) Net Non Performing Assets		
1) Related Parties	-	-
2) Other than Related Parties	-	-
c) Assets Acquired in satisfaction of Debt	-	-

Notes :

- a) In case of unquoted investments, in the absence of market value book value has been considered.
b) Gross Non Performing Assets and Net Non Performing Assets given above includes loans.

45 Disclosure of details as required by Para 19 of Core Investment Companies (Reserve Bank) Directions, 2016 (RBI CIC Directions)

i) Maturity pattern of asset and liabilities (At Book Values)

(₹ in crore)

Particulars	Financial Year	1 day to 30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities										
Borrowings from bank / financial institutions	2018-19	-	5	-	5	-	205	238	352	805
	2017-18	-	-	-	-	5	138	238	234	615
	2016-17	-	-	-	-	-	-	-	-	-
Market borrowings	2018-19	596	1 029	705	124	668	4 152	1 865	9 645	18 784
	2017-18	458	758	116	673	584	3 996	4 547	8 960	20 092
	2016-17	271	1 651	858	603	1 621	3 062	2 932	7 675	673
Other financial liabilities	2018-19	240	199	16	205	220	139	-	-	1 019
	2017-18	163	22	55	325	393	45	-	-	1 003
	2016-17	166	184	16	195	219	17	-	-	797
Assets										
Cash and cash equivalent	2018-19	2	-	-	-	-	-	-	-	2
	2017-18	2 942	-	-	-	-	-	-	-	2 942
	2016-17	2 517	-	-	-	-	-	-	-	2 517

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2019

(₹ in crore)										
Particulars	Financial Year	1 day to 30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Bank balance other than cash and cash equivalents above	2018-19	22	-	-	8	17	-	-	-	47
	2017-18	21	-	-	5	15	25	-	-	66
	2016-17	19	-	125	15	1 528	8	-	-	1 695
Trade receivables	2018-19	3	-	-	-	-	-	-	-	3
	2017-18	4	-	-	-	-	-	-	-	4
	2016-17	-	-	-	-	-	-	-	-	-
Loans	2018-19	-	-	30	-	86	6 441	-	-	6 557
	2017-18	117	-	24	-	510	2 757	-	-	3 408
	2016-17	53	-	29	18	1 040	5 134	-	-	6 274
Investments	2018-19	71	-	-	5 128	-	-	-	15 986	21 185
	2017-18	-	-	-	-	-	5 255	-	19 316	24 571
	2016-17	6	-	-	-	-	6 104	-	18 745	24 855
Other financial assets	2018-19	1 332	-	7	5	2	26	-	-	1 373
	2017-18	651	22	1	-	36	21	-	-	731
	2016-17	11	-	1	-	6	63	-	-	82

Notes:

- All quoted investments have been included in 1 day to 30/31 days (one month) bucket considering its liquidity. All unquoted equity shares / warrants including investment in subsidiaries have been included in 'Over 5 years'. The maturity pattern has been prepared in line with various regulations issued by RBI from time to time, best practices & based upon best estimate of the management with regard to the timing of various cashflows.
- The classification of Assets and Liabilities into current and non-current is carried out based on their residual maturity profile as per requirement of Schedule III to the Companies Act, 2013. The above maturity pattern of assets and liabilities has been prepared by the Company after taking into consideration guidelines for assets-liabilities management (ALM) system as per CIC directions issued by RBI, best practices and best estimate of the Assets-Liability Committee / management with regard to the timing of various cash flows, which has been relied upon by the auditors.

ii) Exposure to Real Estate

(₹ in crore)		
Category	2018-19	2017-18
a) Direct Exposure		
i) Residential Mortgage	-	-
ii) Commercial Real Estate	-	-
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
Residential	-	-
Commercial	-	-
b) Indirect Exposure		
Fund Based and Non Fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	896	896
TOTAL	896	896

Notes:

- For the exposure to real estate only loans secured by way of mortgage/hypothecation of housing properties, commercial properties and land are considered.
- In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.

Notes to the Standalone Financial Statement for the year ended March 31, 2019

iii) Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss

(₹ in crore)		
Particulars	March 31, 2019	March 31, 2018
(a) Unrealised net loss on fair value changes	1 529	1 829
(b) Impairment on financial instruments (net) on loans	(4 245)	3 958
(c) Impairment on financial instruments (net) on financial guarantee obligations	(1 158)	306

46 Scheme of Arrangement (Demerger) between the Company and Reliance Home Finance Limited

The Board of Directors of the Company at their meeting held on October 28, 2016 has approved a Scheme of Arrangement ('Scheme') for demerger of Real Estate Lending Business of the Company into its wholly owned subsidiary viz. Reliance Home Finance Limited (RHFL) with effect from April 1, 2017, the Appointed Date. The Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 (the 'Scheme') for demerger of Real Estate Lending Business of the Company to its wholly owned subsidiary viz. Reliance Home Finance Limited has been sanctioned by the National Company Law Tribunal, Mumbai Bench. The Scheme has become effective on September 5, 2017 on filing with the Registrar of Companies, Maharashtra at Mumbai with effect from April 1, 2017 i.e. Appointed Date.

Hence, in accordance with the Scheme:-

- a. On Scheme becoming effective with effect from Appointed Date, the Company has transferred all the assets aggregating to ₹ 663 crore and liabilities aggregating to ₹ 590 crore as appearing in the books of Company related to real estate lending business at their respective book value as on Appointed Date. The net assets Demerged are as under:

(₹ in crore)	
Assets	
Fixed Assets – Property, Plant & Equipment (Net of accumulated depreciation ₹ 2 crore)	7
Loans & Advances	649
Other Non-Current Assets	1
Other Current Assets	6
Total Assets	663
Liabilities	
Short term borrowings	590
Total Liabilities	590
Net Assets demerged	73

- b. The Assets and Liabilities of ₹ 663 crore and ₹ 590 crore, respectively, were transferred as on the Appointed Date and the excess of net assets transferred have been debited to capital reserve account.
- c. As per the Scheme approved by the Hon'ble High Court of Judicature at Bombay with effect from the Appointed Date and upto and including the effective date, the Company shall be deemed to have been carrying on all business and activities relating to real estate lending business for and on account of and in trust of real estate lending business. All profits accruing to real estate lending business or losses arising or incurred by the Company in relation to the real estate lending business for the period commencing from the Appointed Date to the effective Date shall, for all purposes, be treated as the profits or losses, as the case may be, of real estate lending business.
- d. During the period from the Appointed Date to the Effective Date the Company received the inter division balance amounting to ₹ 515 crore (average balance during the year ₹ 251 crore) on which the Company has received interest of ₹ 12 crore from Reliance Home Finance Limited.

47 Expenditure in foreign currency

(₹ in crore)		
Particulars	2018-19	2017-18
i) Travelling Expenses [₹ 9 50 394 (Previous year ₹ 67 309)]	-	-
ii) Legal & Professional Fees	1	8
iii) Sales & marketing [₹ Nil (Previous year ₹ 23 30 460)]	-	-
iv) Software Maintenance and Others [₹ 12 58 353 (Previous year ₹ 40 35 478)]	-	-
TOTAL	1	8

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2019

48 Remittance in foreign currency on account of dividend

The Company has paid dividend in respect of shares held by non residents on repatriation basis. This, *inter-alia*, includes portfolio investment, where the amount is also credited to Non Resident External Account (NRE A/c). The total amount remittable in this respect is specified below.

Particulars	2018-19	2017-18
Dividend		
a) Number of Non Resident Shareholders	450	450
b) Number of Equity Shares held by them	24 109	24 109
c) i) Amount of Dividend paid (gross) (amount in ₹)	2 65 199	2 53 145
ii) Year to which Dividend Relates	2018-19	2017-18

- 49 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / Indian Accounting Standards there are no foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of account.

50 Fair value measurement

a) Fair value hierarchy

The Company determines fair value of its financial instruments according to following hierarchy:

Level 1: Category includes financials assets and liabilities that are measured in whole or significant part by reference to published quotes in an active market

Level 2: Category includes financials assets and liabilities that are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. Company's investment in units of AIF funds fall under this category.

Level 3: Category includes financials assets and liabilities that are measured using valuation techniques based on non-market observable inputs. This means that fair value are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. The main asset classes in this category are unlisted equity investments as well as unlisted funds. Company has used discounted cash flow, comparable company analysis and net asset value method where ever possible.

An explanation of each level follows underneath the table

As at March 31, 2019

(₹ in crore)

Financial assets and liabilities at fair value	Level 1	Level 2	Level 3	Amortised cost	Total
Financial assets					
Financial assets at FVTPL					
- Investment	71	143	20 929	-	21 143
- Trade receivables	-	-	-	3	3
Financial assets at FVOCI					
- Investment	8	-	34	-	42
Financial assets at Amortised cost					
- cash and cash equivalents	-	-	-	2	2
- bank balance other than cash and cash equivalents	-	-	-	47	47
- Loans	-	-	-	6 557	6 557
- Other financial assets	-	-	-	1 373	1 373
Total financial assets	79	143	20 963	7 982	29 167
Financial liabilities					
Financial liabilities at FVTPL					
- Debt Securities	-	-	619	-	619
Financial liabilities at Amortised cost					
- Debt Securities	-	-	-	17 101	17 101
- Borrowings	-	-	-	1 734	1 734
- other financial liabilities	-	-	112	907	1 019
Total financial liabilities	-	-	731	19 742	20 473

Notes to the Standalone Financial Statement for the year ended March 31, 2019

As at March 31, 2018					(₹ in crore)
Financial assets and liabilities at fair value	Level 1	Level 2	Level 3	Amortised cost	Total
Financial assets					
Financial assets at FVTPL					
- Investment	-	1	24 224	-	24 225
- Trade receivables	-	-	-	4	4
Financial assets at FVOCI					
- Investment	208	-	138	-	346
Financial assets at Amortised cost					
- cash and cash equivalents	-	-	-	2 942	2 942
- bank balance other than cash and cash equivalents	-	-	-	66	66
- Loans	-	-	-	3 408	3 408
- Other financial assets	-	-	-	731	731
Total financial assets	208	1	24 362	7 151	31 722
Financial liabilities					
Financial liabilities at FVTPL					
- Debt Securities	-	-	823	-	823
Financial liabilities at Amortised cost					
- Debt Securities	-	-	-	18 772	18 772
- Borrowings	-	-	-	951	951
- other financial liabilities	-	-	-	1 003	1 003
Total financial liabilities	-	-	823	20 726	21 549
As at April 1, 2017					(₹ in crore)
Financial assets and liabilities at fair value	Level 1	Level 2	Level 3	Amortised cost	Total
Financial assets					
Financial assets at FVTPL					
- Investment	6	251	24 054	-	24 311
- Trade receivables	-	-	-	-	-
Financial assets at FVOCI					
- Investment	333	-	212	-	545
Financial assets at Amortised cost					
- cash and cash equivalents	-	-	-	2 517	2 517
- bank balance other than cash and cash equivalents	-	-	-	1 695	1 695
- Loans	-	-	-	6 274	6 274
- Other financial assets	-	-	-	82	82
Total financial assets	339	251	24 266	10 568	35 424
Financial liabilities					
Financial liabilities at FVTPL					
- Debt Securities	-	-	753	6	759
Financial liabilities at Amortised cost					
- Debt Securities	-	-	-	14 377	14 377
- Borrowings	-	-	-	3 423	3 423
- other financial liabilities	-	-	-	791	791
Total financial liabilities	-	-	753	18 597	19 350

51 Financial risk management

Company had transformed itself into a Core Investment Company (CIC) and obtained the Certificate of Registration as a CIC under Core Investment Companies (Reserve Bank) Directions, 2016. In compliance with the same Directions, the Company holds not less than 90% of its net assets in the form of investments in equity shares, preference shares, debentures, debt or loans to group companies.

The Company is exposed to market risk, credit risk, liquidity & interest rate risk and capital management risk. The Company's risk management function is carried out by the Risk Management department that is guided and supported by Risk Management Committee that advises on financial risks and the appropriate governance framework for the Company. The Risk Management Committee provides assurance to the Board that the Company's financial risk activities are governed by appropriate policies and

procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The major risks are summarised below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company has quoted investments which are exposed to fluctuations in stock prices. Similarly, the Company has also raised funds through issue of Market Linked Debentures, whose returns are linked to relevant underlying market instruments or indices. The company continuously monitors market exposure for both equity and debt and, in appropriate cases, also uses various derivative instruments as a hedging mechanism to limit volatility. The unquoted Compulsorily Convertible Preference Shares and Compulsory Convertible debentures of group companies are measured at fair value through profit or loss. The fair values of these investments are regularly monitored.

Credit risk management

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises mainly from loans and advances, and loan commitments arising from such lending activities, but can also arise from credit enhancement provided, such as financial guarantees, letters of credit, endorsements and acceptances. RCL is a Core Investment Company (CIC) with its lending restricted to and within the Group companies.

Credit risk is one of the major risk for the Company's business, management therefore carefully manages its exposure to credit risk. This risk is comprehensively addressed both at the strategic level and at the client level. There is a framework with risk oversight being provided by the Risk Management. During the year the Company has adopted the Ind AS while identifying and providing for the Expected Credit Losses (ECL). Regular portfolio risk analysis is done various financial and policy parameters for making required changes in the credit policy as a proactive approach to risk management. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations. The Company measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). This is similar to the approach used for the purposes of measuring Expected Credit Loss (ECL) under Ind AS 109.

Liquidity and Interest Rate Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. While interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to liquidity risk principally, as a result of lending and investment for periods which may differ from those of its funding sources. Treasury teams actively manage asset liability positions in compliance with the ALM policy of the company laid down in accordance overall guidelines issued by RBI in the Asset Liability Management (ALM) framework.

The Company may be impacted by volatility in interest rates in India which could cause its margins to decline and profitability to shrink. It is exposed to interest rate risk, both as a result of lending at fixed interest rates and for reset periods which may differ from those of its funding sources. The Company seeks to match its interest rate positions of assets and liabilities to minimize interest rate risk. Further, an interest rate sensitivity gap report is prepared by classifying all rate sensitive assets and rate sensitive liabilities into various time period categories. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. Interest rate risk is measured on a bi-annual basis and filed with regulator.

Capital Management Risk

The Reserve Bank of India (RBI) sets and monitors capital adequacy requirements for the Company from time to time. The Core Investment Companies (Reserve Bank) Directions, 2016, stipulate that the Adjusted Net Worth of a CIC-ND-SI shall at no point in time be less than 30% its risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items as on date of the last audited balance as at the end of the financial year. The Core Investment Companies (Reserve Bank) Directions, 2016, further stipulate that the outside liabilities of a CIC-ND-SI shall at no point of time exceed 2.5 times its Adjusted Net Worth as on date of the last audited balance as at the end of the financial year. Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Company to particular operations or activities, it is not the sole basis used for decision making. Account is also taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Company's longer-term strategic objectives. The Companies policies in respect of capital management and allocation are reviewed regularly by the Board of Directors. The Company has put in place systems for quarterly monitoring of capital adequacy and necessary mitigation plan to address deviation on a priority basis.

Expected credit loss measurement

Ind AS 109 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below. The objective of the impairment requirements is to recognise lifetime expected credit losses for all financial instruments for which there have been significant increases in credit risk since initial recognition – whether assessed on an individual or collective basis – considering all reasonable and supportable information, including that which is forward-looking.

A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Company.

If significant increases in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.

If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. Financial instruments in Stage 1 have their ECL measured at an amount equal to 12 month ECLs. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. Purchased or originated credit-impaired financial assets are those financial assets that are credit impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

Notes to the Standalone Financial Statement for the year ended March 31, 2019

The measurement of ECL is calculated using three main components: (i) Probability of Default (PD) (ii) Loss Given Default (LGD) and (iii) the Exposure At Default (EAD).

The 12 month ECL is calculated by multiplying the 12 month PD, LGD and the EAD. The 12 month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

- **Probability of default (PD)** represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- **Exposure At default (EAD)** is the total amount of an asset the entity is exposed to at the time of default. EAD is defined based on the characteristics of the asset. EAD is dependent on the outstanding exposure of an asset, sanctioned amount of a loan and credit conversion factor for non-funded exposures.
- **Loss given default (LGD)** It is the part of an asset that is lost provided the asset default. The recovery rate is derived as a ratio of discounted value of recovery cash flows (incorporating the recovery time) to total exposure amount at the time of default. Recovery rate is calculated for each segment separately. Loss given default is computed as $(1 - \text{recovery rate})$ in percentage terms.

The Company assesses when a significant increase in credit risk has occurred based on quantitative and qualitative assessments. Exposures are considered to have resulted in a significant increase in credit risk and are moved to Stage 2 when:

- Quantitative test: Accounts that are 30 calendar days or more past due move to Stage 2 automatically. Accounts that are 90 calendar days or more past due move to Stage 3 automatically.
- Qualitative test: Accounts that meet the portfolio's 'high risk' criteria and are subject to closer credit monitoring. High risk customers may not be in arrears but either through an event or an observed behavior exhibit credit distress.
- Reversal in Stages: Exposures will move back to Stage 2 or Stage 1 respectively, once they no longer meet the quantitative criteria set out above. For exposures classified using the qualitative test, when they no longer meet the criteria for a significant increase in credit risk

Collateral and other credit enhancements

The Company employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The principal collateral types for loans and advances are:

- Charges over business assets such as premises, inventory and accounts receivable; and
- Charges over financial instruments such as debt securities and equities.

Longer-term finance and lending to corporate entities are generally secured.

The Company's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Company since the prior period.

The Company closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Company will take possession of collateral to mitigate potential credit losses. Financial assets that are credit-impaired and related collateral held in order to mitigate potential losses.

Write-off policy

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Company's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Company may write-off financial assets that are still subject to enforcement activity. The outstanding contractual amounts of such assets written off during the year ended March 31, 2019 was ₹ 4,245 crore. The Company still seeks to recover amounts it is legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery.

52 Analysis of financial assets and liabilities by remaining contractual maturities

Refer Note No. 45 for the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

53 First-time adoption of Ind AS

Transition to Ind AS

These are the Company's first Standalone Ind AS financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note No. 2 have been applied in preparing the Standalone Ind AS financial statements for the year ended March 31, 2019 the comparative information presented in these Standalone Ind AS financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS balance sheet at April 1, 2017 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in Standalone Ind AS financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP or IGAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

a) Optional exemptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS, which were considered to be material or significant by the Company:

i) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment (including capital work-in-progress) as recognised in the Standalone Ind AS financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities and capital grant, if applicable. This exemption can also be used for intangible assets and investment properties covered by Ind AS 38 and Ind AS 40, respectively.

Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment properties at their previous GAAP carrying value.

ii) Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The Company has elected to apply this exemption for its investment in equity investments.

iii) Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to apply this exemption for such contracts/arrangements.

iv) Investments in subsidiaries

When an entity prepares separate Standalone Ind AS financial statements, Ind AS 27 requires it to account for its investments in subsidiaries, joint ventures and associates either at cost; or in accordance with Ind AS 109. If a first-time adopter measures such an investment at cost in accordance with Ind AS 27, it shall measure that investment at one of the following amounts in its separate opening Ind AS Balance Sheet:

(a) cost determined in accordance with Ind AS 27; or

(b) deemed cost. The deemed cost of such an investment shall be its:

(i) fair value at the entity's date of transition to Ind AS in its separate Standalone Ind AS financial statements; or

(ii) previous GAAP carrying amount at that date.

A first-time adopter may choose either (i) or (ii) above to measure its investment in each subsidiary, joint venture or associate that it elects to measure using a deemed cost.

The Company has availed the exemption and has measured its investment in subsidiaries/associates at deemed cost being the previous GAAP carrying amount except for the following entities for which fair value has been considered as their deemed cost.

v) Share - based payment transactions

Ind AS 102 deals with the accounting and disclosure requirements related to share-based payment transactions. The standard addresses three types of share-based payment transactions: equity-settled, cash-settled, and with cash alternatives. A first-time adopter is encouraged, but is not required, to apply Ind AS 102 to:

(i) equity instruments that vested before the date of transition to Ind AS,

(ii) liabilities arising from share-based payment transactions that were settled before the date of transition to Ind AS.

The Company has not applied the requirement of Ind AS 102 to equity instruments that vested before the date of transition to Ind AS and liabilities arising from share-based payments transactions that were settled before the date of transition to Ind AS.

b) Ind AS mandatory exceptions

The Company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

i) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Previous GAAP:

Notes to the Standalone Financial Statement for the year ended March 31, 2019

ii) **De-recognition of financial assets and liabilities**

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

iii) **Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

iv) **Impairment of financial assets**

As set out in Ind AS 101, an entity shall apply the impairment requirements of Ind AS 109 retrospectively if it does not entail any undue cost or effort. The Company has assessed impairment of financial assets in conformity with Ind AS 109.

c) **Reconciliations between previous GAAP and Ind AS**

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

i) **Reconciliation of Other equity between previous GAAP and Ind AS:**

	As at March 31, 2018	As at April 1, 2017
(₹ in crore)		
Other equity (reserves and surplus) as per previous GAAP	14 168	13 701
Adjustments:		
Fair valuation of investment in subsidiaries/associates	8 203	8 856
Fair valuation of investments	(4 276)	(2 661)
Impairment on financial assets (ECL)	(8 855)	(4 341)
RCAP Trust Consolidation	(54)	(58)
ESOP reserve on recognition of expense at fair value	6	4
Tax Impact of Ind AS Adjustments	18	3
Total adjustments	<u>(4 958)</u>	<u>1 803</u>
Total equity as per Ind AS	<u>9 210</u>	<u>15 504</u>

ii) **Reconciliation of profit as per Ind AS with profit reported under previous GAAP:**

	Year ended March 31, 2018
(₹ in crore)	
Net profit after tax as per previous GAAP	828
Adjustments:	
Fair valuation of investments	(2 084)
Expected Credit Loss (ECL)	(4 514)
Fair valuation accounting of share based payments	(4)
Remeasurements of post employment benefit obligations	(1)
Others	15
Tax impact on above items	-
Profit after tax as per Ind AS	<u>(5 760)</u>
Other Comprehensive Income:	
Fair valuation of investment in equity shares measured at FVOCI	(184)
Remeasurements of post employment benefit obligations	1
Tax impact on above items	-
Total comprehensive income as per Ind AS	<u>(5 943)</u>

iii) Impact of Ind AS adoption on the standalone statements of cash flows for the year ended March 31, 2018

			(₹ in crore)
	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	(316)	(1)	(317)
Net cash flow from investing activities	(904)	-	(904)
Net cash flow from financing activities	1 646	-	1 646
Net increase/(decrease) in cash and cash equivalents	426	(1)	425
Cash and cash equivalents as at April 1, 2017	2 515	2	2 517
Effects of exchange rate changes on cash and cash equivalents	-	-	-
Cash and cash equivalents as at March 31, 2018	2 941	1	2 942

d) Notes to first-time adoption:

i) Consolidation of the Trust

The company has formed RCAP ESOS Trust for implementation of the schemes that are notified or may be notified from time to time by the Company under the plan, providing share based payment to its employees. RCAP ESOS Trust purchases shares of the Company out of funds borrowed from the Company. The Company treats ESOS Trust as its extension and shares held by ESOS Trust are treated as treasury shares.

The consolidation of the ESOS trust financials statements with that of the Company does not in any manner affect the independence of the trustees where the rights and obligations are regulated by the trust deed.

Own equity instruments (treasury shares) are recognised at cost and deducted from equity. Profit on sale of treasury shares by ESOS trust is recognised in ESOS trust reserve.

Upon consolidation, the investment in the Company's equity shares made by RCAP ESOS Trust is debited to the Company's equity as treasury shares, the income of the Trust till date comprising of dividend income, forms a part of RCAP ESOS Trust reserve, loan advanced to the Trust is eliminated on consolidation and the fair value of investments held by the Trust consolidated.

ii) Fair valuation of investments

Under the previous GAAP, investments in equity instruments, debentures, preference shares, mutual funds, venture capital funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2018.

Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in FVOCI – Equity investments reserve as at the date of transition and subsequently in the other comprehensive income for the year ended March 31, 2018.

iii) Loans to customer/related parties/employees

Under Indian GAAP, the company has created provision for impairment of receivables / loans to customer/related parties/employees consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL). Due to ECL model, the company impaired its trade receivables / loans to customer/related parties/employees on April 1, 2017 which has been eliminated against retained earnings. The impact for year ended on March 31, 2018 has been recognised in the statement of profit and loss.

iv) Effective Interest Rate

Under Indian GAAP, transaction costs incurred on borrowings was charged to statement of profit and loss upfront and brokerage costs directly attributable to a borrowing were expensed over the tenure of the borrowing while under Ind AS, such costs are included in the initial recognition amount of financial asset and recognised as interest income using the effective interest method. Consequently borrowings on date of transition date have decreased.

v) Deferred tax

Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

Notes to the Standalone Financial Statement for the year ended March 31, 2019

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

vi) Employee stock option expense

Under previous GAAP, the Company has used the intrinsic value method to account for the compensation cost of stock to employees of the Company. Intrinsic value is the amount by which the quoted market price of the underlying share on the date, prior to the date of the grant, exceeds the exercise price of the Option. Under Ind AS 102, the grant date fair value of the employee stock options should be recognised over the vesting period by debiting the 'Employee benefit expense' in the statement of profit and loss and crediting 'Share option outstanding reserve' under other equity. Consequently the share option outstanding account debited to retained earnings. Profit for the year ended March 31, 2018 has also been adjusted to employee benefit expense.

vii) Reclassification of provision of standard / non-performing assets (NPA)

Under Indian GAAP provision for NPA and standard asset were presented under provisions. However, under Ind AS financial assets measured at amortised cost (majorly loans) are presented net of provision for expected credit losses. Consequently, the Group has reclassified the Indian GAAP provisions for standard assets / NPA's.

viii) Investment property

Under the previous GAAP, investment properties were presented as part of non-current investments. Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. The company has carried out the valuation activity to assess fair value of its Investment in land and property.

ix) Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

x) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

As per our report of even date attached
For **Pathak H.D. & Associates**
Firm Registration No.: 107783W
Chartered Accountants

Parimal Kumar Jha
Partner
Membership No.: 124262
Mumbai
Dated: August 14, 2019

For and on behalf of the Board
Chairman
Vice Chairman

Directors

Executive Director
Chief Financial Officer
Company Secretary & Compliance Officer
Mumbai
Dated: August 14, 2019

Anil D. Ambani
Amitabh Jhunjhunwala
Rajendra P. Chitale
Dr. Bidhubhusan Samal
V. N. Kaul
Chhaya Virani
Anmol Ambani
Amit Bapna
Atul Tandon

To
**The Members,
Reliance Capital Limited**

Report on the audit of the Consolidated Ind AS Financial Statements

Qualified Opinion

We have audited the consolidated Ind AS financial statements of of Reliance Capital Limited ("hereinafter referred to as the Parent Company") and its subsidiaries (the Parent Company and its subsidiaries together referred to as "the Group") and its associate companies, which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated loss, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

We draw attention to :

Note no. 50(c) of the consolidated Ind AS financial statements with reference to M/s Reliance Home Finance Limited (RHFL) a subsidiary company, wherein the statutory auditors of RHFL has modified their opinion on the financial statements with regard to loan advanced by RHFL under the 'General-Purpose Corporate Loan' product with significant deviations to certain bodies corporate including group companies and outstanding as at March 31, 2019 aggregating to ₹ 7,850 crore and secured by charge on current assets of borrowers. As stated in the said note, majority of RHFL's 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 have been overdues of ₹ 566 crore of these loans as on March 31, 2019. We are not getting sufficient audit evidence to ascertain recoverability of principal and interest including time frame of recovery of overdues. The RHFL's exposure to the borrowers are secured against charge on current assets and is dependent on the recovery of the 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. 50(a) to the consolidated financial statements 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.

The Going Concern matter in the Auditors Report of Subsidiary Company Reliance Commercial Finance Limited (RCFL) is reproduced here under:

Going Concern

We draw attention to Note no. 49(a) of the Consolidated Ind AS financial statements which sets out the fact that, the Company has incurred operating loss. The Company's ability to meet its obligations

is significantly dependent on material uncertain events including restructuring of loans and Inter-Creditor Agreement (ICA) for the resolution of its debt. The Company has taken steps to meet such temporary liquidity mismatch by securitisation of its loan portfolio. The Company has also engaged with all its lenders to enter into an Inter-Creditor Agreement (ICA) for the resolution of its debt in accordance with the circular dated June 7, 2019 issued by the Reserve Bank of India on Prudential Framework for Resolution of Stressed Assets. The Company is confident of implementing its Resolution Plan during financial year 2019-20. In view of the steps taken by the Company, accordingly, the standalone Ind AS financial statements of the Company have been prepared on a going concern basis.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

- a) We draw attention to Note no. 48(a) & 49(b) of the consolidated Ind AS financial statements 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 and Reliance Commercial Finance Limited (RCFL). 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. Our opinion is not modified in respect of this matter.
- b) We draw attention to Note no. 48(c) to the consolidated Ind AS financial statements which describes that the Parent Company has Inter corporate deposits to two entities aggregating to ₹ 2,812 crore which are fully secured by way of first charge on their assets. The same is additionally secured by a corporate guarantee of ₹ 1,654 crore by one of the group company. The Parent Company has already recovered ₹ 665 crore post the balance sheet date, and the balance amount of ₹ 2,147 crore is expected to be recovered soon. The Parent Company has evaluated the financial position and the repayment capacity of the above entities and believes that no adjustments are required to the carrying value of the above exposures. Our opinion is not modified in respect of this matter.
- c) We draw attention to Note no. 55 to the consolidated Ind AS financial statements in respect of M/s Reliance Wealth Management Limited (RWML) whose net worth is substantially eroded, indicating the existence of uncertainty that may cast doubt RWML's ability to continue as a going concern. RWML continues to get the financial support from the promoter and accordingly the financial statements have been prepared on a Going Concern basis. The Statutory Auditors of RWML have referred this matter as an Emphasis of matter in their audit report. Our opinion is not modified in respect of this matter.
- d) We draw attention to Note no. 55 to the consolidated Ind AS financial statements in respect of M/s Reliance Money Solutions Private Limited (RMSPL) whose net worth is substantially eroded, indicating the existence of uncertainty that may cast doubt RMSPL's ability to continue as a going concern. RMSPL continues to get the financial support from the promoter and accordingly the financial statements have been prepared on a Going Concern basis. The Statutory Auditors of RMSPL have referred this matter as an Emphasis of matter in their audit report. Our opinion is not modified in respect of this matter.
- e) We draw attention to Note no. 54 to the consolidated Ind AS financial statements in respect of M/s Reliance Exangenext Limited (RENL) which has made investment in Indian Commodity Exchange Limited & petition filed by MMTC Ltd. in Company Law Board against this investment, outcome of the

Independent Auditors' Report on the Consolidated Ind AS Financial Statements

petition is awaited from the National Company Law Tribunal. The Statutory Auditors of RENL have referred this matter as an Emphasis of matter in their audit report. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report along the matters determined by the auditors of Subsidiary Companies which are reproduced below. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Ind AS financial statements. The results of our audit procedures, including the procedures performed by us and auditors of subsidiary Companies to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Ind AS financial statements.

Key audit matters	How our audit including the audit performed by the auditors of Subsidiary Companies addressed the key audit matters
-------------------	---

First time adoption of Ind AS (as described in note no. 64 of consolidated Ind AS financial statements)

The Group has adopted Ind AS from April 1, 2018 with an effective date of April 1, 2017 for such transition. For periods up to and including the year ended March 31, 2018, the Group had prepared and presented its Consolidated Ind AS financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). To give effect of the transition to Ind AS, these Consolidated Ind AS financial statements for the year ended March 31, 2019, together with the comparative financial information for the previous year ended March 31, 2018 and the transition date Balance Sheet as at April 1, 2017 have been prepared under Ind AS. The transition has involved significant change in the Group's policies and processes for financial reporting, including generation of supportable information and applying estimates to *inter-alia* determine impact of Ind AS on accounting and disclosure requirements prescribed under the extant Reserve Bank of India (RBI) National Housing Bank (NHB) directions and Insurance Act, 1938 & Insurance Regulatory and Development Act, 1999.

In view of the complexity involved, Ind AS transition and the preparation of Consolidated Ind AS financial statements subsequent to the transition date have been areas of key focus in our audit.

- Read the Ind AS impact assessment performed by the Management and the resultant changes made to the accounting policies considering the requirements of the new framework.
- Evaluated the exemptions and exceptions allowed by Ind AS and applied by the Management in applying the first-time adoption principles of Ind AS 101 in respect of fair valuation of assets and liabilities existing as at transition date.
- Tested the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS.
- Tested the disclosures prescribed under Ind AS.

Impairment of financial assets & Corporate Guarantee (CG) issued (expected credit losses) (as described in Note No. 7 & 24 consolidated Ind AS financial statements)

Ind AS 109 requires the Group to recognise impairment loss allowance towards its financial assets designated at amortised cost using the expected credit loss (ECL) approach. Such ECL allowance is required to be measured considering the guiding principles of Ind AS 109 including:

- unbiased, probability weighted outcome under various scenarios;
- time value of money;
- impact arising from forward looking macro-economic factors and;
- availability of reasonable and supportable information without undue costs.
- Applying these principles involves significant estimation in various aspects, such as:
 - grouping of borrowers based on homogeneity by using appropriate statistical techniques;
 - staging of loans and estimation of behavioural life;
 - determining macro-economic factors impacting credit quality of receivables;
 - estimation of losses for loan products with no/minimal historical defaults.

Considering the significance of such allowance to the overall Consolidated Ind AS financial statements and the degree of estimation involved in computation of expected credit losses, this area is considered as a key audit matter.

- Read and assessed the Group's accounting policies for impairment of financial assets and their compliance with Ind AS 109.
- Tested the criteria for staging of loans / CG based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3 and vice versa.
- Evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and tested the controls around data extraction and validation.
- Tested the ECL model, including assumptions and underlying computation.
- Assessed the floor/minimum rates of provisioning applied by the Company for loan products with inadequate historical defaults.
- Audited disclosures included in the Consolidated Ind AS financial statements in respect of expected credit losses.

Independent Auditors' Report on the Consolidated Ind AS Financial Statements

Key audit matters	How our audit including the audit performed by the auditors of Subsidiary Companies addressed the key audit matters
Fair valuation of investments in Financial Instruments (as described in note no. 8 consolidated Ind AS financial statements)	
As detailed in Note no. 8, the Group has investments in compulsorily convertible debentures and other financial instruments. Such investments are recognized under the 'fair value through profit and loss', and through other comprehensive income, category as per Ind AS 109 – Financial Instruments. The valuation method considered in measuring such investments are based on inputs that are not observable by third parties and for which valuation is provided by management's external experts. The valuation of such investments is important to our audit considering the value and use of management's estimates.	<p>Following procedures have been carried out in respect to investments:</p> <ul style="list-style-type: none"> held discussions with management and obtained understanding of valuation process including management's determination and approval of assumptions and data inputs evaluated the design and tested operating effectiveness of controls related to the data considered in the valuation, related calculations and review of report provided by management's external expert. <p>We evaluated fair valuation of such investments taking into account the requirements of Ind AS 109 – Financial Instruments.</p>
Valuation of Market Linked Debentures (as described in note no. 18 consolidated Ind AS financial statements)	
<p>The Group has issued Market Linked Debentures (MLD) during current and previous years. The outstanding balance of MLD as on March 31, 2019 is ₹ 986 crore. These MLDs are economically hedged with Exchange instruments like Nifty, Bank Nifty & Stock Options. The Company has done an internal valuation of the outstanding MLD using internal valuation techniques.</p> <p>Considering that internal valuation of MLD is significant to overall Consolidated Ind AS financial statements and the degree of management's judgement involved in the estimate, any error in the estimate could lead to material misstatement in the Consolidated Ind AS financial statements. Therefore, it is considered as a key audit matter.</p>	<ul style="list-style-type: none"> Audit procedures included an assessment of internal controls over valuation methodologies, inputs, judgments made and assumptions used by management in determining fair valuation of MLD. Assessed and reviewed the fair valuation of MLD by the Company for compliance with Ind AS. Compared resulted valuations against independent sources and externally available market valuation data for sample cases.
Impairment assessment for goodwill on consolidation (as described in note no. 15 consolidated Ind AS financial statements)	
<p>As detailed in Note no. 15, the Company has recognized goodwill on consolidation of subsidiaries amounting to ₹ 5,136. Such goodwill is assessed for impairment as per Ind AS 36 – Impairment of Assets. Such impairment assessment commences with management's evaluation on whether there is an indication of impairment loss. As part of such evaluation, management considers financial information, liquidity and solvency position of subsidiaries. Management also considers other factors such as assessment of company's operations, business performance and modifications, if any. No impairment triggers have been identified by the management based on above assessment.</p> <p>We focused on this area due to magnitude of the carrying value of goodwill, which is subject to annual impairment assessment.</p>	<p>Our audit procedures, in respect of testing impairment assessment for goodwill on consolidation, included the following:</p> <ul style="list-style-type: none"> Obtained understanding of the process, evaluated the design and tested operating effectiveness of controls in respect of impairment assessment of goodwill on consolidation. held discussions with management regarding appropriate implementation of policy on impairment. reconciled financial information mentioned in impairment assessment to underlying source details. Also, assessed of management's estimates considered in such assessment. obtained and read latest audited Consolidated Ind AS financial statements of subsidiaries that resulted in recognition of goodwill in Consolidated Ind AS financial statements. Noted key financial attributes. <p>We evaluated the impairment assessment performed by management taking into account the requirements of Ind AS 36 – Impairment of Assets.</p>

Independent Auditors' Report on the Consolidated Ind AS Financial Statements

Key audit matters	How our audit including the audit performed by the auditors of Subsidiary Companies addressed the key audit matters
-------------------	---

The Key Audit matters in the Auditors Report of Subsidiary Company RGIC is reproduced here under:

Appropriateness of Revenue Recognition in relation to Crop Insurance Premium

The Company has recognized revenue of ₹ 328 crore relating to crop insurance premium for the year ended March 31, 2019, which is a significant component of Company's premium income.

As an empaneled insurance company for implementing the Government Scheme for crop insurance, the Company recognizes revenue which includes the share of the Central Government and State Government respectively, based on the acceptance of the farmers proposals received from the Nodal Banks of the respective areas.

Appropriateness of revenue recognition relating to crop insurance premium has been determined to be a key audit matter as this is dependent on whether the criteria for acceptance of the proposals received by the Company (type of crop covered, area etc.), are as per the bid awarded to the Company by the State during the empanelment process.

Our procedures included the following:

- Understanding, evaluating and testing the design and operating effectiveness of the process and key controls around revenue recognition for crop insurance premium.
- Performing tests of details, on a sample basis, to assess whether the criteria for acceptance of proposals in accordance with the bid have been evaluated by the Company prior to recognition of revenue;
- Verifying the books and records (for instance inter office communications from teams performing the activities in relation to underwriting) to check the completeness of revenue recognised.
- Testing sample of manual accounting journals relating to revenue to identify unusual or irregular items, if any.
- Agreeing the above journals tested to corroborative evidence such as declaration from the farmers.
- Evaluating adequacy of disclosures in the Consolidated Ind AS financial statements

Based on the above procedures, we did not come across any exceptions to the appropriateness of revenue recognized in relation to crop insurance premium.

Assessment of timing of Revenue Recognition in the appropriate period for premium income other than crop insurance premium

During the year, the Company has recognised premium revenue of ₹ 3,532 crore towards new and one time business. Out of the total revenue recognised, ₹ 972 crore was recognised during the last quarter.

We have focused on this area because of the significant concentration of revenue during the last quarter of financial year (including cut-off at the Balance sheet date). Due to the nature of the industry, revenue is skewed towards the balance sheet date. Hence, there is possibility that policy sales of the next financial year are accounted in the current period.

We performed the following procedures:

- Understood and evaluated the design and operating effectiveness of process and controls relating to recognition of revenue
- Testing of key controls including at selected branches for ensuring that the revenue has been accrued in the correct accounting period.
- Tested on a sample basis the policies at the year end to confirm if related procedural compliances with regard to acceptability of the terms of policy were completed before or after the year end to ensure appropriate accounting of revenue.
- Tested on a sample basis unallocated premium to ensure that there were no policies where risk commenced prior to balance sheet but revenue was not recognised date.
- Tested the manual accounting journals relating to revenue on a sample basis so as to identify unusual or irregular items. We agreed the journals tested to corroborative evidence.
- Additionally, we also considered the risk that journal entries could be posted to misstate revenue and tested the manual accounting journals relating to revenue on a sample basis so as to identify unusual or irregular items. We agreed the journals tested to corroborative evidence.
- Assessed the adequacy of the disclosures in the financial statements

Based on the work carried out, we did not come across any significant exception which suggests that the revenue recognition is not accounted in the appropriate period.

Independent Auditors' Report on the Consolidated Ind AS Financial Statements

Key audit matters	How our audit including the audit performed by the auditors of Subsidiary Companies addressed the key audit matters
Assessment of contingencies relating to certain matters pertaining to service tax	
<p>The company has received various demands and show cause notices, mostly industry specific, from the tax authorities department in respect of matters such as service tax applicability on reinsurance commission and wrong availment of CENVAT Credit.</p> <p>The management, with the help of its tax expert as needed, have made judgments relating to the likelihood of an obligation arising and whether there is a need to recognize a provision or disclose a contingent liability.</p> <p>We therefore focused on this area as a result of uncertainty and potential material impact.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • Understood Management's process and control for determining tax litigations and its appropriate accounting and disclosure. • testing key controls surrounding litigation, regulatory and tax procedures; • Involved tax experts to gain an understanding of the current status of the tax cases and monitored changes in disputes to establish that the tax provisions have been appropriately adjusted to reflect the latest external developments ; • Where relevant, read the external legal opinions obtained by management; • Discussed pending matters with the Company's legal counsel and management's tax experts ; • Assessed management's conclusions through understanding precedents set in similar cases and corroborating it by involving tax experts; • Assessed the adequacy of presentation and disclosure in the financial statements <p>Based on the work performed, in view of the management's assessment in respect of contingencies relating to certain matters pertaining to service tax and income tax, we determined that the disclosure of contingent liabilities as at March 31, 2019 to be reasonable.</p>

The Key Audit matters in the Auditors Report of Subsidiary Company Reliance Nippon Life Insurance Company Limited ('RNLI') is reproduced here under:

Investments classification and valuation	
<p>The Company holds investment against policy holder's liabilities and shareholder funds. A significant portion of the assets of the Company is in the form of investments (total investments as on March 31, 2019 is ₹ 20,460 crore.</p> <p>As prescribed by Insurance Regulatory and Development Authority of India (the "IRDAI"), all investments should be made and managed in accordance with the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (the "Investment Regulations") and policies approved by Board of Directors of the Company.</p> <p>Further, the valued investments should be as prescribed in the Regulations which states the valuation methodology to be used for each class of investment. The valuation of unlisted or thinly traded investment involves management judgement. Also, basis certain events within the investee company or its rating, there is a need to reclassify investment and assess its valuation/ impairment as per the requirement of regulations and/ or Company's internal policies.</p> <p>Considering above, there is an additional focus on classification of Investment and its valuation.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • Testing of key controls over investment classification and its valuation. • Tested on sample basis investments to ensure correct recording of investments, classification and compliance with Investment Regulations and policies approved by Board of Directors. Tested sample basis valuations of securities which have been valued in accordance with the Regulations and Company's accounting policies. • For an unlisted and thinly traded investments, we have evaluated management's valuation model and assumptions by corroborating it with the requirement of regulations/ its internal policies and market conditions. • For an event specific reclassification and consequent valuation, we have corroborated management's assessment with the requirement of regulations and its internal policies; • Based on our audit procedures, we noted no reportable matters regarding investment classification and its valuation.

Independent Auditors' Report on the Consolidated Ind AS Financial Statements

Key audit matters	How our audit including the audit performed by the auditors of Subsidiary Companies addressed the key audit matters
<p>Provisions and contingent liabilities in relation to tax positions</p> <p>The company has received various demands and show cause notices from the service tax department in respect of matters related to service tax applicability/CENVAT credit utilisation.</p> <p>The management have made judgments relating to the likelihood of an obligation arising and whether there is a need to recognize a provision or disclose a contingent liability. We therefore focused on this area as a result of uncertainty and potential material impact.</p>	<ul style="list-style-type: none"> • We have involved our tax experts to gain an understanding of the current status of the tax cases and monitored changes in the disputes by reading external opinions received by the Company if any, where relevant, to establish that the tax provisions had been appropriately adjusted to reflect the latest external developments. • For legal, regulatory and tax matters our procedures included the following: <ul style="list-style-type: none"> • testing key controls surrounding litigation, regulatory and tax procedures; • performing substantive procedures on the underlying calculations supporting the provisions recorded; • where relevant, reading external legal opinions obtained by management; • discussing open matters with the litigation, regulatory, general counsel and tax teams; • assessing management's conclusions through understanding precedents set in similar cases; • Based on the evidence obtained, while noting the inherent uncertainty with such legal, regulatory and tax matters, we determined the level of provisioning and disclosure of contingent liabilities as at March 31, 2019 to be appropriate.

The Key Audit matters in the Auditors Report of Subsidiary Company Reliance Securities Limited ('RSL') is reproduced here under:

Provisions and contingent liabilities in relation of Tax position	
<p>The Company has received various demands and show cause notices from the service tax department in respect of various matters.</p> <p>The management have made judgments relating to the likelihood of an obligation arising and whether there is a need to recognize a provision or disclose a contingent liability. We therefore focused on this area as a result of uncertainty and potential material impact.</p>	<p>We have involved our tax experts to gain an understanding of the current status of the tax cases and monitored changes in the disputes by reading external opinions received by the company if any , where relevant , to establish that the tax provisions had been appropriately adjusted to reflect the latest external developments.</p> <p>For legal, regulatory and tax matters our procedures included the following:</p> <ul style="list-style-type: none"> • Testing key controls surrounding litigation, regulatory and tax procedures; • Performing substantive procedures on the underlying calculations supporting the provisions recorded; • Where relevant, Reading external legal opinions obtained by management; • Discussing open matters with the litigations, regulatory, general counsel and tax teams; • Assessing management's conclusions through understanding precedents set in similar cases; <p>Based on the evidence obtained, while noting the inherent uncertainty with such legal , regulatory and tax matters, we determined the level of provisioning and disclosure of contingent liabilities as at March 31, 2019 to be appropriate.</p>

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in Board's Report including Annexures to Board's Report, but does not include the Consolidated Financial Statements and our auditor's report thereon. The report containing other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the report containing other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Other Matters

We draw attention to the following matters:

1. The Other matter in the Auditors Report of Subsidiary Company RHFL is reproduced here under:

Going concern

We draw attention to Note no. 50(b) of the consolidated financial statements regarding recent developments adversely impacting financial flexibility of the Company and resulting in delayed payment of Bank borrowings obligations. The Company's ability to meet its obligation dependent on material uncertain events including restructuring of loan portfolio and Inter Creditor Agreement (ICA) for the resolution of its debt. The Company has taken steps to meet such temporary liquidity mismatch by securitization of its loan portfolio. The Company has also engaged with all its lenders to enter into an ICA for the resolution of its debt in accordance with circular dated June 7, 2019 issued by the Reserve Bank of India for prudential framework for resolution of stressed assets. The Company is expecting of implementing its resolution plan during the FY 2019-20.

In view of steps taken by the Company, the Ind AS Financial Statements of the Company have been prepared by the management on a going concern basis. Our opinion is not modified in respect of this matter.

2. Auditors of M/s Reliance Nippon Life Insurance Company Limited ('RNLICL'), a subsidiary of the Parent Company, have included the following other matter paragraph in their audit report:

"The Actuarial Valuation of liabilities for the life policies in force and policies where premium is discontinued is the responsibility of the RNLICL's Appointed Actuary. The actuarial valuation of these Liabilities as at March 31, 2019 has been duly certified by the appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the generally accepted actuarial principles and practices requirements of the Insurance Act, regulations notified by IRDAI and Actuarial Practice Standards 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 for forming our opinion on the Financial Statements of the RNLICL." Our opinion is not modified in respect of this matter.

3. Auditors of M/s Reliance General Insurance Company Limited ('RGICL'), a subsidiary of the Parent Company, have included the following other matter paragraph in their audit report:

"The actuarial valuation of liabilities for Incurred but Not Reported (IBNR) and Incurred but Not Enough Reported (IBNER) 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 March 31, 2019 has been duly certified by the Appointed Actuary. The Appointed Actuary has certified to the RGICL that the assumptions for such valuation are in accordance with the guidelines and norms issued by IRDA and the Institute of Actuaries of India in concurrence with the authority. We have relied on the Appointed Actuary's certificate in this regard." Our opinion is not modified in respect of this matter.

4. Auditors of M/s Reliance Health Insurance Limited ('RHIL'), a subsidiary of the Parent Company, have included the following other matter paragraph in their audit report:

"The Actuarial valuation of liabilities in respect of claims incurred but not reported (IBNR), claims incurred but not enough reported (IBNER) and premium deficiency reserved (PDR) is the responsibility of RHIL's appointed actuary. The actuarial valuation of these liabilities as at March 31, 2019 has been duly certified by the appointed actuary. The appointed Actuary have also certified that in their opinion, the assumptions for such valuations are in accordance with the guidelines and norms issued by IRDAI and the institute of actuary of India in concurrence with the authority. We have relied upon the RHIL's appointed actuary certificate in this regard." Our Opinion is not modified in respect of this matter.

5. Note no. 64 to the Consolidated financial statements which states that the company has adopted Ind AS for the financial year commencing from April 1, 2018, and accordingly, the Consolidated annual financial statements have been prepared by the Company's Management in compliance with Ind AS.
6. Note No. 50(h) to the consolidated financial statements in respect of Scheme of Arrangement (the "Scheme"), as approved by National Company Law Tribunal vide its order dated August 10, 2017, pursuant to which adjustment amounting to ₹ 73 crore was made to the Capital Reserve of the standalone financial statements of the Parent Company for the year ended March 31, 2018. Further, Goodwill amounting to ₹ 179 crore was recognised in the standalone financial statements of Reliance Home Finance Limited, the subsidiary of the Parent Company for the year ended March 31, 2018 which has been adjusted against other equity in the consolidated annual financial results of the Group. As stated in Note 5 to the consolidated annual financial results, the scheme of arrangement was given effect to in the financial statements from the appointed date as per the Scheme (i.e. April 01, 2017) which was different from the date required under Ind AS 105 – Non-current Assets Held for Sale and Discontinued Operations and Ind AS 16 Property, Plant and Equipment.

Our opinion is not modified in respect of the above matters.

7. (i) The consolidated financial statements include the financial statements of 2 subsidiaries which reflect total assets of ₹ 35,559 crore as at March 31, 2019 and total revenues of ₹ 13,399 crore for the year ended March 31, 2019. These financial statements have been audited by us along with other auditors.
- (ii) We did not audit the financial statements of 6 subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 32,447 crore as at March 31, 2019 and total revenues of ₹ 3,790 crore for the year ended March 31, 2019. The consolidated annual financial results also include the Group's share of net profit / (loss) (and other comprehensive income) of ₹ 204 crore for the year ended March 31, 2019 in respect of 2 associates. These annual financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Parent Company's Management, and our opinion on the consolidated financial statements to the extent they have been derived from such annual financial statements / financial information is based solely on the reports of such other auditors.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and the financial statements / financial information certified by the Management.

Independent Auditors' Report on the Consolidated Ind AS Financial Statements

8. The comparative financial information of the Group for the transition date opening balance sheet as at April 1, 2017 included in these Consolidated financial statements, is based on the previously issued statutory financial statements for the year ended March 31, 2017 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us along with then Joint Statutory Auditor, M/s B S R & Co. LLP, Chartered Accountants, we expressed an unmodified opinion vide report dated April 27, 2017. The adjustments to those financial statements for the differences in accounting principles adopted by the Group on transition to the Ind AS have been audited by us.
9. The comparative financial information of the Group for the year ended March 31, 2018 included in the Consolidated annual financial results, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited jointly by us along with Price Waterhouse & Co. Chartered Accountants LLP whose audit report for the year ended March 31, 2018 dated April 26, 2018 expressed an unmodified opinion on those Consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of above matters.

Responsibilities of management and those charged with governance for the consolidated financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records by respective board of directors in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report

that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' Report on the Consolidated Ind AS Financial Statements

Report on other legal and regulatory requirements

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including other comprehensive income) the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements – Refer Note No. 47 to the Consolidated Ind AS financial statements;
 - (ii) The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019 – Refer Note No. 61 to the Consolidated Ind AS financial statements
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company and its subsidiaries during the year ended March 31, 2019.

For Pathak H.D. & Associates

Firm Registration No.: 107783W
Chartered Accountants

Parimal Kumar Jha

Partner
Membership No.: 124262
UDIN: 19124262AAAABB4824

Mumbai
August 14, 2019

Annexure A to the Independent Auditors' Report on the Consolidated Ind AS Financial Statements

Referred to in the Independent Auditors' Report of even date to the members of Reliance Capital Limited on the Consolidated Ind AS financial statements for the year ended March 31, 2019

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the Consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Reliance Capital Limited (hereinafter referred to as "the Parent Company") and its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date except to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is not applicable, pursuant to MCA notification GSR 583(E) dated 13 June 2017.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Parent company, its subsidiary companies and its associate companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that
 - (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
 - (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
 - (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial

Annexure A to the Independent Auditors' Report on the Consolidated Ind AS Financial Statements

control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

8. Based on our audit and auditors report of subsidiary and associate Companies, information & explanation provided by the management, following material weakness have been observed with regard to internal financial control.

a. The Company needs to strengthen loan processing documentation including justification for sanctioning the loans/ exposures, risk assessment of exposures and its mitigation, monitoring of end use of funds, evaluation of borrower's repayment capacity and the policy of sanctioning the loan to entities with weaker credit worthiness

b. The basis of Qualified Opinion given in the Auditors Report of Subsidiary Company RCFL is reproduced here under:

The Company's internal financial control system over financial reporting is not operating effectively in respect of corporate loan book segment due to weak credit appraisal and loan sanctioning mechanism. Internal control system need to be strengthened for credit evaluation and establishing customer credit limits for disbursement of loan, to mitigate the risk of potentially result in the Company recognizing revenue without establishing reasonable certainty of ultimate collection.

c. The basis of Qualified Opinion given in the Auditors Report of Subsidiary Company RHFL is reproduced here under:

i. The Company's internal financial control system over financial reporting is not operating effectively in respect of General-Purpose Corporate Loan products and needs to be strengthened for credit evaluation, risk assessment and documentation of loan to mitigate the risk of the Company recognising revenue without establishing reasonable certainty of ultimate collection. The Company needs to strengthen its existing credit policy for these loan products and make it more broad based, well defined and robust

ii. In our opinion scope of internal auditor was not commensurate with the size and nature of company's business and operation specification in respect of loan sanctioned under General Purpose Corporate Loan products and hence the scope should be enlarged and extended.

d. The basis of Qualified Opinion given in the Auditors Report

of Subsidiary Company RGIC is reproduced here under:

The Company's operation of financial controls over valuation of investment did not consider rating downgrades of the certain investee companies which continued subsequent to the year end and these investments were being valued at amortised cost as prescribed by the IRDA Regulations and valuation policy approved by the Board of Directors,

Qualified Opinion

9. In our opinion and to the best of information and according to explanations given to us, the Company has maintained adequate internal financial controls over financial reporting as at March 31, 2019 based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI, except for possible effects of the material weakness described in the Basis of Qualified Opinion paragraph above on the achievement of the objectives of the Control criteria, the Company's internal financial control over financial reporting were operating effectively as at March 31, 2019.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

10. We have considered the material weakness identified and reported above in determining the nature and extent of audit tests applied in our audit of the Consolidated Ind AS financial statements of the Company for the year ended March 31, 2019 and material weakness described in paragraph 8(c) of Basis for Qualified Opinion, affects our opinion on the Consolidated Ind AS financial statements of the Group.

Other Matters

11. Other Matter given in the Auditors Report of Subsidiary Company RGIC is reproduced here under:

The actuarial valuation of liabilities in respect of Claims Incurred But Not Reported (IBNR) and Claims Incurred But Not Enough Reported (IBNER) is the responsibility of the Company's Appointed Actuary. The actuarial valuation of these liabilities as at March 31, 2019, has been duly certified by the Appointed Actuary. The Appointed Actuary have also certified that in their opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by IRDAI and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon the Company's Appointed Actuary's certificate in this regard for forming our opinion on the financial statements

Annexure A to the Independent Auditors' Report on the Consolidated Ind AS Financial Statements

of the Company.(Refer Other Matter Paragraph of our main Audit Report) Accordingly, our opinion on the internal financial controls with reference to financial statements does not include reporting on the operating effectiveness of the management's internal controls over the valuation and accuracy of the aforesaid actuarial valuation.

12. Other Matter given in the Auditors Report of Subsidiary Company RNLIC is reproduced here under:

The Actuarial Valuation of liabilities for the life policies in force and policies where premium is discontinued is required to be certified by the Appointed Actuary as per the regulations and has been relied upon by us, as mentioned in Other Matter para of our audit report on the financial statements for the year ended March 31, 2019. Accordingly while giving our opinion with regard to adequacy and operative effectiveness of the internal Financial Control System over financial reporting, in so far as it relates to the actuarial valuation of liabilities, we have placed reliance on the Appointed Actuary's and the Risk Officer's certificate.

13. Other Matter given in the Auditors Report of Subsidiary Company RHIL is reproduced here under:

The actuarial valuation for claims incurred but not reported (IBNR), Claims incurred but not enough reported (IBNER) and Premium Deficiency Reserve(PDR) has been duly certified by the Company's appointed actuary in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India (the "Authority") and the Institute of Actuaries of India in

concurrence with the Authority and has been relied upon by us, As mentioned in "Other matters" paragraph of our audit report on the financial statements of the company as at and for the year ended March 31, 2019. Accordingly, our opinion on the internal financial control over financial reporting does not include reporting on the operating effectiveness of the Management's Internal Control over the valuation and accuracy of the aforesaid actuarial valuation.

14. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to Six subsidiary companies, and two associate companies, incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of above matters.

For Pathak H.D. & Associates
Firm Registration No.: 107783W
Chartered Accountants

Parimal Kumar Jha
Partner
Membership No.: 124262
UDIN: 19124262AAAABB4824

Mumbai
August 14, 2019

Reliance Capital Limited

Consolidated balance sheet as at March 31, 2019

Particulars	Note No.	(₹ in crore)		
		As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
ASSETS				
Financial assets				
Cash and cash equivalents	4	688	4 290	3 574
Bank balance other than cash and cash equivalents	5	1 308	719	2 406
Derivative financial instruments		1	7	11
Receivables	6			
(I) Trade receivables		796	876	767
(II) Other receivables		21	12	7
Loans	7	35 448	32 106	28 283
Investments	8	32 672	33 300	31 212
Other financial assets	9	6 105	4 976	3 552
Non-financial assets				
Inventories	10	30	35	41
Current tax assets (Net)	11	247	184	128
Deferred tax assets (Net)	12	317	395	352
Investment property	13	130	178	176
Property, plant and equipment	14	325	348	231
Capital work-in-process		11	1	2
Intangible assets under development	15	7	33	17
Goodwill	15	5 136	5 136	4 974
Other intangible assets	15	108	64	54
Other non-financial assets	16	623	519	499
Total assets		83 973	83 179	76 286
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Derivative financial instruments		63	1	2
Payables	17			
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		847	1 122	1 020
(II) Other payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1 949	167	141
Debt securities	18	26 640	29 126	19 085
Borrowings (Other than debt securities)	19	18 547	16 311	19 269
Deposits	20	4	5	-
Subordinated liabilities	21	969	915	834
Other financial liabilities	22	31 978	29 988	25 965
Non-financial liabilities				
Current tax liabilities (net)	23	5	4	2
Provisions	24	426	1 576	1 238
Other non-financial liabilities	25	1 797	1 325	949
EQUITY				
Equity share capital	26	253	253	253
Other equity	27	(1 202)	760	6 820
Equity attributable to owners of the Company		(949)	1 013	7 073
Non-controlling interests		1 697	1 627	707
Total equity		748	2 640	7 780
Total liabilities and equity		83 973	83 179	76 286
Significant Accounting Policies	2			

The accompanying notes (1-64) are integral part of these consolidated financial statements.

As per our report of even date attached

For **Pathak H.D. & Associates**
Firm Registration No.: 107783W
Chartered Accountants

For and on behalf of the Board

Chairman
Vice Chairman

Directors

Executive Director
Chief Financial Officer
Company Secretary & Compliance Officer
Mumbai
Dated: August 14, 2019

Parimal Kumar Jha
Partner
Membership No.: 124262
Mumbai
Dated: August 14, 2019

Anil D. Ambani
Amitabh Jhunjhunwala
Rajendra P. Chitale
Dr. Bidhubhusan Samal
V. N. Kaul
Chhaya Virani
Anmol Ambani
Amit Bapna
Atul Tandon

Consolidated statement of profit and loss for the year ended March 31, 2019

Particulars	Note No.	Year ended March 31, 2019	(₹ in crore) Year ended March 31, 2018
Revenue from operations			
Interest income	28	7 677	7 263
Dividend income	29	226	205
Premium income		10 574	9 132
Fees and commission income	30	608	590
Net gain on fair value changes	31	1 225	1 427
Other operating income	32	137	101
Total revenue from operations		20 447	18 718
Other income	33	78	37
Total income		20 525	18 755
Expenses			
Finance costs	34	4 519	4 091
Fees and commission expense	35	562	461
Net loss on fair value changes	36	699	2 135
Net loss on derecognition of financial instruments under amortised cost category			
Impairment on financial instruments	37	2 600	4 265
Employee benefits expenses	38	1 523	1 360
Depreciation and amortisation expenses		123	94
Claims incurred and benefit paid (net)		6 139	5 206
Premium paid on reinsurance ceded		2 584	1 959
Change in valuation of liability in respect of life policies		1 559	1 567
Others expenses	39	1 717	1 922
Total expenses		22 025	23 060
Share of net profit / (loss) on associate		168	131
Profit/(loss) before tax		(1 332)	(4 174)
Income tax expense:			
- Current tax		67	291
- Deferred tax		55	91
Total tax expense		122	382
Profit for the year after tax		(1 454)	(4 556)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Change in fair value of FVOCI instrument		(175)	(184)
- Remeasurements of post-employment benefit obligations		(9)	(2)
- Income tax relating to these items		1	1
		(183)	(185)
Items that will be reclassified to profit or loss			
- Change in fair value of FVOCI instrument		142	(144)
- Income tax relating to these items		(51)	45
		91	(99)
Other comprehensive income for the year		(92)	(284)
Total comprehensive income for the year		(1 546)	(4 840)
Net Profit attributable To :			
Owners of the Company		(1 513)	(4 634)
Non controlling interest		52	78
Other Comprehensive income attributable to :			
Owners of the Company		(84)	(277)
Non controlling interest		(8)	(8)
Total Comprehensive income attributable to the owners of the Company		(1 597)	(4 911)
Owners of the Company		44	70
Non controlling interest			
Earnings per equity share	45		
- Basic (₹)		(57.91)	(181.44)
- Diluted (₹)		(57.91)	(181.44)
Significant Accounting Policies	2		

The accompanying notes (1-64) are integral part of these consolidated financial statements.

As per our report of even date attached
For **Pathak H.D. & Associates**
Firm Registration No.: 107783W
Chartered Accountants

Parimal Kumar Jha
Partner
Membership No.: 124262
Mumbai
Dated: August 14, 2019

For and on behalf of the Board
Chairman
Vice Chairman

Directors

Executive Director
Chief Financial Officer
Company Secretary & Compliance Officer
Mumbai
Dated: August 14, 2019

Anil D. Ambani
Amitabh Jhunjhunwala
Rajendra P. Chitale
Dr. Bidhubhusan Samal
V. N. Kaul
Chhaya Virani
Anmol Ambani
Amit Bapna
Atul Tandon

Particulars	Note No.	Number	Amount
As at April 1, 2017	26	25 39 77 006	253
As at March 31, 2018		25 40 48 888	253
As at March 31, 2019		25 40 53 108	253

(₹ in crore)

130

Consolidated statement of changes in equity for the year ended March 31, 2019

Particulars	Reserves and surplus							Other comprehensive income	Total other equity			
	Securities premium	Capital redemption reserve	Debt redemption reserve	Capital reserve	Statutory reserve fund	General reserve	Special reserve			Surplus/ (deficit) in the statement of profit and loss	Treasury Shares	RCap ESOP Trust Reserve
Transactions with owners in their capacity as owners:												
- Issue of equity share, net of transaction cost	1	-	-	-	-	-	-	-	-	1		
- Stock option expense for the year	-	-	-	-	-	-	-	-	(2)	(2)		
- Dividends paid	-	-	-	-	-	-	-	(345)	-	(345)		
- Dividend distribution tax	-	-	-	-	-	-	-	(67)	-	(67)		
- Transfers to:												
Statutory reserve fund	-	-	-	-	31	-	-	(31)	-	-		
Special fund	-	-	-	-	-	-	13	(13)	-	-		
Debt redemption reserve	-	-	200	-	-	-	-	(200)	-	-		
- Non controlling share adjustments	-	-	(100)	-	-	-	(7)	155	-	48		
As at March 31, 2019	3 421	9	230	99	1 986	5 497	69	(12 348)	2	13	(180)	(1 202)

Significant Accounting Policies Note no. 2

The accompanying notes (1 -64) are integral part of these consolidated financial statements.

As per our report of even date attached

For **Pathak H.D. & Associates**

Firm Registration No.: 107783W

Chartered Accountants

For and on behalf of the Board

Chairman

Vice Chairman

Directors

Anil D. Ambani
Amitabh Jhunjhunwala
Rajendra P. Chitale
Dr. Bidhubhusan Samal
V. N. Kaul
Chhaya Virani

Parimal Kumar Jha

Partner

Membership No.: 124262

Mumbai

Dated: August 14, 2019

Executive Director

Chief Financial Officer

Company Secretary & Compliance Officer

Mumbai

Dated: August 14, 2019

Anmol Ambani

Amit Bapna

Atul Tandon

Reliance Capital Limited

Consolidated statement of cash flows for the year ended March 31, 2019

(₹ in crore)			
Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
CASH FLOW FROM OPERATING ACTIVITIES :			
Profit/(Loss) before tax:		(1 332)	(4 174)
Adjustments :			
Depreciation and amortisation expense		123	94
Bad debts recovered & credit balance written back		(77)	(21)
Net Impairment on financial instruments and balances written off		2 600	4265
Provision for gratuity / leave encashment		(15)	(19)
(Profit) / loss on sale of fixed assets		15	3
Interest income on investments		(2 575)	(2 333)
Dividend income on investments		(226)	(205)
Net (gain) / loss on fair value of investment		(526)	708
Share based payment to employees		(2)	-
Amortised brokerage on borrowings		66	81
Discount on commercial papers		230	287
Interest expenses		4 233	3 723
Operating profit before working capital changes		2 514	2 409
Adjustments for (increase)/ decrease in operating assets:			
Unamortised expenses incurred		(39)	(254)
Interest Paid		(4 007)	(3 329)
Trade receivables & loans and advances		(3 580)	(9 651)
Adjustments for increase/ (decrease) in operating liabilities			
Trade payables and liabilities		(3 177)	4 912
Cash generated from operations		(8 289)	(5 913)
Less : Income taxes paid (net of refunds)		(63)	(210)
Net cash inflow / (outflow) from operating activities		(8 352)	(6 123)
CASH FLOW FROM INVESTING ACTIVITIES :			
Purchase of fixed assets (including capital advances)		(41)	(407)
Sale of property, plant and equipments (including capital advances)		(15)	26
Proceeds from sale of investments (net)		2 740	(2 317)
Interest received		2 217	1 913
Dividend received		226	205
Net cash inflow / (outflow) from investing activities		5 127	(580)
CASH FLOW FROM FINANCING ACTIVITIES :			
Dividends paid (including dividend tax thereon)		(412)	(289)
Debt securities issued (repaid) (net)		(2 486)	10 295
Borrowing other than debt securities issued (net)		2 520	(2 590)
Equity share capital issued (including premium)		1	3
Net cash inflow / (outflow) from financing activities		(377)	7 419
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES		(3 602)	716
Add : Cash and cash equivalents at beginning of the year		4 290	3 574
Cash and cash equivalents at end of the year		688	4 290

Significant Accounting Policies

The accompanying notes (1-64) are integral part of these standalone financial statements.

The previous year's figures have been regrouped and reclassified wherever necessary.

Cash and cash equivalents include cash on hand and bank balances.

As per our report of even date attached

For **Pathak H.D. & Associates**
Firm Registration No.: 107783W
Chartered Accountants

For and on behalf of the Board

Chairman
Vice Chairman

Directors

Executive Director
Chief Financial Officer
Company Secretary & Compliance Officer
Mumbai
Dated: August 14, 2019

Anil D. Ambani
Amitabh Jhunjhunwala
Rajendra P. Chitale
Dr. Bidhubhusan Samal
V. N. Kaul
Chhaya Virani
Anmol Ambani
Amit Bapna
Atul Tandon

Parimal Kumar Jha
Partner
Membership No.: 124262
Mumbai
Dated: August 14, 2019

Notes to the consolidated financial statement for the year ended March 31, 2019

1. Background

Reliance Capital Limited ('the Company') is registered as Non-Banking Financial Company (NBFC) as defined under Section 45-IA of the Reserve Bank of India Act, 1934 (RBI). the Company has received during the year certificate of Core Investment Company ('CIC') in terms of the Core Investment Companies (Reserve Bank) Directions, 2016 (RBI CIC Directions). As a CIC, the Company is primarily a holding company, holding investments in its subsidiaries, associates and other group companies. The Company's subsidiaries and associates are engaged in a wide array of businesses in the financial service sector.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(i) Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The consolidated financial statements up to year ended March 31, 2018 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules and relevant provisions of the Act.

These consolidated financial statements are the first consolidated financial statements of the Group under Ind AS.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivatives instruments) are measured at fair value;
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and
- Share based payments.

(iii) Standard issued but not yet effective

On March 30, 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease, rentals are charged to the statement of profit and loss. The Group is currently evaluating the implication of Ind AS 116 on the consolidated financial statements.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019.

- a. Ind AS 12, Income taxes — Appendix C on uncertainty over income tax treatments
- b. Ind AS 19 — Employee benefits
- c. Ind AS 23 — Borrowing costs
- d. Ind AS 28 — investment in associates and joint ventures
- e. Ind AS 103 and Ind AS 111 — Business combinations and joint arrangements
- f. Ind AS 109 — Financial instruments

The Company does not have any material impact of such amendments.

2.2 Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions within the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of changes in equity and balance sheet respectively.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control.

This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

(iii) Joint ventures

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

(iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

(v) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.3 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The power to assess the financial performance and position of the Group and make strategic decisions is vested in the executive director who has been identified as the chief operating decisions maker.

2.4 Foreign currency translation

(i) Functional and presentation currency

Items included in financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is Reliance Capital Limited's functional and presentation currency.

(ii) Translation and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on nonmonetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

2.5 Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction

Notes to the consolidated financial statement for the year ended March 31, 2019

costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, FVTPL and amortised cost.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

- a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
- b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

When the Group revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

2.6 Financial assets

(i) Classification and subsequent measurement

The Group has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables.

Based on the factors, the Group classifies its debt instruments into one of the following three measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets is recognised using the effective interest rate method.

Fair value through other comprehensive income: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Fair value option for financial assets: The Group may also irrevocably designate financial assets at fair value through profit or loss if doing so significantly reduces or eliminates an accounting mismatch created by assets and liabilities being measured on different bases.

Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

- a) Purchased or originated credit impaired (POCI) financial assets, for which the original credit adjusted effective interest rate is applied to the amortised cost of the financial asset.
- b) Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For POCI financial assets – assets that are credit-impaired at initial recognition – the Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in net gain/loss on fair value changes in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Gains and losses on equity investments at FVPL are included in the statement of profit or loss.

(ii) Impairment

The Group assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Group recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL, which also sets out key sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL detailed information about the judgements and estimates made by the Group in the above areas.

(iii) Write-off policy

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Company's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

(iv) Modification of loans

The group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the group assesses whether or not the new terms are substantially different to the original terms. The group does this by considering, among others, the following factors:

- a) If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- b) Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- c) Significant extension of the loan term when the borrower is not in financial difficulty.
- d) Significant change in the interest rate.
- e) Change in the currency the loan is denominated in.
- f) Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, The group de-recognizes the original financial asset and recognizes a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, The group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and The group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognizes a modification gain or loss in the statement of profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

(v) Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Group transfers substantially all the risks and rewards of ownership, or (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control. The Group directly reduces the gross carrying amount of a financial asset when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

Notes to the consolidated financial statement for the year ended March 31, 2019

The Group enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Group:

- (i) Has no obligation to make payments unless it collects equivalent amounts from the assets;
- (ii) Is prohibited from selling or pledging the assets; and
- (iii) Has an obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and bonds) furnished by the Group under standard repurchase agreements and securities lending and borrowing transactions are not de-recognised because the Group retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met. This also applies to certain securitisation transactions in which the Group retains a subordinated residual interest.

2.7 Financial liabilities

(i) Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost, except for:

- Financial liabilities at fair value through profit or loss: this classification is applied to derivatives, financial liabilities held for trading and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss;
- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Group recognizes any expense incurred on the financial liability; and
- Financial guarantee contracts and loan commitments.

Market linked debentures (MLDs)

The Group has issued certain non-convertible debentures, the rate of interest on which is linked to performance of specified indices over the period of the debentures. The Group has opted to designate the entire hybrid contract at FVTPL as the embedded derivative significantly modifies the cash flows that otherwise would be required by the contract. Further, the embedded derivative is not closely related to the financial liability host contract. The Group hedges its interest rate risk on MLD by taking positions in future & options based on specified indices. Any gain / loss on these hedge positions is recognised in Statement of Profit and Loss

(ii) Derecognition

Financial liabilities are derecognised when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expires).

The exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

2.8 Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance; and
- The premium received on initial recognition less income recognised in accordance with the principles of Ind AS 115.

Loan commitments provided by the Group are measured as the amount of the loss allowance.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Group cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

2.9 Repossessed collateral

Repossession collateral represents financial and non-financial assets acquired by the Group in settlement of overdue loans. The assets are initially recognised at fair value when acquired and included in premises and equipment, other financial assets, investment properties or inventories within other assets depending on their nature and the Group's intention in respect of recovery of these assets, and are subsequently remeasured and accounted for in accordance with the accounting policies for these categories of assets.

2.10 Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated and qualifies as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives that are not designated as hedges

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/(losses).

2.11 Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

When (or as) a performance obligation is satisfied, the Group recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

(i) Brokerage fee income

Revenue recognition for brokerage fees can be divided into the following two categories:

a) Brokerage fees – over time

Fees earned for the provision of services are recognised over time as the customer simultaneously receives and consumes the benefits, as the services are rendered. These include brokerage fees which is fixed at inception irrespective of number of transaction executed. The revenue for such contracts is recognised over the term of the contract.

b) Brokerage fees – point in time

Revenue from contract with customer is recognised point in time as performance obligation is satisfied.

These include brokerage fees which is charged per transaction executed.

(ii) Loan processing fees and other operating income

Fees and commission incomes and expenses that are integral to the effective interest rate on a financial asset or liability are included in the effective interest rate. Fees and commission that are not integral to the effective interest rate are recognised on accrual basis over the life of the loan. Other operating income i.e. Foreclosure & Bounce Charges, Loan Re-schedule Charges are accounted on cash basis.

(iii) Income from direct assignment

In case of direct assignment of loans, the assets are derecognized when all the rights, title, future receivables and interest thereof along with all the risks and rewards of ownership are transferred to the purchasers of assigned loans. The profit if any, as reduced by the estimated provision for loss/expenses and incidental expenses related to the transaction, is recognised as gain or loss arising on assignment. Servicing fees received is accounted for based on the underlying deal structure of the transaction as per the agreement and excess interest spread (EIS) on the deal is accounted for upfront as and when it becomes due.

(iv) Income from securitisation

In case of securitization of loans, (a) Securitisation transactions prior to March 31, 2017 the assets are derecognized when all the rights, title, future receivables and interest thereof along with all the risks and rewards of ownership are transferred to the purchasers of securitised loans. The profit if any, as reduced by the estimated provision for loss/expenses and incidental expenses related to the transaction, is recognised as gain or loss arising on securitization on a monthly basis, (b) Securitisation transactions after March 31, 2017 the assets are not derecognised and continued in the books as loans. Servicing fees received is accounted for based on the underlying deal structure of the transaction as per the agreement.

(v) Premium income

Premium income on insurance contracts and investment contracts with discretionary participative feature (DPF) is recognised as income when due from policyholders. For unit-linked business, premium income is recognised when the associated units are created. Premium on lapsed policies is recognised as income when such policies are revived or reinstated. In case of linked business, top – up premium paid by policyholders are considered as single premium and are unitized as prescribed by the regulations. The premium income in case of linked business is recognised when the associated units are created/allotted.

Premium in respect of reinsurance contracts shall be recognised as income over the contract period or the period of risk, whichever is appropriate. Reinsurance premium ceded is accounted for at the time of recognition of the premium

Notes to the consolidated financial statement for the year ended March 31, 2019

income in accordance with the terms and conditions of the relevant treaties with the re-insurers. Impact on account of subsequent revisions to or cancellations of premium is recognised in the year in which they occur.

Unearned premiums are those proportions of the premium written in a year that relate to years of risks after the Balance sheet date. Unearned premium are calculated on either a daily or monthly or pro rata basis.

Premium received in advance represents premium received in respect of policies issued during the year, where the risk commences subsequent to the Balance Sheet date.

Deposits collected under the investments contracts without a discretionary participation feature are not accounted for through the income statement, except for the fee income, but are accounted for directly through the statement of financial position as an adjustment to the investment contract liability. Commission income on reinsurance ceded is recognised as income in the period in which reinsurance premium is ceded. Net Investment Income

Investment income consists of dividends, interest and rents receivable for the year, realised gains and losses on debt securities classified as fair value through other comprehensive income, and realised and unrealised gains and losses on investments designated at fair value through profit or loss investments. Dividend on equity securities are recorded on ex-dividend date. Interest income is recognised as it accrues, taking into account the effective yield on the investment. Rental income is recognised on an accrual basis, and is recognised on a straight-line basis unless there is a compelling evidence that benefits do not accrue evenly over the period of lease.

A gain or loss on investment is only realised on disposal or transfer, and is difference between the proceeds received, net of transaction costs, and its original cost or amortised cost, as appropriate.

Unrealised gains and losses, arising on investments which have not been derecognised as a result of disposal or transfer, represent the difference between the carrying value at the year end and carrying value at the previous year end or purchase value during the year, less previously recognised unrealised gains and losses in respect of disposals made during the year.

Reinsurance assets

The Company cedes reinsurance in the normal course of business, with retention limits varying by line of business. Premiums ceded and claims reimbursed are presented on a gross basis in the statement of profit or loss and statement of financial position as appropriate.

Reinsurance assets, being net contractual rights receivable under re-insurance contract, have been recognised based on actuarial valuations.

Reinsurance assets primarily include balances due from reinsurance companies for ceded insurance and investment contract liabilities. This includes balances in respect of investment contracts which are legally reinsurance contracts but do not meet the definition of a reinsurance contract under Ind AS. Amounts recoverable from reinsurers are estimated in a manner consistent with the underlying contract liabilities, outstanding claims provisions or settled claims associated with the reinsured policies and in accordance with the relevant reinsurance contract.

Reinsurance of non-participating investment contracts are accounted for directly through the statement of financial position. A deposit asset or liability is recognised, based on the consideration paid or received less any explicitly identified premiums or fees to be retained by the reinsured. These deposit assets or liabilities are shown within reinsurance assets in the consolidated statement of financial position.

If a reinsurance asset is impaired, the Company reduces the carrying amount accordingly and recognises that impairment loss in the income statement. A reinsurance asset is impaired if there is objective evidence, as a result of an event that occurred after initial recognition of the reinsurance asset, that the Company may not receive all amounts due to it under the terms of the contract, and the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer.

A liability for unearned premium shall be created as the amount representing that part of the premium written which is attributable to, and to be allocated to the succeeding accounting periods, as may be prescribed by the Authority.

Profit commission under reinsurance treaties, wherever applicable, is recognised on accrual basis. Any subsequent revisions of profit commission are recognised in the year in which final determination of the profits are intimated by reinsurers.

(vi) Interest income

Interest income is recognised using the effective interest rate

(vii) Dividend income

Dividend income is recognised in the statement of profit or loss on the date that the Group's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

(viii) Fees and commission income

Fees and commission incomes and expenses that are integral to the effective interest rate on a financial asset or liability are included in the effective interest rate. Fees and commission that are not integral to the effective interest rate are recognised on accrual basis over the life of the instrument.

(ix) Portfolio management fee income

Portfolio management fees are recognised on an accrual basis in accordance with the Portfolio Management Agreement entered with respective clients except in case of Reliance Securities Limited, which is as follows:

- Processing fees is recognised on upfront basis in the year of receipt;
- Management fees is recognised as a percentage of the unaudited net asset value at the end of each month;
- Return based fees is recognised as a percentage of annual profit, in accordance with the terms of the agreement with clients on the completion of the period.

(x) Online access fees

Online access fees is recognised on straight-line basis, based on the agreement with the clients.

(xi) Infrastructure and resource management fees

Infrastructure and resource management service fees are recognised on accrual basis as per agreements with the clients.

(xii) Trusteeship fee

Trusteeship fee income is recognised on the basis of the agreements entered into between the Settlor and the Trustee.

(xiii) Income from trading in derivatives

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into, and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of profit and loss immediately.

Brokerage and other payments made in connection with the acquisition of derivatives are added to the cost of acquisition. The amount shown under sale of currency derivatives is net of brokerage.

(xiv) Rental income

Lease income from operating leases where the Group is a lessor is recognised in income on a straightline basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(xv) Other investment contract fee revenue

Investments contract policyholders are charged fees for policy administration, investment management, surrenders or other contract services. The fees may be fixed amounts or vary with the amounts being managed and will generally be charged as an adjustment to the policyholder's balance.

The fees are recognised as revenue in the year in which they are collected unless they relate to services to be provided in future years, in which case they are deferred and recognised as and when the services is provided.

(xvi) Delay payment interest

Delay payment interest is recognised on an accrual basis.

2.12 Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Notes to the consolidated financial statement for the year ended March 31, 2019

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.13 Leases

As a lessee

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straightline basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

2.14 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- interests issued by the Group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

2.15 Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.16 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in liabilities in the balance sheet.

2.17 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

2.18 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives & residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

The estimated useful lives for the different types of assets are:

- (i) Furniture and Fixtures – 10 years
- (ii) Office equipments – 5 years
- (iii) Computers – 3 years
- (iv) Vehicles – 8 years
- (v) Plant & Machinery given on lease – 8 years
- (vi) Data processing machineries given on lease – 3 years
- (vii) Vehicles given on lease – 8 years
- (viii) Buildings – 60 years

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the statement of profit or loss.

2.19 Intangible assets

(i) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

Notes to the consolidated financial statement for the year ended March 31, 2019

(ii) **Other intangibles**

Intangible assets are recognised where it is probable that the future economic benefit attributable to the assets will flow to the Group and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment, if any.

Expenditure incurred on acquisition/development of intangible assets which are not put/ready to use at the reporting date is disclosed under intangible assets under development. The Group amortises intangible assets on a straight-line basis over the useful lives of the assets commencing from the month in which the asset is first put to use. The Group provides pro-rata depreciation from the day the asset is put to use.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognised as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

2.20 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is de-recognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives.

The useful life has been determined based on technical evaluation performed by the management's expert.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment properties recognised as at April 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

2.21 Product Classification

Insurance contracts are those contracts when the Group (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders, if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Group determines whether it has significant insurance risk, if the benefit payable on death is higher by at least 5% of the fund value at any time during the term of the contract for unit-linked products, or the benefit payable on death is higher by at least 5% of the premium at any time during the term of the contract for other than unit-linked products. Investment contracts are those contracts which are not Insurance Contracts.

Any contracts not considered insurance contract are classified as investments contracts. Investment contracts are those contracts that transfer significant financial risk and no significant insurance risk. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant. Some insurance and investment contracts contain a discretionary participation feature (DPF), which is a contractual right to receive additional benefits as a supplement to guaranteed benefits. Insurance and investment contracts are further classified as with DPF, Linked Business and Others. Insurance contracts and investment contracts with DPF are measured and accounted under existing accounting practices at the date of transition to Ind AS, which is in accordance with Ind AS 104.

Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of price or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expired. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

2.22 Policy benefits

Claims and benefits paid

Gross benefits and claims for life insurance contracts and for investment contracts with DPF include the cost of all claims arising during the year including internal and external claims handling costs that are directly related to the processing and settlement of claims and policyholder bonuses declared on DPF contracts as well as changes in the gross valuation of insurance and investment contract liabilities with DPF.

Death and other claims are accounted for, when notified. Survival and maturity benefits are accounted when due. Surrenders/Withdrawals under linked – policies are accounted in the respective schemes when the associated units are cancelled. Repudiated claims disputed before judicial authorities are provided for based on Management prudence considering the facts and evidences available, in respect of such claims.

Reinsurance Claims

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract in the same year as that of the related claims.

Annuity benefits are accounted when due. Claims cost consist of the policy benefit amounts and claims settlement costs, where applicable.

Withdrawals under unit-linked policies are accounted in respective schemes when the associated units are cancelled.

2.23 Acquisition Costs

Acquisition costs are costs that vary with and are primarily related to acquisition of insurance contracts.

Acquisition costs mainly consists of commission, medical costs, policy printing expenses, stamp duty and other related expenses. These costs are expensed in the year in which they are incurred. Claw-back of the first year commission paid, if any, in future is accounted in the year in which it is recovered.

Acquisition costs of insurance contract and investment contract with DPF are expensed in the period in which they are incurred.

For investment contracts without DPF, acquisition costs that are directly attributable to securing an investment contract are deferred and amortised over the year in which the service is provided.

2.24 Policy liabilities

The policy liabilities in respect of insurance contracts and investments contracts with DPF are calculated in accordance with the accepted actuarial practice, requirements of Insurance Act, 1938, Regulations notified by the Insurance Regulatory and Development Authority of India, and Practice Standards prescribed by the Institute of Actuaries of India.

2.25 Investment contract liabilities without DPF

Deposits collected under investment contracts without DPF are not accounted for through the Statement of Profit or loss, except for the investment income attributable to those contracts, but are accounted for directly through the statement of financial position as an adjustment to the investment contract liability.

The majority of the Group's contracts classified as investment contracts with DPF are unit-linked contracts and are measured at fair value.

The liability's fair value is determined in accordance with Ind AS 109 and Ind AS 113, which is the amount for which the liability could be transferred in an orderly transaction between market participants at the measurement date. For unit-linked contracts, the fair value liability is equal to the current unit fund value, including any unfunded units.

2.26 Off-setting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.27 Fiduciary assets

Assets held by the Group in its own name, but on the account of third parties, are not reported in the consolidated balance sheet. Commissions received from fiduciary activities are shown in fee and commission income.

2.28 Inventories

- Stock of gold is valued at weighted average cost or realizable value, whichever is lower.
- Financial instruments held as inventory are measured at fair value through profit or loss.

2.29 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.30 Provisions

Provisions for restructuring are recognised by the Group when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the Group will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Group.

2.31 Claims incurred

Claims incurred comprises of claims paid (net of salvage and other recoveries), change in estimated liability for outstanding claims made following a loss occurrence reported and change in estimated liability for claims Incurred But Not Reported ('IBNR') and claims Incurred But Not Enough Reported ('IBNER'). Further, claims incurred also include specific claim settlement costs such as survey / legal fees and other directly attributable costs.

Notes to the consolidated financial statement for the year ended March 31, 2019

Salvaged assets are recognised on realisation basis.

Claims (net of amounts receivable from reinsurers / co-insurers) are recognised on the date of intimation on management estimates of ultimate amounts likely to be paid on each claim based on the past experience. These estimates are progressively revalidated on availability of further information.

IBNR represents that amount of claims that may have been incurred during the accounting period but have not been reported or claimed. The IBNR provision also includes provision, if any, required for claims IBNER. Estimated liability for claims IBNR and IBNER is certified jointly by the Appointed Actuary and the Mentor to the Appointed Actuary of RGICL for the year ended March 31, 2018.

2.32 Reserve for unexpired risk

Reserve for unexpired risk is made on the amount representing that part of the net premium written which is attributable to and to be allocated to the succeeding accounting period using 1/365 method for all lines of business other than Marine Hull. In case of Marine Hull business 100% of the Net Written Premium during the preceding twelve month is recognised as reserve for unexpired risk.

2.33 Premium deficiency

Premium deficiency is recognised if the cost of expected net claim cost, related expenses and maintenance cost exceeds the sum of related premium carried forward to subsequent accounting period as the reserve for unexpired risk. Premium deficiency is recognised at RGICL level. The RGICL considers maintenance cost as relevant cost incurred for ensuring claim handling operations. The expected claim cost is required to be calculated and duly certified jointly by the Appointed Actuary and the Mentor to the Appointed Actuary of RGICL.

2.34 Insurance contract liabilities

Insurance contract liabilities for general insurance include the outstanding claims provision, the provision for claims incurred but not reported (IBNR), the provision for unearned premium and the provision for premium deficiency. The outstanding claims provision is based on the estimated ultimate cost likely to be paid on each claims based on the past experience. These estimates are progressively revalidated on availability of further information.

IBNR represents that amount of claims that may have been insured during the accounting period but have not been reported or claimed. The IBNR provision also includes provision, if any, required for claims IBNER. Estimated liability for claims Incurred but not reported and claims incurred but not enough reported is required to be certified by the Appointed Actuary of the company.

The provision for unearned premiums represents that portion of premiums received or receivable that relates to risks that have not yet expired at the reporting date. The provision is recognized on amount representing that part of the net premium written attributable to and to be allocated to the succeeding accounting period using 1/365 method.

The provision for Premium Deficiency Reserve is recognized if the cost of expected net claim cost, related expenses and maintenance cost exceeds the sum of related premium carried forward to subsequent accounting period as the reserve for unexpired risk. The expected claim cost is required to be calculated and duly certificate by the Appointed Actuary.

The liability is not discounted for the time value of money. No provision for equalization or catastrophe reserves is recognized. The liabilities are derecognized when the obligation to pay a claim expires, is discharged or is cancelled.

As permitted by Ind AS 104 Insurance Contracts, the Company continues to apply the existing accounting policies that were applied prior to the adoption of Ind AS, with certain modifications allowed by the standard effective subsequent to adoption for its insurance contracts. The Company has applied Indian GAAP in respect of Insurance contract.

2.35 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Post-employment obligations

The Group operates the following post-employment schemes:

- (a) Gratuity;
- (b) Superannuation fund; and
- (c) Provident fund.

Defined benefit plans

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The estimated future payments which are denominated in a currency other than INR, are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

Superannuation fund

Contribution to Superannuation Fund, a defined contribution scheme, is made at pre-determined rates to the Superannuation Fund, Life Insurance Corporation and is charged to the Statement of Profit or loss. There are no other obligations other than the contribution payable to the Superannuation Fund.

Provident fund

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Other long-term employee benefit obligations

Leave encashment

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit or loss.

Phantom Shares

As a long-term incentive plan to employees, the Company has initiated Phantom Stock Option Plan which are cash settlement rights where the employees are entitled to get cash compensation based on agreed formulae. The employees are entitled to receive cash payment equivalent to appreciation in the value over the defined base price of the shares. The present value of the obligation under such plan is determined based on actuarial valuation.

2.36 Share-based payments

Employee Stock Option Scheme (ESOS)

The employees of the Company and its subsidiaries are entitled for grant of stock options (equity shares), based on the eligibility criteria set in the ESOS plan of the Company. The fair value of options granted under ESOS is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined reference to the fair value of the options granted excluding the impact of any service conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

ESOS Trust

The Group's ESOS is administered through the RCAP ESOS Trust. The Company treats the trust as its extension and is consolidated in Company's financial statements. The shares held by the trust are treated as treasury shares.

2.37 Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Treasury shares are presented as a deduction from equity and no gain or loss is recognised on the purchase, sale, issue or cancellation of such shares.

2.38 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.39 Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year and excluding treasury shares.

Notes to the consolidated financial statement for the year ended March 31, 2019

b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.40 Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest crore as per the requirements of Schedule III, unless otherwise stated.

3. Critical estimates and judgements

The Company makes estimates and assumptions that affect the amounts recognised in the consolidated financial statements, and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the consolidated financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include the following:

3.1 Estimation of fair value of unlisted investments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions.

3.2 Effective interest rate method

The Group recognises interest income/expense using the effective interest rate, i.e., a rate that represents the best estimate of a constant rate of return over the expected life of the loans. The effective interest method also accounts for the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

3.3 The Company considers some of its investment in associate to be realises with in 1 year for asset liability management accordingly financials statement are prepared on going concern.

3.4 Impairment of financial assets using the expected credit loss method

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's history, existing market conditions as well as forward looking estimates at the end of each reporting period.

3.5 Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI test and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement considered by the Group in determining the business model including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

3.6 Consolidation of structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

The Group consolidates the structured entities that it controls. When making this judgement, the Group also considers voting and similar rights available to itself and other parties, which may limit the Group's ability to control, including rights to appoint, reassign or remove members of the structured entity's key management personnel who have the ability to direct the relevant activities.

3.7 Current tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit entitlement is recognised where there is convincing evidence that the same can be realised in future.

3.8 Deferred tax

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

Recognition therefore involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised.

3.9 Provisions and contingent liabilities

The Group exercises judgement in measuring and recognizing provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

3.10 Share-based payments

The Group measures the cost of equity settled transactions with employees using the Black-Scholes model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

3.11 Insurance and investment contract liabilities

Assessment of the significance of insurance risk transferred to the Group in determining whether a contract should be accounted as insurance or investment contracts.

3.12 Measurement of insurance and investment contract liabilities with DPF

Principal assumptions will include those in respect of mortality, morbidity, persistency, expense inflation, valuation interest rates, future bonus rate and tax rate.

3.13 Estimation of fair value of investments property

The company has carried out the valuation activity to assess fair value of its Investment in land and property. Accordingly, fair value estimates for investment in land and property is classified as level 3.

Particulars	(₹ in crore)		
	As at March 31 2019	As at March 31 2018	As at April 1 2017
4 Cash and cash equivalents			
Cash on hand	35	26	38
Cheques on hand	71	67	75
Balances with banks:			
In current accounts	563	4 195	3 461
In fixed deposits (with original maturity of 3 months or less)	19	2	-
Total	688	4 290	3 574

Note: Balance as at March 31, 2018 includes ₹ 1,500 crore which was lein against bank guarantee for third party.

5 Bank balance other than cash and cash equivalents above

Balances with banks:

In earmarked accounts

- unclaimed dividend	22	21	19
- other bank balances#	13	13	13
In fixed deposits	66	96	122

Others

- Held as lien (refer note below)	1 207	589	2 252
Total	1 308	719	2 406

Notes:

In respect of balances with Banks in Fixed Deposit accounts above includes:

- ₹ 303 crore (March 31, 2018 - ₹ 410 crore and April 1, 2017 - ₹ 310 crore) have been kept as margin requirement for equity trade settlement and market linked debentures
- ₹ 865 crore (March 31, 2018 - ₹ 143 crore and April 1, 2017 - ₹ 230 crore) kept as credit enhancement towards securitisation transaction.
- ₹ 5 crore (March 31, 2018 - ₹ 5 crore and April 1, 2017 - ₹ 5 crore) are liened against bank overdraft facility.
- ₹ 28 crore (March 31, 2018 - ₹ 21 crore and April 1, 2017 - ₹ 23 crore) kept as deposit with bank for issuing of Bank Guarantee.
- Balances with banks include in ₹ 20,00,000 (March 31, 2018 - ₹ 20,00,000 and April 1, 2017 - ₹ 20,00,000) is kept as deposit with the Pension Fund Regulatory and Development Authority (PFRDA).

Notes to the consolidated financial statement for the year ended March 31, 2019

- (f) Balances with banks include in Fixed deposit accounts ₹ 1 crore (March 31, 2018 - ₹ 1 crore and April 1, 2017 - ₹ 1 crore) is kept as deposit with sales tax authority.
- g) Balance as at April 1, 2017 includes ₹ 1,500 crore which was kept as deposit with bank for issuing of bank guarantee for third party.
- #Out of above ₹ 13 crore (March 31, 2018 - ₹ 13 crore and April 1, 2017 - ₹ 13 crore) are earmarked for specified purpose in a separate bank account.

Particulars	(₹ in crore)		
	As at March 31 2019	As at March 31 2018	As at April 1 2017
6 Receivables (considered good unless otherwise stated)			
6A Trade receivables			
Receivables - Secured	298	393	231
Receivables - Unsecured	531	524	576
Receivables - credit impaired	36	19	3
Less: Allowance for impairment loss	(69)	(60)	(43)
Total	796	876	767
6B Other receivables			
Receivables - Unsecured	21	12	7
Total	21	12	7

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner or a member.

7 Loans			
At amortised cost			
Term loans	37 065	37 357	29 878
Loans repayable on demand	146	90	40
Loans to related parties	30	1 170	1 636
Others #	1 612	841	627
Total (A) - Gross	38 853	39 458	32 181
(Less): Impairment loss allowance	3 405	7 352	3 898
Total (A) - Net	35 448	32 106	28 283
Secured by property plant and equipments and other receivables	37 916	35 344	26 987
Secured by intangibles assets	35	-	22
Unsecured	902	4 114	5 172
Total (B) - Gross	38 853	39 458	32 181
(Less): Impairment loss allowance	3 405	7 352	3 898
Total (B) - Net	35 448	32 106	28 283
Loans in India			
- Public sector	-		
- Others	38 853	39 458	32 181
Total (C) - Gross	38 853	39 458	32 181
(Less): Impairment loss allowance	3 405	7 352	3 898
Total (C) - Net	35 448	32 106	28 283

Others includes as at March 31, 2019 ₹ Nil (As at March 31, 2018 ₹ Nil, As at April 1, 2017 ₹ 0.13 crore due by Private company in which one director is a member & director.

Reliance Capital Limited

Notes to the consolidated financial statement for the year ended March 31, 2019

7.1. Term loans

Summary of loans by stage distribution

(₹ in crore)

Particulars	As at March 31 2019				As at March 31 2018				As at April 1 2017			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	27 907	9 328	1 618	38 853	28 381	5 339	5 738	39 458	24 660	6 722	799	32 181
Less: Impairment loss allowance	370	2 255	780	3 405	206	1 718	5 428	7 352	230	3 146	522	3 898
Total	27 537	7 073	838	35 448	28 175	3 621	310	32 106	24 430	3 576	277	28 283

Analysis of changes in the gross carrying amount by stages in relation to loans and its corresponding impairment loss allowance (ECL) is as follows

Particulars	As at March 31 2019							
	Stage 1		Stage 2		Stage 3		Total	
	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
As at March 31, 2018	28 380	206	5 339	1 717	5 738	5 429	39 457	7 352
Transfers during the year	1 155	340	2 391	540	(584)	(454)	2 961	425
transfers to stage 1	273	-	(266)	-	(8)	-	-	-
transfers to stage 2	(1 582)	(207)	1 848	47	(2)	(29)	263	(189)
transfers to stage 3	(243)	30	16	(51)	609	110	383	89
Impact of changes in credit risk on account of stage movements	-	-	-	3	(4 135)	(4 276)	(4 135)	(4 273)
Changes in opening credit exposures (additional disbursement net of repayments)	(76)	-	-	-	-	-	(76)	-
Amounts written off during the year	-	-	-	-	-	-	-	-
As at March 31, 2019	27 907	369	9 328	2 256	1 618	780	38 853	3 405

Particulars	As at March 31 2018							
	Stage 1		Stage 2		Stage 3		Total	
	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
As at March 31, 2017	24 660	229	6 722	3 146	798	523	32 181	3 898
Transfers during the year	4 089	723	2 251	2 731	(127)	39	6 213	3 494
transfers to stage 1	266	2	(260)	(2)	(6)	-	-	-
transfers to stage 2	(310)	(89)	380	17	(4)	(13)	66	(85)
transfers to stage 3	(426)	(659)	(3 754)	(4 202)	4 970	4 861	790	1
Impact of changes in credit risk on account of stage movements	-	-	-	26	106	4	106	30
Changes in opening credit exposures (additional disbursement net of repayments)	102	-	-	-	-	15	102	15
Amounts written off during the year	-	-	-	-	-	-	-	-
As at March 31, 2018	28 380	206	5 339	1 717	5 738	5 429	39 457	7 352

Refer note no. 48(e)

Notes to the consolidated financial statement for the year ended March 31, 2019

8 Investments

(₹ in crore)

Particulars	As at March 31 2019				As at March 31 2018				As at April 1 2017			
	AC	FVTPL	FVOCI	Total	AC	FVTPL	FVOCI	Total	AC	FVTPL	FVOCI	Total
Investment in equity shares												
- Quoted	-	5 107	8	5 115	-	5 510	221	5 731	-	5 988	336	6 324
- Unquoted	-	138	34	172	-	88	138	226	-	416	212	628
Investments in associates (carrying cost)	-	1 226	-	1 226	-	1 048	-	1 048	-	1 055	-	1 055
Investment in preference shares	-	281	-	281	2	304	-	306	3	204	-	207
- Unquoted	-	281	-	281	-	304	-	306	-	204	-	207
Investment in government or trust securities - Quoted	8 138	2 009	3 671	13 818	6 598	1 766	3 603	11 967	5 110	1 798	2 732	9 640
Investment in Pass through certificates and security receipts - Unquoted	145	257	-	402	522	875	-	1 397	429	706	-	1 134
Investment in debentures and bonds												
- Quoted	2 911	1 000	5 317	9 228	2 178	1 433	4 080	7 691	2 114	1 034	3 684	6 832
- Unquoted	-	467	-	467	-	3 741	-	3 741	-	3 812	-	3 812
Investment in mutual fund												
- Quoted	-	419	-	419	-	230	-	230	-	848	-	848
- Unquoted	-	215	-	215	-	72	-	72	-	262	-	262
Investment in Private equity funds												
- Quoted	-	55	-	55	-	23	-	23	-	86	-	86
- Unquoted	-	250	-	250	-	169	-	169	-	95	-	95
Others												
- Quoted	-	146	-	146	-	177	-	177	-	-	-	-
- Unquoted	447	430	1	878	244	268	8	520	102	187	-	289
Total	11 641	12 000	9 031	32 672	9 545	15 705	8 050	33 300	7 758	16 490	6 964	31 212

AC- Ammortised cost FVTPL- Fair Value Through Profit and Loss FVOCI- Fair Value through other comprehensive Income

- (i) Investments of ₹ 27 crore in unit of Mutual Fund of Reliance Short Term Fund-Direct Plan -Growth Plan have been pledged with National Securities Clearing Corporation Limited (NSCCL) to comply with margin requirements.
- (ii) Over the course of the year, RNLIC also sold FVOCI equity instruments with a principal value of ₹ 20 crore (Previous year ₹ 18 crore) loss of ₹ 3 crore (Previous year Profit ₹ 0.02 crore) crore is recognised in OCI. Additionally, out of the Company's FVOCI debt portfolio, instruments with a principal of ₹ 155 crore (March 31, 2018: ₹ 194 crore) matured. In relation to these, the Company transferred profit of ₹ 0.60 crore (March 31, 2018: Profit ₹ 5 crore) unrealised gains / (loss) from OCI to the Statement of profit and loss.

(₹ in crore)

Particulars	As at	As at	As at
	March 31, 2019	March 31, 2018	April 1, 2017
9 Other financial assets (considered good unless otherwise stated)			
Interest accrued - loans	1 285	696	302
Interest accrued - investments	1 269	911	491
Advances to Others	14	1	20
EIS receivables	203	105	55
Deposits			
- Considered good	88	110	95
- Considered doubtful	9	1	24
Less: provision for doubtful advances	(19)	(12)	(2)
Unclaimed amount of policyholders	55	53	49
Reinsurance Assets	3 070	2 925	2 366
Investment sale to be received	111	155	144
Others	19	31	7
Total	6 105	4 976	3 552

Reliance Capital Limited

Notes to the consolidated financial statement for the year ended March 31, 2019

		(₹ in crore)		
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017	
10 Inventories (considered good unless otherwise stated)				
Debt securities	30	29	40	
Equity instruments	-	-	1	
Others (specify)	-	6	-	
Total	30	35	41	
11 Current tax assets (net)				
Income tax paid in advance (net of provision for tax)	240	174	122	
Vat and service tax	7	10	6	
Total	247	184	128	
12 Deferred tax assets (net)				
Deferred tax assets				
Property plant and equipment / Unabsorbed depreciation	44	43	41	
Defined benefit obligations	6	5	4	
Impairment allowance for financial assets	144	110	83	
Carry forward losses	198	272	368	
MAT credit entitlement	118	115	5	
Others specify	68	97	24	
	578	642	525	
Deferred tax liabilities				
Property plant and equipment	39	25	5	
Unamortised expenditure	41	52	13	
Fair value adjustments	51	44	23	
Others specify	130	126	132	
	261	247	173	
Net deferred tax assets / (liabilities)	317	395	352	

Particulars	As at March 31, 2019		As at March 31, 2018	
	Land	Buildings	Land	Buildings
13 Investment Property				
Gross carrying amount				
Deemed cost	29	154	29	154
Additions	-	-	-	-
Disposals and transfers	-	(6)	-	-
Closing gross carrying amount	29	148	29	154
Accumulated depreciation / amortisation	-	5	-	2
Amortisation during the year	-	2	-	3
Impairment during the year	25	15	-	-
Disposals and transfers [*₹ (21 37 813)]	-	(*)	-	-
Closing accumulated depreciation / Impairment	25	22	29	5
Net carrying amount	4	126	29	149

Notes:

- On transition date the company has elected to carry previous GAAP carrying amount as deemed cost.
- The company has carried out the valuation activity to assess fair value of its Investment in land and property which is ₹ 129 crore. Accordingly, fair value estimates for investment in land and property is classified as level 3.

Information regarding Income & Expenditure of Investment property

(₹ in crore)

Particulars	2018-19	2017-18
Rental income derived from investment property	-	-
Direct operating expenses (including repairs and maintenance) associated with rental income	-	-
Profit (loss) arising from sale of investment property	(3)	-
Impairment during the year	(40)	-
Depreciation for the year	(2)	(3)
(Loss)/Profit arising from investment property before indirect expenses	(45)	(3)

Notes to the consolidated financial statement for the year ended March 31, 2019

14 Property, plant and equipment

(₹ in crore)

Particulars	Own assets						Leased assets			Total	
	Freehold land	Buildings	Data processing machineries	Furniture and fixtures	Vehicles	Office Equipments	Leasehold improvement	Plant and equipments	Data processing machineries		Vehicles
Year ended March 31, 2018											
Gross carrying amount											
Deemed cost as at April 1, 2017	-	126	115	33	7	44	23	64	24	3	439
Additions	84	73	27	2	2	4	9	5	-	2	208
Disposals and transfers	-	22	5	1	1	3	3	22	-	-	57
Closing gross carrying amount	84	177	137	34	8	45	29	47	24	5	590
Accumulated depreciation											
Depreciation charge during the year	-	9	85	18	4	28	12	30	21	3	210
Disposals and transfers	-	5	27	5	1	8	5	8	2	-	61
	-	1	4	1	1	3	3	16	-	-	29
Closing accumulated depreciation	-	13	108	22	4	33	14	22	23	3	242
Net carrying amount as at March 31, 2018	84	164	29	12	4	12	15	25	1	2	348
Year ended March 31, 2019											
Gross carrying amount											
Opening gross carrying amount	84	177	137	34	8	45	29	47	24	5	590
Additions	-	-	21	2	1	5	7	-	-	-	36
Disposals and transfers	-	11	10	5	-	7	1	4	-	2	40
Closing gross carrying amount	84	166	148	31	9	43	35	43	24	3	586
Accumulated depreciation											
Depreciation charge during the year	-	13	108	22	4	33	14	22	23	3	242
Disposals and transfers	-	5	18	2	1	7	7	6	1	1	48
	-	-	10	5	-	8	1	3	-	2	29
Closing accumulated depreciation	-	18	116	19	5	32	20	25	24	2	261
Net carrying amount as at March 31, 2019	84	148	32	12	4	11	15	18	-	1	325

Reliance Capital Limited

Notes to the consolidated financial statement for the year ended March 31, 2019

15 Intangible assets

A Goodwill

(₹ in crore)

Particulars	Goodwill on business acquisition	Goodwill on consolidation	Total
Year ended March 31, 2018			
Gross carrying amount			
Deemed cost as at April 1, 2017	-	4 974	4 974
Additions	162	-	162
Disposals	-	-	-
Balance as at March 31, 2018	162	4 974	5 136
Year ended March 31, 2019			
Gross carrying amount			
Opening gross carrying amount	162	4 974	5 136
Additions	-	-	-
Disposals	-	-	-
Balance as at March 31, 2019	162	4 974	5 136

B Other intangible assets

(₹ in crore)

Particulars	Computer softwares/ Licensing cost	Membership rights / Asset management rights	Total	Intangible assets under development	Total
Year ended March 31, 2018					
Gross carrying amount					
Deemed cost as at April 1, 2017	190	1	191	23	214
Additions	40	-	40	26	66
Disposals and transfers	(1)	-	(1)	(16)	(17)
Closing gross carrying amount	229	1	230	33	263
Accumulated amortisation	136	1	137	-	137
Amortisation during the year	30	-	30	-	30
Disposals and transfers	(1)	-	(1)	-	(1)
Closing accumulated depreciation	165	1	166	-	166
Net carrying amount as at March 31, 2018	64	-	64	33	97
Year ended March 31, 2019					
Gross carrying amount					
Opening gross carrying amount	229	1	230	33	263
Additions	75	-	75	6	81
Disposals and transfers	(1)	-	(1)	(32)	(33)
Closing gross carrying amount	303	1	304	7	311
Opening accumulated amortisation	165	1	166	-	166
Amortisation during the year	31	-	31	-	31
Disposals and transfers	(1)	-	(1)	-	(1)
Closing accumulated depreciation	195	1	196	-	196
Net carrying amount as at March 31, 2019	108	-	108	7	115

Notes to the consolidated financial statement for the year ended March 31, 2019

Particulars	(₹ in crore)		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
16 Other non-financial asset (considered good unless otherwise stated)			
Capital advances	316	365	322
Other advances			
- Considered good	43	11	91
- Considered doubtful	7	6	2
Less: provision for doubtful advances	(7)	(6)	(2)
Prepaid expenses	54	20	30
Balance with VAT, Service tax & GST authorities	105	61	14
Repossessed assets held for sale-secured	149	177	88
Less : Provision for impairment	(44)	(115)	(46)
Total	623	519	499

17 Payable

17A Trade payable

(₹ in crore)

Particulars	(₹ in crore)		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
- Total outstanding dues of micro enterprises and small enterprises (Refer table below)	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	847	1 122	1 020
Total	847	1 122	1 020

The information as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) has been determined to the extent such parties have been identified on the basis of information received from suppliers regarding their status under the said act as available with the Company and relied upon by the auditors, is as follows:

Particulars	(₹ in crore)		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Outstanding principal amount and interest due to suppliers registered under MSMED Act and remaining unpaid at the year end:			
- Principal amount	0.04	0.11	0.02
- Interest due thereon	0.02	0.02	0.01
Interest paid other than under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-	-
Interest paid under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-	-
Amount of interest due and payable (where the principal has already been paid but interest has not been paid).	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.02	0.02	0.01
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act.	-	-	-

Reliance Capital Limited

Notes to the consolidated financial statement for the year ended March 31, 2019

17B Other payable (₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
- Total outstanding dues of micro enterprises and small enterprises	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1 949	167	141
Total	1 949	167	141

18 Debt securities

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Debentures and bonds			
- Secured	23 847	26 243	16 579
- Unsecured	1 807	1 817	1 600
At fair value through profit and loss			
- Debentures (secured)	986	1 066	906
Total	26 640	29 126	19 085
Debt securities in India	26 640	29 126	19 085
Debt securities outside India	-	-	-
Total	26 640	29 126	19 085

Security clause in respect of debentures

- The Secured Non-Convertible Debentures of the Company aggregating to ₹ 16,308 crore (Previous year ₹ 18,081 crore) as on March 31, 2019 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 of the Company as specifically mentioned in the respective Trust Deeds and the asset cover thereof exceeds hundred percent of the principal amount of the said Debentures.
- Rated, Listed, Secured, Redeemable, Non-convertible Debentures ("Secured NCDs") amounting to ₹ 2,150 crore (March 31, 2018 - ₹ 2,824 crore, April 1, 2017 - Nil) are secured by way of a first charge & mortgage over Reliance Commercial Finance Limited (RCFL) 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 RCFL.
- Listed Secured Redeemable Non-Convertible Debentures ("Secured NCDs") of Reliance Home Finance Limited (RHFL) aggregating to ₹ 6,091 crore are secured by way of first pari-passu legal mortgage and charge on RHFL's immovable property and additional pari-passu charge by way of hypothecation on the present and future book debts / receivables, outstanding money (loan book), receivable claims of RHFL with other secured lenders for an amount of ₹ 5,384 crore, except those book debts and receivables charged / to be charged in favour of National Housing Bank for refinance availed / to be availed from them, of Home Finance Business subject to maintenance of minimum asset coverage of hundred percent of issue amount and security amounting to ₹ 707 crore is provided by way of first pari-passu hypothecation charge on all present and future book debts and business receivables of RHFL's holding company viz. Reliance Capital Limited (except security created / to be created towards securing term loans and cash credit limits). Business receivables include current assets and investments.
- NCDs amounting to ₹ 109 crore (March 31, 2018 - ₹ 26 crore) of Reliance Securities Limited are secured by way of first ranking mortgage over the 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 specifically mentioned in the Trust deed and the asset cover thereof exceeds hundred per cent of the principal amount of the said debentures.
- ₹ 382 crore Market linked non convertible debentures (MLD) are secured by way of first ranking mortgage and charge over Reliance Financial Limited's (RFL) Immovable property situated at 4th Floor, Tower C, Siddhi Vinayak Towers, Makarba, Ahmedabad, Gujarat and on all present and future book debts/ business receivable of RFL as specifically mentioned in the Trust deed.
- Unsecured NCDs amounting to ₹ 1,807 crore (Previous year ₹ 1,817 crore) are in respect of Tier II subordinate debts.

Notes to the consolidated financial statement for the year ended March 31, 2019

Maturity profile and Rate of interest of Non-Convertible Debentures are as set out below:

(₹ in crore)											
Rate of Interest	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	Total
#	155	448	-	-	-	-	-	-	-	-	603
0.00%	-	120	39	-	-	-	-	-	-	-	159
8.20%	75	-	-	-	-	-	-	-	-	-	75
8.23%	20	-	-	-	-	-	-	-	-	-	20
8.25%	620	370	-	-	-	-	-	-	-	-	990
8.28%	215	-	-	-	-	-	-	-	-	-	215
8.32%	-	400	-	-	-	-	-	-	-	-	400
8.35%	55	-	-	-	-	-	-	-	-	-	55
8.42%	-	-	14	-	-	-	-	-	-	-	14
8.47%	-	-	25	-	-	-	-	-	-	-	25
8.50%	-	-	478	-	-	-	-	-	20	-	498
8.52%	-	-	-	-	-	54	-	-	-	-	54
8.60%	-	-	-	30	-	-	-	-	-	-	30
8.64%	-	100	-	-	-	-	-	-	-	-	100
8.65%	-	-	20	-	-	25	-	-	-	-	45
8.66%	-	-	-	-	-	-	-	-	35	-	35
8.70%	809	-	-	-	-	-	-	-	-	-	809
8.75%	100	15	259	163	184	-	-	-	-	-	721
8.80%	-	25	-	-	303	-	-	-	-	-	327
8.81%	20	-	25	-	70	-	-	-	-	-	115
8.82%	-	-	-	20	-	-	-	-	-	-	20
8.83%	-	-	-	984	40	-	-	-	-	-	1 024
8.85%	-	-	200	-	20	-	-	1,479	-	-	1 699
8.88%	-	-	-	-	-	489	-	-	-	-	489
8.90%	1 125	-	714	-	-	-	-	-	-	-	1 840
8.93%	-	-	-	-	-	-	-	-	1,700	-	1 700
8.95%	-	-	-	-	-	-	25	-	-	-	25
8.98%	-	-	-	-	-	-	-	-	488	-	488
9.00%	-	60	-	-	-	-	-	1,489	-	-	1 549
9.03%	-	-	-	393	-	-	-	-	-	-	393
9.05%	15	-	330	-	-	-	-	-	1,500	-	1 845
9.07%	-	-	-	-	-	-	-	-	-	-	-
9.10%	475	-	-	-	-	61	-	-	-	-	536
9.12%	-	15	-	-	-	-	-	-	-	-	15
9.15%	535	-	20	-	-	-	15	236	-	-	806
9.23%	-	-	-	-	-	-	-	-	490	-	490
9.25%	150	-	-	-	6	-	-	-	-	-	156
9.32%	-	-	-	-	-	20	-	-	-	-	20
9.35%	-	-	-	-	30	-	-	-	-	-	30
9.40%	-	-	-	-	1 497	-	-	-	-	-	1 497
9.42%	-	-	-	-	-	40	-	-	-	-	40
9.48%	-	-	-	-	-	-	1	-	-	-	1
9.50%	-	200	-	-	488	-	-	-	-	-	688
9.52%	-	-	-	-	15	-	-	-	-	-	15
9.65%	-	-	-	-	-	217	-	-	-	-	217
9.70%	15	-	-	-	-	-	-	-	-	-	15
9.75%	15	-	-	-	-	-	-	-	-	-	15
9.80%	15	-	-	498	-	15	-	-	-	-	528
9.85%	-	-	-	44	-	-	-	-	-	-	44
9.90%	-	498	-	74	2	-	-	-	-	-	574
9.95%	-	-	-	84	-	-	-	-	-	-	84
10.00%	-	-	-	11	-	-	-	-	-	-	11
10.05%	-	-	-	7	-	-	-	-	-	-	7
10.10%	-	-	-	10	-	1 043	-	-	-	-	1 053
10.15%	-	-	-	-	-	-	8	-	-	-	8

Reliance Capital Limited

Notes to the consolidated financial statement for the year ended March 31, 2019

(₹ in crore)

Rate of Interest	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	Total
10.19%	-	-	-	-	152	-	-	-	-	-	152
10.20%	-	-	-	56	-	-	-	-	-	-	56
10.24%	500	-	-	-	-	-	-	-	-	-	500
10.25%	-	-	-	40	-	-	-	-	-	-	40
10.28%	15	-	-	-	-	-	-	-	-	-	15
10.35%	-	155	-	5	-	-	-	-	-	-	160
10.40%	5	-	-	344	-	-	-	-	-	-	349
10.50%	-	-	25	20	15	-	-	-	-	-	59
10.60%	-	-	82	50	-	-	-	-	-	-	132
10.75%	-	-	336	-	-	-	-	-	-	-	336
MLD	400	467	225	199	27	24	-	229	43	15	1 629
TOTAL	5 334	2 873	2 792	3 032	2 848	1 988	49	3 433	4 276	15	26 640

Zero coupon deep discount non-convertible debentures

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
19 Borrowings (other than debt securities)			
At amortised cost			
Loans From banks (secured)	10 848	13 229	13 764
Cash credit (secured)	1 893	1 977	-
Overdrafts from banks (secured)	2	42	20
Loan against shares (secured)	-	25	-
Inter corporate deposits (unsecured)	376	17	23
Commercial Paper (unsecured)	2 251	1 021	5 462
Other loan (pass through certificates)	3 177	-	-
Total (A)	18 547	16 311	19 269
Borrowings in India	18 547	16 312	19 269
Borrowings outside India	-	-	-
Total (B)	18 547	16 312	19 269

Maturity profile of term loan are as set out below:

Nature	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total
Term Loan	4 099	2 361	1 812	1 747	409	415	10 843
Cash Credit	1 900	-	-	-	-	-	1 900
ICD	376	-	-	-	-	-	376
Total	6 375	2 361	1 812	1 747	409	415	13 119

A Term loans

Security clause of Term Loans from banks:

Reliance Capital Limited Term Loans from banks / financial institution includes ₹ 615 crore (Previous year ₹ 615 crore) are secured by pari passu first charge on all present and future book debts, receivables, bills, claims and loan assets of the Company subsidiary

Reliance Commercial Finance Limited Term Loan amounting to ₹ 5,621 crore (March 31, 2018 - ₹ 7,463 crore, April 1, 2017 - ₹ 9,051 crore) are secured by way of a first pari-passu charge on all present and future book debts, business receivables, current assets, investments and all other assets of the Company.

Reliance Commercial Finance Limited Cash Credit amounting to ₹ 1,370 crore (March 31, 2018 - ₹ 1,405 crore, April 1, 2017 - ₹ 524 crore) are secured by way of a first pari-passu charge on all present and future book debts, business receivables, current assets, investments and all other assets of the Company.

Reliance Home Finance Limited Term loans from banks includes ₹ 4,430 crore (Previous year ₹ 5,078 crore), are secured by pari-passu first charge by hypothecation of all the standard book debts and receivables of the Company, both present and future, except for those book debts and receivables charged / to be charged in favour of National Housing Bank for refinance availed / to be availed, if any, from them, against security not exceeding ₹ 4,873 crore (Previous year ₹ 5,585 crore)

Notes to the consolidated financial statement for the year ended March 31, 2019

Reliance Home Finance Limited Cash Credit facility of ₹ 523 crore (Previous year ₹ 568 crore), are secured by pari-passu first charge by hypothecation of all the standard book debts and receivables of the Company, both present and future, except for those book debts and receivables charged / to be charged in favour of National Housing Bank for refinance availed / to be availed, if any, from them, against security not exceeding ₹ 575 crore (Previous year ₹ 624 crore).

Reliance Securities Limited Term Loan amounting to ₹ 5 crore (Previous year ₹ 95 crore) is secured against fixed deposits. The rate of interest on term loan varies from 8.50% to 9.50% and are repayable at maturity ranging up to 12 months.

Reliance Securities Limited Bank overdraft ₹ Nil (Previous year ₹ 38 crore) is secured against book debt. The rate of interest on book overdraft varies from 10.30% to 11.20% and are repayable at maturity ranging up to 12 months.

Reliance Securities Limited LAS of ₹ Nil (Previous year ₹ 25 crore) is secured against shares of clients who have debit balances due to the company. The rate of interest on such facility charged 10.50% fixed monthly payable.

Reliance Commodities Limited Bank overdraft of ₹ 2 crore (Previous year ₹ 4 crore) is secured against fixed deposit. The rate of interest on book overdraft varies from 8% to 9% and are repayable at maturity ranging up to 12 months.

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
20 Deposits			
At amortised cost	4	5	-
Total	<u>4</u>	<u>5</u>	<u>-</u>
The Group has not accepted any deposit from directors / key management personnel's. The deposits have not been guaranteed by directors or others. Also, the Group has not defaulted in repayment of deposits and interest thereon.			
21 Subordinated liabilities			
Preference shares other than those qualified as Equity	124	-	-
Non convertible Tier II debentures	845	915	834
Total	<u>969</u>	<u>915</u>	<u>834</u>
In India	<u>969</u>	<u>915</u>	<u>834</u>
Outside India	-	-	-
22 Other financial liabilities			
Interest accrued but not due on debentures	1 388	1 162	829
Other payables	833	1 127	679
Unclaimed dividend	29	22	22
Book overdraft	72	38	224
Security deposits lease	11	11	16
Unclaimed amount of policyholders (including income on unclaimed amount)	320	520	508
Insurance contract liabilities	22 562	19 543	16 005
Provision for linked liabilities	6 178	7 065	7 471
Funds for future appropriation	427	328	169
Claim outstanding	158	174	42
Total	<u>31 978</u>	<u>29 988</u>	<u>25 965</u>
23 Current tax liabilities			
Provision for income tax (net of advance tax)	5	4	2
Total	<u>5</u>	<u>4</u>	<u>2</u>
24 Provisions			
Employee benefits	48	33	26
Provision for financial guarantee obligation	346	1 503	1 198
Risk reserves	32	40	14
Total	<u>426</u>	<u>1 576</u>	<u>1 238</u>

Reliance Capital Limited

Notes to the consolidated financial statement for the year ended March 31, 2019

a) Summary of ECL on Financial Guarantee Obligation by stage distribution (₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
March 31, 2019	101	234	11	346
March 31, 2018	61	892	550	1 503
April 1, 2017	69	986	143	1 198

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
25 Other non-financial liabilities			
Income and other amounts received in advance	362	95	118
Provision for expenses	338	357	307
Advance receipts from borrowers	93	187	-
Payable for employee benefits	2	4	5
Unallocated Premium	898	477	329
Statutory dues	88	106	66
Others	16	99	124
Total	1 797	1 325	949

(₹ in crore)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Number	₹	Number	₹	Number	₹
26 Equity share capital						
Authorised shares						
Equity shares of ₹ 10 each	30 00 00 000	300	30 00 00 000	300	30 00 00 000	300
Preference shares of ₹ 10 each	10 00 00 000	100	10 00 00 000	100	10 00 00 000	100
Issued and subscribed						
Equity shares of ₹ 10 each	25 40 53 108	254	25 40 48 888	254	25 39 77 006	254
Paid up						
Equity shares of ₹ 10 each	25 27 08 902	252	25 27 04 682	252	25 26 32 800	252
Add: Forfeited shares (amount originally paid up on 13,44,206 equity shares of ₹ 10 each (previous year 13,44,206)	13 44 206	1	13 44 206	1	13 44 206	1
Total	25 40 53 108	253	25 40 48 888	253	25 39 77 006	253

a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year.

(₹ in crore)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Number	₹	Number	₹	Number	₹
Outstanding at the beginning of the year	25 27 04 682	253	25 26 32 800	253	25 26 32 800	253
Stock options exercised under the ESOS (* ₹ 42 200, ** ₹ 7 18 820)	4 220	*	71 882	**	-	-
Outstanding at the end of the year	25 27 08 902	253	25 27 04 682	253	25 26 32 800	253

b) Terms and rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholder.

The Board of Directors have recommended a dividend of Nil [₹ Nil (Previous year ₹ 11) per equity share] for the year.

Notes to the consolidated financial statement for the year ended March 31, 2019

c) Shares reserved for issue under options

Information relating to the Reliance Capital Limited Employee Stock Option Scheme (ESOS), including details regrading options issued, exercised and lapsed during the year and options outstanding at the end of the reporting period is set out in note 42.

d) Details of shareholders holding more than 5% of the shares in the Company

Equity shareholders	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Number	% holding	Number	% holding	Number	% holding
Reliance Inceptum Private Limited	9 41 39 206	37.43%	9 77 14 206	38.67%	9 77 14 206	38.67%
Reliance Infrastructure Consulting & Engineers Private Limited	1 95 88 991	7.79%	2 79 75 633	11.07%	2 79 75 633	11.07%

- e) As on March 31, 2019, 12,11,665 equity shares (Previous year 11,58,711 equity shares) are held by custodian against which depository receipts have been issued.

Particulars	(₹ in crore)		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
27 Other equity			
Capital reserve*			
Opening balance	99	172	
Less: Utilised during the year	-	(73)	
Closing balance	99	99	172
Capital redemption reserve	9	9	9
Debenture redemption reserve**			
Opening balance	130	49	
Add: Amount transferred from Statement of Profit and loss	200	207	
Less: Minority share adjustment	100	126	
Closing balance	230	130	49
Securities premium account			
Opening balance	3 420	3 761	
Add: Issued during the year	1	3	
Less: Minority share adjustment	-	344	
Closing balance	3 421	3 420	3 761
General reserve	5 497	5 497	5 497
Statutory reserve fund#			
Opening balance	1 955	1 745	
Add: Amount transferred from Statement of Profit and loss	31	209	
Add/(Less) : Changes during the year	-	1	
Closing balance	1 986	1 955	1 745
Special reserve			
Opening balance	63	95	
Add: Amount transferred from Statement of Profit and loss	13	37	
Add/(Less) : Changes during the year	7	69	
Closing balance	69	63	95
Surplus/(deficit) in the statement of profit and loss			
Opening balance	(10 334)	(4 683)	
Add: Amount transferred from Statement of Profit and loss	(1 513)	(4 634)	
Less: Dividend	345	265	
Less: Tax on dividend	67	29	
Less: Transfer to special reserve	13	37	
Less: Transfer to statutory reserve fund	31	209	
Less: Transfer to debenture reserve fund	200	207	
Add/(Less) : Changes during the year	155	(270)	
Closing balance	(12 348)	(10 334)	(4 683)

Reliance Capital Limited

Notes to the consolidated financial statement for the year ended March 31, 2019

Particulars	(₹ in crore)		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Treasury shares			
Opening balance	2	-	
Add/(Less) : Changes during the year	-	2	
Closing balance	2	2	-
Rcap ESOP trust reserve			
Opening balance	15	5	
Add/(Less) : Changes during the year	(2)	10	
Closing balance	13	15	5
Equity Instruments through Other Comprehensive Income			
Opening balance	(96)	170	
Add/(Less) : Changes during the year	(84)	266	
Closing balance	(180)	(96)	170
Total	(1 202)	760	6 820

* Includes ₹ 93 crore (Previous year ₹ 166 crore) created pursuant to the Scheme of Amalgamation approved by High Court which shall for all regulatory and accounting purposes be considered to be part of the owned funds / net worth of the Company.

** Created pursuant to the Companies (Share Capital and Debentures) Rules, 2014.

*** Includes ₹ 3,837 crore (Previous year ₹ 3,837) created pursuant to Schemes of Amalgamation approved by High Court.

Created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934.

Created pursuant to Section 29C of the National Housing Bank Act, 1987.

Nature and purpose of reserve

a) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

b) Capital redemption reserve

The capital redemption reserve is created by transferring nominal value of the owned equity shares purchased out of free reserves or securities premium account. The reserve is to be utilised in accordance with the provisions of the Companies Act, 2013.

c) Debenture redemption reserve

The group is required to create a debenture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures.

d) Capital reserve

Capital Reserves are mainly the reserves created during business combination for the gain on bargain purchase.

e) Statutory reserve fund#

Statutory reserve fund is created by transferring 20% of the profit for the year as per reserve bank of India guidelines for NBFC Companies. The Company yet to obtain RBI approval to release statutory reserve fund to retained earnings.

f) General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

g) Special reserve

An amount equivalent to 20% of the profits is transferred to special reserve fund in one of the subsidiaries as per Prudential Norms of RBI.

h) Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations as described in accounting policy are accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment in foreign operations is disposed-off.

i) FVOCI equity investments

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

j) ESOP trust reserve and Treasury shares

Profit on sale of treasury shares by Rcap ESOP trust is recognised in Rcap Esop trust reserve.

Notes to the consolidated financial statement for the year ended March 31, 2019

		(₹ in crore)
Particulars	2018-19	2017-18
28 Interest income		
On financial assets measured at amortised costs:		
Interest on inter corporate loans	4 973	4 801
Interest income from investments	2 575	2 330
Interest others	129	132
Total	7 677	7 263
29 Dividend income		
Long term investments	226	205
Total	226	205
30 Fees and commission income		
Processing Fees	53	14
Brokerage, commission and fees	555	576
Total	608	590
31 Net gain on fair value changes		
Realised	463	975
Unrealised	762	452
Total	1 225	1 427
32 Other operating income		
Profit on loan sold to other NBFC	6	-
Profit on trading of shares and securities (net)	27	61
Sale of gold	34	-
Rent	14	17
Bad Debts recovered	26	21
Foreclosure & Other operating income	30	2
Total	137	101
33 Other income		
Management Fee	6	7
Sundry Credit Balance written off	51	-
Miscellaneous income	21	30
Total	78	37
34 Finance cost		
On financial liabilities measured at amortised cost:		
Inter corporate deposits	10	88
Bank overdrafts	53	44
Bank loans-long term and short term	1 308	1 332
Debentures	2 590	2 186
Preference shares	6	4
Discount on commercial papers	230	287
Amortised brokerage	66	81
Others	187	-
On financial liabilities measured at FVTPL:		
Debentures	69	69
Total	4 519	4 091
35 Fees and commission expense		
Commission expenses	539	438
Other fees	23	23
Total	562	461
36 Net gain on fair value changes		
Realised	(830)	(25)
Unrealised	1 529	2 160
Total	699	2 135

Reliance Capital Limited

Notes to the consolidated financial statement for the year ended March 31, 2019

		(₹ in crore)
Particulars	2018-19	2017-18
37 Impairment on financial instruments		
On financial instruments measured at amortised cost:		
Loans	2 168	3 960
Investments	129	-
Others	303	305
Total	2 600	4 265
38 Employee benefits expenses		
Salaries and wages	1 380	1 242
Contribution to provident and other funds	67	59
Share based payments to employees	22	6
Staff welfare expenses	24	15
Others	30	38
Total	1 523	1 360
39 Other expenses		
Change in Reserve for unexpired risk	161	308
Bank charges	22	21
Rent	137	139
Rates and taxes	10	18
Repairs and maintenance	145	140
Electricity	13	14
Insurance	3	3
Cost of raw material consumed	74	-
Travelling and conveyance	71	55
Communication costs	26	24
Legal and professional fees	196	221
Auditors' remuneration	3	3
Sales and marketing expenses	476	479
Directors' sitting fees	2	3
Loss on sale of fixed asset/repossessed assets	15	3
Corporate social responsibility	17	21
Coinsurance expenses (net)	1	2
Profit/Loss from Participation business	99	187
Miscellaneous expenses	246	281
Total	1 717	1 922
40 Breakup of Auditors' remuneration		
Audit fees	3	3
Tax audit fees [(₹ 1 07 500 (Previous year ₹ 1 07 500))]	-	-
Certification charges and other reimbursement [(₹ 1 64 090, (Previous year ₹ Nil))]	-	-
Total	3	3
41 Contribution for corporate social responsibility (CSR)		

As per Section 135 of the Companies Act, 2013 (the "Act"), the Group is under obligation to incur ₹ 17 crore (Previous year ₹ 21 crore) and has incurred the same in cash, being 2% of the average net profit during the three immediately preceding financial years, calculated in the manner as stated in the Act towards Corporate Social Responsibility, *inter-alia*, through non-profit centres engaged in the provision of health care and education for the purpose other than construction / acquisition of asset.

42 Employee share based payments

a) Employee stock option scheme (equity settled)

The Company operated two Employee Stock Option Plans; ESOS Plan A and ESOS Plan B introduced in the financial year 2009-10. All options granted under the ESOS Plan A and ESOS Plan B have been surrendered and lapsed in the previous year. The Company managed the ESOS Plan A and ESOS Plan B through a Trust. Advance of ₹ 57 crore (net of written off ₹ 64 crore) Previous Year ₹ 59 crore (net of written off ₹ 64 crore) has been granted to Trust. Out of the said advance, Trust has purchased 16 00 000 equity shares for the above purpose.

Notes to the consolidated financial statement for the year ended March 31, 2019

- b) The Company introduced ESOP 2015 which covers eligible employees of the Company and its subsidiaries. The vesting of the options is from expiry of one year till five years as per Plan. Each Option entitles the holder thereof to apply for and be allotted/transferred one Equity Share of the Company upon payment of the exercise price during the exercise period.

Details of scheme of Employee Stock Option Plans are as under :

ESOS 2015	
Date of Grant	October 15, 2015
Price of Underlying Stock (₹)	396
Exercise Price (₹)	396

* In terms of the provisions of the ESOS, exercise price of ₹ 396 has been adjusted to ₹ 296, on account of corporate action for demerger of Real Estate Lending Business of the Company, in line with the difference in the volume weighted average price of the Equity Shares of the Company on the National Stock Exchange of India Limited on pre and post demerger date.

The fair value of the options granted was estimated on the date of grant using the Black Scholes Model with the following assumptions:

Risk Free Interest Rate	7.51% - 7.56%
Expected Dividend Yield	2.28%
Expected Life (years)	4.51 to 6.51
Expected Volatility	44.61% to 46.39%
Weighted Average Fair Value (₹)	565

The information covering stock options granted, exercised, forfeited and outstanding at the year end is as follows: (As certified by the management)

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	Average exercise price	Number of options	Average exercise price	Number of options
Outstanding at the beginning of the year	296	2 40 622	296	5 26 780
Granted during the year	-	-	-	-
Exercised during the year	296	4 220	296	71 882
Forfeited / Lapsed / Expired during the year	-	24 812	-	2 14 276
Outstanding at the end of the year	296	2 11 590	296	2 40 622
Vested and exercisable	296	1 05 795	296	69 514

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2019 was ₹ 296 (Previous year ₹ 296).

Share options outstanding at the end of the year have the following expiry date and exercise price:

Grant date	Expiry date	Exercise price	Outstanding as at March 31, 2019	Outstanding as at March 31, 2018	Outstanding as at April 1, 2017
October 15, 2015	October 15, 2020	296	2 11 590	2 40 622	5 26 780
Total			2 11 590	2 40 622	5 26 780

- c) The Company introduced ESOS 2017 which covers eligible employees of the Company and its subsidiaries. The vesting of the options is from expiry of one year till four years as per Plan. Each Option entitles the holder thereof to apply for and be allotted / transferred one Equity Share of the Company upon payment of the exercise price during the exercise period.

Details of ESOS 2017:

ESOS 2017					
Date of Grant	July 27, 2017	February 8, 2018	March 28, 2018	October 05, 2018	February 13, 2019
Price of Underlying Stock (₹)	556	442	429	270	137
Exercise / Strike Price (₹)	556	442	429	270	137

Reliance Capital Limited

Notes to the consolidated financial statement for the year ended March 31, 2019

The fair value of the options granted was estimated on the date of grant using the Black Scholes Model with the following assumptions:

Risk Free Interest Rate	6.25% – 6.59%	6.89%– 7.46%	7.13%– 7.34%	7.78%– 8.06%	7.04%– 7.20%
Expected Dividend Yield	1.59%	2.38%	2.45%	4.07%	8.05%
Expected Life (years)	2.50 to 5.51	2.50 to 5.51	4.01 to 5.51	2.50 to 5.51	4.01 to 5.51
Expected Volatility	39.58% to 41.92%	42.75% to 42.03%	42.69% to 41.93%	42.23% to 42.77%	46.01% to 45.17%
Weighted Average Fair Value (₹)	829	597	593	86.64	33.96

The information covering stock options granted, exercised, forfeited and outstanding at the year end is as follows: (As certified by the management)

No. of stock options as at March 31, 2018					
Outstanding at the beginning of the year	-	-	-	-	-
Granted during the year	9 21 000	81 100	1 18 000	-	-
Exercised during the year	-	-	-	-	-
Forfeited / Lapsed / Expired during the year	31 000	-	-	-	-
Outstanding at the end of the year	8 90 000	81 100	1 18 000	-	-

No. of stock options as at March 31, 2019					
Outstanding at the beginning of the year	8 90 000	81 100	1 18 000	-	-
Granted during the year	-	-	12 64 950	21 38 720	8 200
Exercised during the year	-	-	-	-	-
Forfeited / Lapsed / Expired during the year	8 90 000	81 100	13 82 950	85 680	-
Outstanding at the end of the year	-	-	-	20 53 040	8 200

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price	Outstanding as at March 31, 2019	Outstanding as at March 31, 2018	Outstanding as at April 1, 2017
October 05, 2018	October 05, 2022	270	20 53 040	-	-
February 13, 2019	October 05, 2022	137	8 200	-	-
Total			20 61 240	-	-

d) Fair value of options granted

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The options granted for no consideration and will vest upon the completion of service condition as specified in scheme in graded manner. Vested options are exercisable for the period of five years after the vesting.

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

e) Expense arising from share-based payment transactions

The Company has chosen to account for the Plan by the Intrinsic Value Method. The total expense recognised for the period arising from stock option plan as per Intrinsic Value Method is ₹ Nil (Previous year ₹ Nil). Had the Company adopted fair value method the net results for the year would have been lower by ₹ 5 crore (Previous year ₹ 5 lakh) [net of tax saving ₹ 4 lakh (Previous year ₹ 4 lakh)] and accordingly EPS (Both Basic and Diluted) would have been lower by ₹ 0.16 (Previous year ₹ 0.16).

43 Phantom Stock Option Scheme

As a long-term incentive plan to employees, the group has initiated Phantom Stock Option Plan which are cash settlement rights where the employees are entitled to get cash compensation based on a formulae linked to market value of subsidiary company shares upon exercise of phantom stock options over notional or hypothetical shares.

Notes to the consolidated financial statement for the year ended March 31, 2019

Liability towards the Scheme is accounted for on the basis of an independent actuarial valuation done at the year end. The valuation of the shares is done considering the Project Unit Credit Method and the progression of share price up to the exercise of the option. Fair Value of Phantom Stock Options was estimated on the date of grant on the assumptions of Discount Rate of 7.72% and Expected Life of 5 years.

Phantom Options can be exercised on continuation of employment any time upto 3 years from the date of last vesting and upon cessation of employment as per the terms of the Scheme. Settlement of Phantom Option is done in cash within 90 days from the date of exercise. For the current year the Group has created provision of ₹ 13 crore.

44 Leases

Details of Future Minimum Lease Receivables are as under :

	(₹ in crore)	
Particulars	2018-19	2017-18
Not Later than one year	5	8
Later than one year and not later than five years	7	8
Later than five years	-	-

Details of Future Minimum Lease Payable under operating lease for each of the following periods:

	(₹ in crore)	
Particulars	2018-19	2017-18
Not Later than one year	6	4
Later than one year and not later than five years	8	8
Later than five years	1	1

45 Basic and diluted earnings per share

The computation of earnings per share is set out below:

	(₹ in crore)	
Particulars	2018-19	2017-18
a) Amounts used as the numerators		
Net loss after tax	(1 454)	(4556)
b) Weighted average number of equity shares (Nos.)	25 11 07 838	25 26 73 801
c) Basic earnings per share of face value ₹ 10 each (₹)	(57.91)	(181.44)
d) Diluted earnings per share of face value ₹ 10 each (₹)	(57.91)	(181.44)

46 Income tax

a) The components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

	(₹ in crore)	
Particulars	2018-19	2017-18
Current tax	67	282
Adjustment in respect of current income tax of prior years	-	9
Deferred tax	55	91
Total	122	382

b) Reconciliation of the total tax charge

	(₹ in crore)	
Particulars	2018-19	2017-18
Reconciliation of Profit Before Tax to Taxable Profit	(1 332)	(4 174)
Effect of expenses that are not deductible in determining taxable profit	(4 692)	6 775
Effect of expenses that are deductible in determining taxable profit	(24)	(8)
Effect of incomes which are exempt from tax	(151)	(282)
Other adjustments	30	21
Taxable (loss) / Profit	(6 169)	2 331
Income tax expense at effective tax rate	122	382
Effective tax rate	(1.98)%	16.39%

Note: As a matter of prudence the company and some of its subsidiaries have decided not to recognise Deferred tax assets (net) in books of accounts.

Reliance Capital Limited

Notes to the consolidated financial statement for the year ended March 31, 2019

47 Contingent liabilities and commitments (as certified by the management)

Contingent liabilities and capital commitments of the Holding company and its subsidiaries are as follows:

(₹ in crore)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
a Contingent liabilities			
i) Guarantees to Banks and Financial Institutions	4 495	5 442	5 220
ii) Claims against the Group not acknowledge as debt	361	268	271
iii) Dividend on Preference Shares	23	10	5
iv) Others	86	71	66
b Commitments			
i) Estimated amount of contracts remaining to be executed on capital account (net of advances)	106	91	88
ii) Undrawn Committed Credit lines	992	1 628	1 763
iii) Uncalled amount of Investments	8	58	22

Share of Company in contingent liabilities and capital commitments of an associate are as follows:

(₹ in crore)

Particulars	March 31, 2018	March 31, 2018	April 1, 2017
a. Contingent Liabilities			
i) Guarantees to Banks and Financial Institutions	9	-	-
ii) Claims against the Group not acknowledge as debt	1	1	2
b. Commitments			
i) Commitment towards fixed assets	-	-	3

- 48** a) The Company's previous auditor, 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. 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.
- b) In the ordinary course of business, the Company makes loans to borrowers and also recovers outstanding loans of diverse amounts from them as routine commercial transactions. Some of these involving similar amounts of loans made and amounts recovered were independent transactions in accordance with business requirements and the liquidity position. Applicable impairment and provisioning tests have been made and recorded appropriately in the financial statements, ensuring that there is no impact on revenue recognition during the year.
- c) The Company has Inter Corporate deposit of ₹ 2,812 crore to two Corporate entities which are fully secured by way of first charge on their assets. The same is additionally secured by a group company corporate guarantee of ₹ 1,654 crore. The Company has already recovered ₹ 665 crore post the balance sheet date, and the balance amount of ₹ 2,147 crore is expected to be recovered soon. The Company has evaluated the financial position and the repayment capacity of the above entities and believes that no adjustments are required to the carrying value of the said exposure.
- d) The Company is committed to reduce overall debt and is working towards the same. The Company is taking active steps to monetize its assets and is undertaking various strategic stake sale initiatives. In view of all the actions that are currently underway, these financial results have been prepared on the basis that the Company is a Going Concern.
- e) The Company has received security charge on some loan assets after March 31, 2019 but before finalisation of accounts, hence considered as secured.
- f) The Company has entered into Binding Share Purchase Agreement on May 23, 2019 for sale of its entire shareholding in Reliance Nippon Life Asset Management Limited to Nippon Life Insurance. This is subject to related regulatory approvals.

49 In case of Reliance Commercial Finance Limited (RCF):

- a. During the year, due to sudden adverse developments in the financial sector all categories of lenders in India (including Banks, Mutual Funds, etc) have put near complete freeze on additional lending to Non-Banking Finance companies (NBFCs) and have been insisting on reducing the existing level of borrowings which has severely impacted the financial flexibility of majority of NBFCs. These developments have also adversely impacted the Company resulting into operating loss for the year and temporary liquidity mismatch. The Company has taken steps to meet such temporary liquidity mismatch by securitisation of its loan portfolio. The Company has also engaged with all its lenders to enter into an Inter-Creditor Agreement (ICA) for the resolution of its debt in accordance with the circular dated June 7, 2019 issued by the Reserve Bank of India on Prudential Framework for Resolution of Stressed Assets. Majority of the lenders have already entered into the ICA. The Company is confident of implementing its Resolution Plan during Financial Year 2019-20. In view of the steps taken by the Company, the accounts of the Company have been prepared on "Going Concern" basis.

Notes to the consolidated financial statement for the year ended March 31, 2019

- b. The Company was informed by its previous auditors that a report under Section 143(12) of the Companies Act, 2013 in Form ADT-4 has been filed with the Ministry of Corporate Affairs (MCA) in June 2019. The Company has examined the matter and has concluded that the issues raised by the previous auditors, do not merit reporting under the said Section. The Company also appointed legal experts, who independently carried out an in-depth examination of the matter and the issues raised by the previous auditor. The legal experts have concluded and confirmed that there was no matter attracting Section 143(12) of the Companies Act, 2013. MCA has sought certain information on this matter and the Company is in process of providing the same.
- c. During the current and previous financial year, the Company has given General Purpose Corporate Loan/Working Capital Term Loan to certain bodies corporate in the ordinary course of business. None of these loans constitute as transactions with related parties. In few cases, the Company's borrowers have undertaken onward lending transactions to companies which are identified as Group Companies by Reliance Capital Limited (holding company) in terms of the Core Investment Companies (Reserve Bank) Directions, 2016. Considering the end use of loans given, the Company has considered the below secured loans amounting to ₹ 4,800 crore, as 'Exposure to group companies' for the purpose of various regulatory disclosures.

50 In case of Reliance Home Finance Limited (RHFL)

- a. The Company is mainly engaged in the housing finance business and all other activities revolve around the main business of the Company. Further, all activities are conducted within India and as such there is no separate reportable segment, as per the Ind AS 108 "Operating Segments" specified under Section 133 of the Act. The proportion of non-housing loan is more than the proportion of housing loan. The Company is in the process of increasing the housing loan portfolio and is confident of the achieving the same in due course.
- b. Since the previous financial year, due to sudden adverse developments in the financial sector, all categories of lenders in India (including Banks, Mutual Funds, etc.) have put near complete freeze on additional lending to Non-Banking Financial Companies (NBFCs) and Housing Finance Companies (HFCs) and have been insisting for reducing the existing level of borrowings which has severely impacted the financial flexibility of majority of NBFCs & HFCs.

These developments have also adversely impacted the Company resulting into temporary liquidity mismatch. The Company has taken steps to meet such temporary liquidity mismatch by securitisation of its loan portfolio. The Company has also engaged with all its lenders to enter into an Inter-Creditor Agreement (ICA) for the resolution of its debt in accordance with the circular dated June 7, 2019 issued by the Reserve Bank of India on Prudential Framework for Resolution of Stressed Assets. Majority of the lenders have already entered into the ICA. The Company is confident of implementing its Resolution Plan during FY 2019-20. In view of the steps taken by the Company, the accounts of the Company have been prepared on Going Concern Basis.

- c. During the previous Financial Year, the Company 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, the Company's borrowers in some cases have undertaken onward lending transactions and it is noticed that the end use of the borrowings from the Company included borrowings by or repayment of financial obligations to some of the group companies.
- d. During the year, a fraud on RHF is identified in disbursement of commercial purchase loan for an identified property amounting to ₹ 2 crore. The same has been reported to National Housing Bank (NHB) and ₹ 2 crore was written off by the Company in the statement of profit and loss as at March 31, 2019.
- e. The Company was informed by its previous auditors that a report under Section 143(12) of the Companies Act, 2013 in Form ADT-4 has been filed with the Ministry of Corporate Affairs (MCA) in June 2019. The Company has examined the matter and has concluded that the issues raised by the previous auditors, do not merit reporting under the said Section. The Company also appointed legal experts, who independently carried out an in-depth examination of the matter and the issues raised by the previous auditor. The legal experts have concluded and confirmed that there was no matter attracting Section 143(12) of the Companies Act, 2013. MCA has sought certain information on this matter and the Company is in process of providing the same.
- f. The Company has received inspection report dated July 2, 2019 from National Housing Bank ('NHB') for the period ended on March 31, 2018. The company has sought extension for the time limit for compliance and is in process of giving replies to observation raised by NHB. The management is of the view that there is no material impact on Ind AS Financial Statements resulting from the same.
- g. Scheme of Arrangement between the Company and India Debt Management Private Limited
The Board of Directors of the Company at their meeting held on June 20, 2016 has considered and approved a Scheme of Arrangement between the Company and India Debt Management Private Limited ("the Demerged Company" or "IDMPL") and their Shareholders. The Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 ("the Scheme") for demerger of Credit Business of IDMPL into the Company has been sanctioned by the National Company Law Tribunal, Mumbai Bench vide Order dated April 5, 2017. The Scheme has become effective on April 21, 2017 upon filing with the Registrar of Companies, Maharashtra at Mumbai with effect from March 31, 2016 i.e. Appointed Date. Pursuant to the Scheme, the Company has issued 3,10,35,980 and allotted 8% Cumulative Non-Convertible Redeemable Preference Shares to the equity shareholders of IDMPL on August 9, 2017.

Reliance Capital Limited

Notes to the consolidated financial statement for the year ended March 31, 2019

h. Scheme of Arrangement between the Company and Reliance Home Finance Limited

The Board of Directors of RHFL at their meeting held on October 28, 2016 had considered and approved a Scheme of Arrangement between RHFL and Reliance Capital Limited ("the Demerged RHFL" or Company") and their respective Shareholders and Creditors. The Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 (the 'Scheme') for demerger of Real Estate Lending Business of Company into RHFL has been sanctioned by the National Company Law Tribunal, Mumbai Bench vide Order dated August 10, 2017. The Scheme has become effective on September 5, 2017 upon filing with the Registrar of Companies, Maharashtra at Mumbai with effect from April 1, 2017 i.e. Appointed Date.

Pursuant to the Scheme, the Real Estate Lending Business of Company has been transferred to RHFL. Hence, in accordance with the Scheme:

- (i) On Scheme becoming effective with effect from Appointed Date, RHFL has recorded all the assets and liabilities as appearing in the books of the Demerged Undertaking of Company related to Real Estate Lending Business at their respective book value as on Appointed Date. The following assets and liabilities pertaining to the Demerged Undertaking of Company were transferred to RHFL and shares of RHFL were issued to the shareholders of Company.

(₹ in crore)

Assets

Fixed Assets	8
Loans & Advances including accrued interest (Net of provision ₹ 1 crore)	655
Assets repossessed under SARFAESI Act (Net of provision ₹ 1 crore)	1

Total Assets

664

Liabilities

Short-term borrowings	590
Share Capital (Issue of 25 26 89 630 equity shares @ ₹ 10)	253

Total Liabilities

843

Goodwill on merger

179

- (ii) RHFL has issued and allotted 11,65,49,188 equity shares of ₹ 10 each at a premium of ₹ 22 per equity share to Company on September 4, 2017 on rights basis.
- (iii) RHFL has issued and allotted 25,26,89,630 equity shares of ₹ 10 each to the shareholders of Company in the ratio of 1:1 on September 7, 2017.
- (iv) The Assets and Liabilities of ₹664 crore and ₹590 crore, respectively, were transferred as on the Appointed Date and have been recorded at their respective book values. The excess of consideration paid by RHFL over the net assets acquired by RHFL has been accounted as Goodwill, which is being setted off to FY 2017-18 reserves.

51 In case of Reliance General Insurance Company Limited (RGICL)

a. Basis used for determining IBNR / IBNER and Valuation of Liabilities as at March 31, 2019

The liability for IBNR and IBNER as at March 31, 2019 has been estimated by Appointed Actuary as per the IRDA circular no. 11/IRDA/ACTL/IBNR/2005-06 dated 08th June, 2005 and Insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2006.

For all lines of business, the estimation was carried out using past trends in the claims experience as indicated by paid claims chain ladder and incurred claims chain ladder approach.

Bornhuetter - Ferguson method of estimation was also applied for some lines as considered appropriate by the Appointed Actuary.

b. Terrorism Pool

In accordance with the requirements of IRDAI, the company together with other insurance companies participates in the Terrorism Pool. This pool is managed by the General Insurance Corporation of India (GIC). Amount collected as terrorism premium in accordance with the requirements of the Tariff Advisory Committee (TAC) are ceded at 100% of the terrorism premium collected to the Terrorism Pool.

In accordance with the terms of the agreement, GIC retrocede to the company, terrorism premium to the extent of the company's share in the risk which is recorded as reinsurance accepted. Such reinsurance accepted is recorded based on quarterly statements received from GIC. The reinsurance accepted on account of terrorism pool has been recorded in accordance with the latest statement received from GIC.

The Company has created liability to the extent of 50% of premium retro ceded to the company through reserve for unexpired risks.

Notes to the consolidated financial statement for the year ended March 31, 2019

c. Contribution to Environment Relief Fund

For the year ended March-19, the Company had collected ₹ 1,317 thousand (Previous year ₹ 1,477 thousand) towards Environment Relief Fund (ERF) for public liability policies and an amount of ₹ 1,313 thousand (Previous year ₹ 1,455 thousand) transferred to "United India Insurance Company Limited, Environment Fund Account" as per Notification of ERF scheme under the public liability Insurance Act, 1991 as amended, balance amount of ₹ 57 thousand (Previous year ₹ 53 thousand) is shown under current liabilities.

d. Contribution to Solatium Fund

In accordance with the requirements of the IRDAI circular dated March 18, 2003 and based on recommendations made at the General Insurance Council meeting held on February 4, 2005, the Company has provided 0.1% of gross written premium on all motor third party policies (excluding reinsurance premium accepted on motor third party for commercial vehicles) towards contribution to the solatium fund.

In accordance with IRDA circular no. IRDA/F&A/OFC/01/2014-15/115, the Company has created Debenture Redemption Reserve for ₹ 63,889 thousands (Previous year ₹ 127,778 thousands).

52 In case of Quant Capital Private Limited (QCPL)

a) Discontinued operations

The Company vide its board meeting dated 09.03.2018 has decided to discountine its present business operations and would endeavour to explore other business opportunities.

The Company till last year had Investment Advisory license. The same has expired and has not been renewed. No revenue or expenditure incurred in connection to their business. No asset or liabilities of the company can be attributable towards their business. The company has entered into new business of gold trading and in Quant Securities Private Limited during the financial year 2018-19.

The amount of revenue and expenses pertaining to the "Broking business and Proprietary trading business (capital market related)- discontinued business" are as follows for its subsidiaries Quant Broking Private Limited and Quant Investment Services Limited respectively via board meeting dated 09.03.2018.

(₹ in crore)		
Particulars	2018-19	2017-18
REVENUE		
I. Revenue from operations	1.02	18.35
II. Other income	-	0.03
Total Revenue (A)	1.02	18.38
III EXPENSES		
Operating expenses	0.65	3.17
Employee benefits expense	0.11	12.82
Finance costs	0.21	1.25
Administrative and other expenses	4.67	8.47
Total Expenses (B)	5.64	25.71
III Profit/ (Loss) before exceptional items and tax (A-B)	(4.62)	(7.33)
IV Exceptional items	-	-
V Profit/ (Loss) before tax (III-IV)	(4.62)	(7.33)
VI Tax expense:		
Current tax	-	-
VII Profit/ (Loss) for the year (V-VI)	(4.62)	(7.33)

The amount of assets and liabilities pertaining to the "Discontinued business" are as follows:

(₹ in crore)		
Particulars	2018-19	2017-18
1 Non-current assets		
(a) Other Financial Assets	4.75	32.98
Total Non-current Assets	4.75	32.98
2 Current assets		
(a) Inventories	-	0.01
(b) Trade receivable	-	9.07
(c) Cash and bank balances	1.19	51.54
Total Current Assets	1.19	60.62

Reliance Capital Limited

Notes to the consolidated financial statement for the year ended March 31, 2019

		(₹ in crore)
Particulars	2018-19	2017-18
Carrying amount of assets relating to discontinued operation (A)	5.94	93.60
3 Current liabilities		
(a) Trade payables	0.07	3.48
(b) Other current liabilities	5.69	5.74
Total Current liabilities	5.76	9.22
Carrying amount of liabilities relating to discontinued operation (B)	5.76	9.22
Net assets / (liabilities) relating to discontinued operations (A-B)	0.18	84.38

The cash flows of discontinued business are as follows:

Particulars	For the year ended March 31, 2019
Net cash attributable to the discontinued business	
Net cash generated from / (used in) operating activities	55.96
Net cash generated from / (used in) investing activities	-
Net cash generated from / (used in) financing activities	-
b) Quant Transactional Services Private Limited (Plaintiffs) has filed a Suit in Honorable High Court against the Company U/s 6 of Specific Relief Act, 1963 and has claimed that the Company and its subsidiaries has forcefully dispossessed the Plaintiffs from the Goregaon Premises and taken over the possession of the Fixed Assets. The interim relief claimed in Notice of Motion was repossession of the premises and inventory of the Fixed Assets. However, The Honorable High Court of Bombay has not granted any Interim Relief and Suit and Notice of Motion is pending hearing and for final disposal.	
c) Mr. Adil Patrawala has filed a Petition u/s 397 and 398 of Companies Act, 1956 against the Company claiming mismanagement in the affairs of the Company and oppression on the Minority Shareholder. The said Petition is pending hearing for the final disposal. There were certain Ad Interim reliefs claimed which were not granted by Hon'ble Company Law Board except one relief i.e. Mr. Adil Patrawala's holding in Quant Capital Private Limited cannot be diluted.	
d) The Company has filed Summary Suit against Quant Transactional Services Private Limited for recovery of outstanding dues amounting to ₹ 9 crore. The Notice of Motion was filed in the said Suit claiming Ad interim relief praying lien over the Assets of Quant Transactional Services Private Limited which High Court has denied. Both notice of motion and Suit are pending hearing and final disposal.	
e) Two subsidiaries i.e. quant broking private limited and quant securities private limited has collected stamp duty on account of its statutory obligation towards transactions entered on various segments in the state of Tamilnadu. The Company has not deposited the same since in its opinion the same is not payable which is disputed by the State. The matter is pending with The Honorable High Court, Tamilnadu. In the interim the amount so collected is reflected under Statutory Liability. The amount outstanding is to the tune of ₹ 12 crore (previous year ₹ 12 crore).	
f) One of the former employee has filed Petition under the Industrial Disputes Act, 1947 for reinstatement of the Services against the subsidiary company; quant broking private limited. The Company has filed the Rejoinder for the same as the Company does not fall within the Definition of Industry under the said Act and also the Applicant is not workmen within the Definition. The same is pending hearing.	
g) The management of quant securities private limited has taken the conscious call of surrendering the broking licenses with BSE and NSE. however, acceptance of the request is still pending. Further, the company vide its board meeting dated 17.03.2018 has decided to discountine its present business operations and would endeavour to explore other business opportunities. The intention of the management is not to wind up the company and hence, the accounts are prepared on going concern basis.	
h) Balances appearing in certain accounts under the heads, Trade Receivables, Other Current Liabilities and Trade Payables are subject to confirmation and reconciliation. Consequential adjustment thereof, arising if any, will be made in the year, the confirmations and reconciliation are received.	
i) The Board of Quant Broking has approved write off of Inter corporate loan along with interest thereon of ₹ 10 crore given to Qoppa Trading Private Limited which was sold under Slump sale with negative net worth in their meeting dated July 21, 2017. The board further approved to pass the write off entry in the financial results for the quarter ended June 2017. Certain balances of quant broking private limited appearing post scheme of arrangement with Reliance Equities International Private Limited in the books are written off to the extent of ₹ 3 crore during previous year as these seems non-recoverable.	

Notes to the consolidated financial statement for the year ended March 31, 2019

53 In case of Reliance Nippon Life Insurance Company Limited (RNLI)
Change in liability measurement for investment contracts without discretionary participation features (DPF)

For contracts which are classified as Investment contracts without DPF the liability is measured as per Ind AS 109 since investment contracts without DPF does not fall under the scope of Ind AS 104. The Group's contracts classified as investment contracts without DPF are unit-linked contracts and liabilities are measured at fair value. For unit-linked contracts classified as investments contracts without DPF, the fair value liability is equal to the current unit fund value. The fair value of liability as per Ind AS 109 and Ind AS 113 is the amount for which the liability could be transferred in an orderly transaction between market participants at the measurement date. Accordingly the liabilities held under the previous GAAP relating to the catastrophic provisions(non-unit and contingency provisions) has been released/reversed which has led to increase in equity at April 01, 2017 and total comprehensive income for the year ended March 31, 2018 under the Ind AS.

Acquisition cost of Investment contract without DPF

Under the previous GAAP, all acquisition cost and fee has been recognised in the statement of the profit or loss. Under Ind AS, Ind AS 109 required to defer the acquisition cost and fees of investment product without DPF over the life of the contract.

54 In case of Reliance Exchangnext Limited (RNext)

As per share sale & purchase agreement dated October 13, 2010 between Indiabulls Financial Services Limited ("IBFSL") and Reliance Exchangnext Limited ('the Company'), the Company had acquired 5,20,00,000 equity shares of Indian Commodity Exchange Limited ('ICEX') from the IBFSL, at a purchase price of ₹ 47,35,00,000 which represents 26% stake in the of ICEX on December 13, 2010.

Pursuant to the ICEX application, Government of India and Forward Markets Commission granted their approval vide their letters dated September 23, 2010 & October 04, 2010, respectively, for the said transfer by IBFSL to the Company. The aforesaid approval from Government of India and Forward Markets Commission are subject to the following conditions: -

- that three years lock-in period condition shall apply to the Company, anchor investor, the Company afresh with effect from the date of Government approval, i.e., September 23, 2010;
- that in case MMTC Ltd., which now becomes co-anchor investor, exercises its right to stake a claim to 14% in the Exchange from IBFSL in pursuance to its right to first refusal, IBFSL will be bound to transfer its remaining 14% to MMTC Ltd. at the same price at which it has been offered to the Company.

On October 21, 2011, MMTC Ltd. submitted a petition before the Company Law Board (CLB), New Delhi, in terms of Sections 397, 398, 402 and 403 of the Companies Act, 1956, seeking declaration of the aforesaid transfer of shares as void, injunction and investigation into the affairs of the ICEX and appointment of Administrative Special Officer, Auditor, etc.

Subsequently, the ICEX has submitted its response to the aforesaid petition before the Honourable Company Law Board on February 10, 2012 refuting and denying the purported allegations against it. Subsequently, on February 11, 2014, MMTC has provided an affidavit to CLB stating that they are contemplating withdrawal of the Petition and taking required steps in that directions. The matter is under consideration by the Company Law Board. Any future financial impact on the financial statements is contingent upon the final order by the appropriate authority.

The Company responded to the petition, challenging the maintainability of the petition filed by MMTC Limited before the Hon'ble Company Law Board. Subsequently the Company has submitted its response to the aforesaid petition before the Hon'ble Company Law Board on February 10, 2012 refuting and denying the purported allegations against the exchange. MMTC on January 19, 2016 sold 10% of its stake in Exchange to outside investors at ₹ 10 per share (including premium of ₹ 5 per share). The matter is listed for hearing before NCLT.

- 55** The financial statements in respect of Reliance Wealth Management Limited (RWML), Reliance Money Precious Metals Private Limited (RMPMPL) and Reliance Money Solutions Private Limited (RMSPL) whose net worth is substantially eroded, indicating the existence of uncertainty that may cast doubt RWML's, RMPMPL's and RMSPL's ability to continue as a going concern. The financial statements of the above companies have been prepared on a Going Concern basis based on parent company financial support.

56 Segment Reporting

The Group is organised into following reportable segments referred to in Ind AS 108 'Operating Segment'

								(₹ in crore)
Particular	Finance & Investments	General Insurance	Life Insurance	Commercial Finance	Home finance	Others	Elimination	Total
Revenue								
External	3 019	7 292	6 095	1 810	2 003	306	-	20 525
	(3 076)	(6 004)	(5 682)	(2 010)	(1 683)	(300)	(-)	(18 755)
Inter Segment	33	41	1	-	-	50	125	-
	(77)	(23)	(9)	(-)	(-)	(25)	(134)	(-)
Total Revenue	3 052	7 333	6 096	1 810	2 003	356	125	20 525
	(3 153)	(6 027)	(5 691)	(2 010)	(1 683)	(325)	(134)	(18 755)

Reliance Capital Limited

Notes to the consolidated financial statement for the year ended March 31, 2019

(₹ in crore)

Particular	Finance & Investments	General Insurance	Life Insurance	Commercial Finance	Home finance	Others	Elimination	Total
Results								
Segment Results – Profit / (Loss) before Tax	348 (4 884)	39 (143)	36 (3)	(1 854) (190)	102 (401)	(3) (21)		(1 332) (4 174)
Unallocated Expenses (* ₹31 08 378)							*	–
Profit / (Loss) before Tax	348 (4 884)	39 (143)	36 (3)	(1 854) (190)	102 (401)	(3) (21)	– (–)	(1 332) (4 174)
Other information								
Segment Assets	31 285 (33 734)	14 072 (12 416)	21 600 (20 783)	13 504 (15 446)	18 125 (15 400)	947 (1 072)	15 561 (15 672)	83 973 (83 179)
Unallocated Assets	– (–)	– (–)	– (–)	– (–)	– (–)	– (–)	– (–)	– (–)
Total Asset	31 285 (33 734)	14 072 (12 416)	21 600 (20 783)	13 504 (15 446)	18 125 (15 400)	947 (1 072)	15 561 (15 672)	83 973 (83 179)
Segment Liabilities	21 346 (23 481)	12 312 (10 882)	20 246 (19 453)	12 698 (13 091)	16 283 (13 625)	720 (848)	381 (839)	83 225 (80 541)
Unallocated Liabilities	– (–)	– (–)	– (–)	– (–)	– (–)	– (–)	– (–)	– (1 551)
Total Liabilities	21 346 (23 481)	12 312 (10 882)	20 246 (19 453)	12 698 (13 091)	16 283 (13 625)	720 (848)	381 (839)	83 225 (80 541)
Capital Expenditure	1 (2)	11 (17)	14 (19)	– (343)	2 (195)	7 (13)	– (–)	34 (589)
Depreciation	53 (22)	21 (17)	17 (20)	20 (34)	3 (26)	9 (16)	– (–)	123 (135)
Non Cash Expenses other than Depreciation	700 (6 071)	237 (308)	54 (1)	2 134 (331)	349 (–)	2 (1)	– (–)	3 476 (6 710)

Figures in bracket indicates previous year figures.

Note:-

- As per Ind AS 108 'Operating Segment', notified by the Companies (Accounting Standards) Rules 2014, the Group has reported segment information on the consolidated basis including business conducted through its subsidiaries.
- The reportable segments of the Reliance Capital Group are further described below
 - Finance & Investment – This includes the corporate lending and investment activities.
 - General Insurance – This includes the general insurance business.
 - Life Insurance – This includes the life insurance business.
 - Commercial Finance – This includes the consumer finance business.
 - Home Finance – This includes the home finance business.
 - Others – This includes other financial and allied services
- Since all the operations of the Group are largely conducted within India, as such there is no separate reportable geographical segment.

57 Related party transactions

A. List of Related Parties and their relationship:

i) Major investing party

Reliance Inceptum Private Limited (RIPL)

ii) Individual Promoter

Mr. Anil D. Ambani, the person having significant influence during the year.

iii) Associates

Reliance Nippon Life Asset Management Limited (RNLAML)

Reliance Capital Pension Fund Limited (RCPFL) (ceased w.e.f. July 3, 2017)

Reliance Asset Reconstruction Company Limited (RARCLL)

Indian Commodity Exchange Limited (ICEX) (ceased w.e.f. September 25, 2018)

Ammolite Holdings Limited (AHL)

Notes to the consolidated financial statement for the year ended March 31, 2019

iv) **Key management personnel**

Mr. Anmol Ambani – Executive Director

Mr. Amit Bapna – Chief Financial Officer

Mr. Atul tandon – Company Secretary & Compliance Officer

B. Other related parties with whom transactions have taken place during the year:

i) **Enterprise over which individual described in clause A (ii) above has significant influence**

Reliance Communications Limited (RCL)

Reliance Big Entertainment Private Limited (RBEPL)

Reliance Communications Infrastructure Limited (RCIL)

Reliance Realty Limited (RRL)

Reliance Infratel Limited (RIL)

Globalcom IDC Limited (GIDC)

Reliance Webstore Limited (RWL)

Nationwide Communication Private Limited (NCPL)

Zapak Mobile Games Private Limited (ZMGPL)

Reliance Telecom Limited (RTL)

Big Animation (India) Private Limited (BAPL)

Big Flicks Private Limited (BFPL)

Reliance Infocomm Infrastructure Limited (RIIL)

Campion Properties Limited (CPL)

Reliance Big Broadcasting Private Limited (RBBPL)

Zapak Digital Entertainment Limited (ZDEL)

Campion Properties Limited (CPL)

Reliance Big Broadcasting Private Limited (RBBPL)

Zapak Digital Entertainment Limited (ZDEL)

Reliance Innoventures Private Limited (RIPL)

C. Transactions during the year with related parties:

(₹ in crore)				
Particulars	Year	Associates	Others (B above)	Total
Investments				
a) Subscribed / Purchased during the year	2018-19	-	-	-
	2017-18	14	2	16
b) Redeemed / Sold during the year (* ₹ 79 240)	2018-19	-	-	-
	2017-18	-	-	-
c) Closing Balances	2018-19	1 226	3	1 229
	2017-18	1 048	65	1 113
	2016-17	1 055	114	1 169
Loans Given				
a) Given during the year	2018-19	38	6	44
	2017-18	15	128	143
b) Returned /Adjusted during the year	2018-19	23	1 046	1 069
	2017-18	-	612	612
c) Assignment of loan	2018-19	-	877	877
	2017-18	-	-	-
d) Closing Balances	2018-19	30	-	30
	2017-18	-	1 170	1 170
	2016-17	-	1 854	1 854
e) ECL provision on loan outstanding	2018-19	1	-	1
	2017-18	-	1 005	1 005
	2016-17	-	782	782
f) Interest accrued on Loans (* 41 39 556)	2018-19	3	-	3
	2017-18	1	173	174
	2016-17	-	6	6

Reliance Capital Limited

Notes to the consolidated financial statement for the year ended March 31, 2019

(₹ in crore)				
Particulars	Year	Associates	Others (B above)	Total
g) ECL provision on interest outstanding	2018-19	-	-	-
	2017-18	-	152	152
	2016-17	-	2	2
h) Trade Receivables	2018-19	0	-	0
	2017-18	0	-	0
	2016-17	1	-	1
i) Trade Payables	2018-19	0	-	0
	2017-18	0	0	0
	2016-17	-	-	-
Advances				
a) Closing Balances [* ₹ 24 442 (** ₹ 30 65 599) (*** ₹ 5 42 167)]	2018-19	1	-	1
	2017-18	-	-	-
	2016-17	-	-	-
Income				
a) Interest & Finance Income	2018-19	1	15	16
	2017-18	-	269	269
b) Rent [* ₹ 9 00 000 (** ₹ 2 25 000)]	2018-19	-	*	*
	2017-18	-	**	**
c) Dividend Income	2018-19	106	-	106
	2017-18	259	-	259
d) Reimbursement of Expenditure [* ₹ 1 10 549 (** ₹ 4 18 215)]	2018-19	4	*	4
	2017-18	3	**	3
e) Management Fees	2018-19	6	-	6
	2017-18	6	-	6
f) Premium Received	2018-19	5	-	5
	2017-18	4	-	4
g) Other operating income [* ₹ 3 40 000 (** ₹ 4 00 000)]	2018-19	*	-	*
	2017-18	**	-	**
Expenditure				
a) Finance cost paid	2018-19	-	-	-
	2017-18	-	-	-
b) Insurance	2018-19	-	-	-
	2017-18	-	-	-
c) Rent	2018-19	1	1	2
	2017-18	-	-	-
d) Brokerage paid during the year	2018-19	-	-	-
	2017-18	-	-	-
e) Reimbursement of Expenditure	2018-19	-	-	-
	2017-18	8	1	9
f) Provision / (Reversal) for Diminution in value of Investments	2018-19	-	62	62
	2017-18	-	49	49
g) ECL provision on loan and interest (net)	2018-19	1	(1 308)	(1 307)
	2017-18	-	530	530
h) Bad debts written off	2018-19	-	1 313	1 313
	2017-18	-	-	-
i) Investments written off	2018-19	-	-	-
	2017-18	-	-	-
Contingent liability				
a) Guarantees to banks and financial institutions on behalf of third parties.	2018-19	-	50	50
	2017-18	-	483	483

Employee Benefit expenses ₹ 6 crore (Previous year ₹ 5 crore)

Notes to the consolidated financial statement for the year ended March 31, 2019

D. The nature and volume of material transactions for the year with above related parties are as follows:

Investments

2018-19

Investment balance of ₹ 3 crore in RCL and ₹ 1,116 crore in RNLAML.

2017-18

Investments Subscribed / Purchased during the year include ₹ 2 crore NCPL and ₹ 14 crore in RNLAML, Balance of ₹ 65 crore in RCL and ₹ 951 crore in RNLAML.

2016-17

Investments Balance as at March 31, 2019 includes ₹ 114 crore in RCL and ₹ 891 crore RNLAML.

Loans Given

2018-19

Loans given during the year includes ₹ 38 crore to RARCL, ₹ 6 crore RBEPL. Loan Returned/Adjusted during the year include ₹ 8 crore to RARC, ₹ 15 crore to RNLAML, ₹ 177 crore from RBEPL, ₹ 450 crore RCIL and ₹ 420 crore RIL. Assignment of loan ₹ 877 crore. Loan given Balance as at March 31, 2019 include ₹ 30 crore to RARCL. ECL provision on loan outstanding includes ₹ 1 crore to RARC. Accrued Interest on loans as at March 31, 2019 includes ₹ 1 crore to RARCL and ₹ 2 crore to RNLAML. ECL provision on interest outstanding includes ₹ 1,81,009 to RARCL.

2017-18

Loans given during the year includes ₹ 15 crore to RNLAML, ₹ 100 crore to RCIL and ₹ 28 crore to RBEPL. Loan Returned/Adjusted during the year include ₹ 12 crore from RBEPL. ECL provision on loan outstanding includes ₹ 50 crore on RCIL and ₹ 51 crore on RIL Loan given Balance as at March 31, 2018 include ₹ 171 crore to RBEPL. Accrued Interest on loans as at March 31, 2018 includes ₹ 21 crore from RBEPL and ₹ 1.42 crore. ECL provision on interest outstanding includes ₹ 50 crore to RCIL, ₹ 51 crore to RIL.

2016-17

Loan given Balance as at March 31, 2017 include ₹ 376 crore to RIL, ₹ 300 crore to RCIL, ₹ 155 crore to RBEPL. ECL provision on loan outstanding includes ₹ 1 crore to RIL. Accrued Interest on loans as at March 31, 2017 includes ₹ 4 crore from RBEPL, ₹ 20 crore to RIL. ECL provision on interest outstanding includes ₹ 1 crore to RIL.

Advances

2018-19

Advance balance as at March 31, 2019 includes ₹ 24,442 to RARCL and ₹ 1 crore to RNLAML.

2017-18

Advance balance as at March 31, 2018 ₹ 1,72,222 to RARCL.

2016-17

Advance balance as at March 31, 2017 includes ₹ 5,42,167 to RARCL.

Income

2018-19

Interest & Finance Income includes ₹ 15 crore from RBEPL ₹ 1 crore. Rent income include ₹ 9,00,000 from RCIL. Dividend income ₹ 105 crore from RNLAML and ₹ 1 crore from RARCL. Reimbursement of Expenditure include ₹ 4 crore from RNLAML, ₹ 6 crore from RNLAM. ₹ 5 crore Management fee ₹ 6 crore from RNLAML Premium received from RNLAML Other operating incomes includes ₹ 3 crore from RNLAML and ₹ 3,40,000 from RARCL.

2017-18

Interest & Finance Income includes ₹ 22 crore from RBEPL ₹ 49 crore from RIL, ₹ 50 crore from RCIL and ₹ 48 crore from RCL. Dividend received ₹ 258 crore from RNLAML and ₹ 1 crore from RARC. Reimbursement of Expenditure include ₹ 3 crore from RNLAML. Management Fees include ₹ 6 crore from RNLAM. Premium received ₹ 4 crore from RNLAML, Other operating incomes includes ₹ 5 crore from RNLAML ₹ 4,00,000 from RARCL.

Expenditure

2018-19

Rent paid ₹ 1 crore by RNLAML and ₹ 1 crore by RCL, Brokerage paid ₹ 0.01 crore by RNLAML. Provision reversal for diminution in value ₹ 62 crore for RCL, ECL provision on loan and interest (net) to RIL and ₹ 1 crore to RARC, ₹ (450) crore to RCIL, ₹ (427) crore to RIL and ₹ (275) crore to RCL. Bad debts written off include ₹ 275 crore to RCL. Employee benefit expenses include ₹ 4 crore to Mr. Amit Bapna, ₹ 1 crore to Mr. Atul Tandon and ₹ 1 crore to Mr. Anmol Ambani.

2017-18

Rent paid during the year includes ₹ 0.24 crore to RCL, Brokerage paid include ₹ 0.39 crore to RNLAML. Reimbursement of Expenditure include ₹ 8 crore to RNLAML and ₹ 0.75 crore to RIL. Provision / Reversal for diminution in value of investments include ₹ 49 crore to RCL. ECL provision on loan and interest (net) includes ₹ 295 crore to RCIL and ₹ 231 crore to RIL. Employee benefit expenses include ₹ 3 crore to Mr. Amit Bapna, ₹ 1 crore to Mr. Atul Tandon and ₹ 1 crore to Mr. Anmol Ambani.

Reliance Capital Limited

Notes to the consolidated financial statement for the year ended March 31, 2019

Contingent Liability

2018-19

Guarantees to Banks and Financial Institutions on behalf of third parties include, ₹ 50 crore for RBEPL, ₹ 433 crore for RIL. 2017-18

Guarantees to Banks and Financial Institutions on behalf of third parties include, ₹ 50 crore for RBEPL, ₹ 433 crore for RIL. 2016-17

Guarantees to Banks and Financial Institutions on behalf of third parties include ₹ 50 crore for RBEPL, ₹ 550 crore for RIL and ₹ 118 crore to RCIL.

Notes:

- Expenses incurred towards public utilities services such as communication and electricity charges have not been considered for related party transaction.
- The above discloses transactions entered during the period of existence of related party relationship. The balances and transactions are not disclosed before existence of related party relationship and after cessation of related party relationship.
- In regard to transactions with Reliance Home Finance Limited (Previous year Reliance Commercial Finance Limited) till effective date of demerger Refer note no. 37.
- In addition to the above Director Sitting Fees of ₹ 2,40,000 (FY 2017-18 ₹ 2,80,000) has been paid to Mr. Anil D. Ambani, an individual having control.
- The Company has provided security amounting to ₹ 707 crore for the Listed Secured Non-Convertible Debentures of its wholly-owned subsidiary viz. Reliance Home Finance Limited by way of first pari passu hypothecation charge on all present and future book debts and business receivables of the Company (except security created / to be created towards securing term loans and cash credit limits). Business receivables includes current assets and investments.

58 Interests in other entities

a. Subsidiaries

The Group's subsidiaries at March 31, 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name	Country of Incorporation	Year Ending	Proportion of ownership (Interest)
List of Subsidiaries			
Reliance Capital Pension Fund Limited	India	March 31, 2019	51.00%
Reliance Capital Trustee Co. Limited	India	March 31, 2019	100.00%
Reliance General Insurance Company Limited	India	March 31, 2019	100.00%
Reliance Commercial Finance Limited	India	March 31, 2019	100.00%
Reliance Money Precious Metals Private Limited	India	March 31, 2019	100.00%
Reliance Home Finance Limited*	India	March 31, 2019	48.24%
Reliance Securities Limited	India	March 31, 2019	100.00%
Reliance Commodities Limited	India	March 31, 2019	100.00%
Reliance Financial Limited	India	March 31, 2019	100.00%
Reliance Wealth Management Limited	India	March 31, 2019	100.00%
Reliance Money Solutions Private Limited	India	March 31, 2019	100.00%
Reliance Exchangnext Limited	India	March 31, 2019	100.00%
Reliance Corporate Advisory Services Limited	India	March 31, 2019	100.00%
Reliance Capital AIF Trustee Company Private Limited	India	March 31, 2019	100.00%
Reliance Nippon Life Insurance Company Limited	India	March 31, 2019	51.00%
Reliance Health Insurance Limited (w.e.f. May 4, 2017)	India	March 31, 2019	100.00%
Quant Capital Private Limited	India	March 31, 2019	74.00%
Quant Broking Private Limited	India	March 31, 2019	74.00%
Quant Securities Private Limited	India	March 31, 2019	74.00%
Quant Investments Services Private Limited	India	March 31, 2019	74.00%
Reliance ARC - SBI Maan Sarovar Trust	India	March 31, 2019	90.00%

Notes to the consolidated financial statement for the year ended March 31, 2019

Name	Country of Incorporation	Year Ending	Proportion of ownership (Interest)
Gulfoss Enterprises Private Limited	India	March 31, 2019	100.00%
List of Associates			
Reliance Nippon Life Asset Management Limited (w.e.f. July 3, 2017)	India	March 31, 2019	42.88%
Reliance Asset Reconstruction Company Limited	India	March 31, 2019	49.00%
Indian Commodity Exchange Limited (ceased w.e.f. September 25, 2018)	India	March 31, 2019	26.00%
Ammolite Holdings Limited	Jersey	March 31, 2019	** 50.00%

* Subsidiary in terms of Section 2(87) of the Companies Act, 2013.

** The Unaudited financial statement of Ammolite Holdings Limited, have been certified by the management.

59 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates.

A For the year ended March 31, 2019:

(₹ in crore)					
Sr. No.	Name	As % of consolidated net assets	Net asset Amount	As % of consolidated profit or loss	Profit/(loss) after Taxation Amount
A	Parent				
1	Reliance Capital Limited	(821.92)%	(6,150.39)	(23.23)%	337.78
B	Subsidiaries				
(i)	Indian				
1	Reliance Capital Pension Fund Limited	3.71%	27.79	(0.01)%	0.08
2	Reliance Capital Trustee Co. Limited	0.23%	1.70	(0.01)%	0.15
3	Reliance General Insurance Company Limited	223.62%	1,673.38	(4.75)%	69.03
4	Reliance Commercial Finance Limited	107.69%	805.84	130.13%	(1,892.12)
5	Reliance Money Precious Metals Private Limited	(2.55)%	(19.09)	0.05%	(0.76)
6	Reliance Home Finance Limited	246.16%	1,842.00	(4.64)%	67.42
7	Reliance Securities Limited	17.65%	132.05	(1.57)%	22.84
8	Reliance Commodities Limited	1.35%	10.14	0.06%	(0.91)
9	Reliance Financial Limited	14.49%	108.46	(0.57)%	8.35
10	Reliance Wealth Management Limited	1.34%	10.05	1.13%	(16.48)
11	Reliance Money Solutions Private Limited	(10.33)%	(77.29)	0.02%	(0.28)
12	Reliance Exchangenext Limited	13.24%	99.07	0.07%	(1.00)
13	Reliance Corporate Advisory Services Limited	92.79%	694.34	(0.45)%	6.54
14	Reliance Capital AIF Trustee Company Private Limited	0.02%	0.13	0.00%	0.05
15	Reliance Nippon Life Insurance Company Limited	180.97%	1,354.21	(2.46)%	35.84
16	Reliance Health Insurance Limited	11.63%	87.03	5.78%	(84.04)
17	Quant Capital Private Limited	10.13%	75.83	0.14%	(1.97)
18	Quant Broking Private Limited	8.93%	66.86	0.26%	(3.81)
19	Quant Securities Private Limited	(0.15)%	(1.11)	0.02%	(0.22)
20	Quant Investments Services Private Limited	(0.15)%	(1.09)	0.03%	(0.47)
21	Reliance ARC – SBI Maan Sarovar Trust	1.12%	8.40	0.00%	(0.02)
22	Gulfoss Enterprises Private Limited	0.00%	-	0.00%	-
	Total	100.00%	748.30	100.00%	(1 454.00)

Reliance Capital Limited

Notes to the consolidated financial statement for the year ended March 31, 2019

(₹ in crore)

Sr. No.	Name	As % of consolidated net assets	Net asset Amount	As % of consolidated profit or loss	Profit/(loss) after Taxation Amount
C	Minority interest				
	Reliance Capital Pension Fund Limited		13.61		0.04
	Reliance Home Finance Limited		953.42		35.90
	Reliance Nippon Life Insurance Company Limited		663.46		17.56
	Quant Capital Private Limited		36.53		(1.68)
	Reliance ARC – SBI Maan Sarovar Trust		0.84		(0.00)
	Total Minority interest		1 667.86		51.81
D	Associate				
(i)	Indian				
	Reliance Nippon Life Asset Management Limited		1 102.02		165.20
	Reliance Asset Reconstruction Company Limited		88.08		7.80
	Indian Commodity Exchange Limited (Ceased w.e.f. Sept. 25, 2018)		-		(4.45)
(ii)	Foreign				
	Ammolite Holdings Limited		22.42		(0.15)
	Total Associate		1 212.52		168.40

B For the year ended March 31, 2018:

(₹ in crore)

Sr. No	Name	As % of consolidated net assets	Net asset Amount	As % of consolidated profit or loss	Profit/(loss) after Taxation Amount
A	Parent				
1	Reliance Capital Limited	(209.03)%	(5 518.49)	108.76%	(4 955.33)
B	Subsidiaries				
(i)	Indian				
1	Reliance Capital Pension Fund Limited	1.05%	27.73	0.00%	0.11
2	Reliance Capital Trustee Co. Limited	0.06%	1.55	0.01%	0.30
3	Reliance General Insurance Company Limited	57.36%	1 514.26	2.17%	98.69
4	Reliance Commercial Finance Limited	89.22%	2 355.31	3.73%	169.74
5	Reliance Money Precious Metals Private Limited	(0.69)%	(18.33)	(0.06)%	(2.70)
6	Reliance Home Finance Limited	69.11%	1 824.51	3.67%	167.32
7	Reliance Securities Limited	4.14%	109.23	0.16%	7.10
8	Reliance Commodities Limited	0.42%	11.06	0.01%	0.34
9	Reliance Financial Limited	3.85%	101.56	0.12%	5.45
10	Reliance Wealth Management Limited	0.44%	11.62	0.10%	4.41
11	Reliance Money Solutions Private Limited	(2.82)%	(74.48)	(0.17)%	(7.65)
12	Reliance Exchangenext Limited	3.79%	100.07	0.12%	5.24
13	Reliance Corporate Advisory Services Limited	26.05%	687.80	0.00%	(0.13)
14	Reliance Capital AIF Trustee Company Private Limited	0.00%	0.08	0.00%	0.06
15	Reliance Nippon Life Insurance Company Limited	50.40%	1 330.55	(0.07)%	(3.01)
16	Reliance Health Insurance Limited	0.78%	20.65	(0.44)%	(19.96)
17	Quant Capital Private Limited	2.95%	77.82	0.03%	1.14
18	Quant Broking Private Limited	2.67%	70.59	(0.47)%	(21.56)
19	Quant Securities Private Limited	(0.03)%	(0.88)	(0.03)%	(1.36)
20	Quant Investments Services Private Limited	(0.02)%	(0.62)	(0.09)%	(4.19)
21	Reliance ARC – SBI Maan Sarovar Trust	0.32%	8.41	0.00%	(0.02)
	Total	100.00%	2 640.00	100.00%	(4 556.00)

Notes to the consolidated financial statement for the year ended March 31, 2019

(₹ in crore)

Sr. No	Name	As % of consolidated net assets	Net asset Amount	As % of consolidated profit or loss	Profit/(loss) after Taxation Amount
C	Minority interest				
	Reliance Capital Pension Fund Limited		13.59		0.05
	Reliance Home Finance Limited		950.39		86.60
	Reliance Nippon Life Insurance Company Limited		651.97		(1.47)
	Quant Capital Private Limited		38.20		(7.35)
	Reliance ARC – SBI Maan Sarovar Trust		0.84		(0.00)
	Total Minority interest		1 654.98		77.83
D	Associate				
(i)	Indian				
	Reliance Nippon Life Asset Management Limited (formerly Reliance Capital Asset Management Limited)		1 042.28		156.09
	Reliance Asset Reconstruction Pvt Limited		79.80		6.54
	Indian Commodity Exchange Limited (ceased w.e.f. September 25, 2018)		49.87		(3.48)
(ii)	Foreign				
	Ammolite Holdings Limited		21.13		(5.89)
	Total Associate		1 193.07		153.26

60 During the year, the Company has received Certificate of Registration from the Reserve Bank of India as Non-Banking Financial Company Core Investment Company – Non-Deposit Taking Systemically Important (NBFC-CIC-ND-SI) under Section 45-IA of Reserve Bank of India Act, 1934.

61 The Group has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, respective companies in the Group have reviewed and ensured that adequate provision as required under any law / accounting standards there are no foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

62 Fair value measurement

a) Fair value hierarchy

The Group determines fair value of its financial instruments according to following hierarchy:

Level 1: Category includes financials assets and liabilities that are measured in whole or significant part by reference to published quotes in an active market

Level 2: Category includes financials assets and liabilities that are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. Groups investment in units of AIF funds fall under this category.

Level 3: Category includes financials assets and liabilities that are measured using valuation techniques based on non-market observable inputs. This means that fair value are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. The main asset classes in this category are unlisted equity investments as well as unlisted funds. Group has used discounted cash flow, comparable Group analysis and net asset value method where ever possible.

An explanation of each level follows underneath the table

As at March 31, 2019

(₹ in crore)

Financial assets and liabilities at fair value	Level 1	Level 2	Level 3	Amortised cost	Total
Financial assets					
Financial assets at FVTPL					
- Investment	8 736	-	3 264	-	12 000
- Trade receivables	-	-	-	817	817
Financial assets at FVOCI					
- Investment	9 995	-	35	-	9 031

Reliance Capital Limited

Notes to the consolidated financial statement for the year ended March 31, 2019

As at March 31, 2019					(₹ in crore)
Financial assets and liabilities at fair value	Level 1	Level 2	Level 3	Amortised cost	Total
Financial assets at Amortised cost					
- Investment	-	-	-	11 641	11 641
- cash and cash equivalents	-	-	-	688	688
- bank balance other than cash and cash equivalents	-	-	-	1 308	1 308
- Loans	-	-	-	35 448	35 448
- Other financial assets & Derivative instruments	-	-	-	6 106	6 106
Total financial assets	17 711	-	3 321	56 008	77 040
Financial liabilities					
Financial liabilities at FVTPL					
- Derivative Financial Instruments	-	-	63	-	63
- Debt Securities	-	-	986	-	986
Trade and other payables	-	-	-	2 796	2 796
Financial liabilities at Amortised cost					
- Debt Securities	-	-	-	25 654	25 654
- Borrowings	-	-	-	18 547	18 547
- Subordinated liabilities	-	-	-	969	969
- other financial liabilities	-	-	-	31 982	31 982
Total financial liabilities	-	-	1 049	79 948	80 997
As at March 31, 2018					(₹ in crore)
Financial assets and liabilities at fair value	Level 1	Level 2	Level 3	Amortised cost	Total
Financial assets					
Financial assets at FVTPL					
- Investment	9 116	-	6 589	-	15 705
- Trade receivables	-	-	-	888	888
Financial assets at FVOCI					
- Investment	7 904	-	146	-	8 050
Financial assets at Amortised cost					
- Investment	-	-	-	9 545	9 545
- cash and cash equivalents	-	-	-	4 290	4 290
- bank balance other than cash and cash equivalents	-	-	-	719	719
- Loans	-	-	-	32 106	32 106
- Other financial assets & Derivative instruments	-	-	-	4 983	4 983
Total financial assets	17 020	-	6 735	52 531	76 286
Financial liabilities					
Financial liabilities at FVTPL					
- Derivative Financial Instruments	-	-	1	-	1
- Debt Securities	-	-	1 066	-	1 066
Trade and other payables	-	-	-	1 289	1 289
Financial liabilities at Amortised cost					
- Debt Securities	-	-	-	28 060	28 060
- Borrowings	-	-	-	16 311	16 311
- Subordinated liabilities	-	-	-	915	915
- other financial liabilities	-	-	-	29 992	29 992
Total financial liabilities	-	-	1 067	76 567	77 634

Notes to the consolidated financial statement for the year ended March 31, 2019

As at April 1, 2017	(₹ in crore)				
Financial assets and liabilities at fair value	Level 1	Level 2	Level 3	Amortised cost	Total
Financial assets					
Financial assets at FVTPL					
- Investment	9 694	-	6 797	-	16 491
- Trade receivables	-	-	-	774	774
Financial assets at FVOCI					
- Investment	6 752	-	212	-	6 964
Financial assets at Amortised cost					
- Investment	-	-	-	7 758	7 758
- cash and cash equivalents	-	-	-	3 574	3 574
- bank balance other than cash and cash equivalents	-	-	-	2 406	2 406
- Loans	-	-	-	28 283	28 283
- Other financial assets & Derivative instruments	-	-	-	3 563	3 563
Total financial assets	<u>16 446</u>	<u>-</u>	<u>7 009</u>	<u>46 358</u>	<u>69 813</u>
Financial liabilities					
Financial liabilities at FVTPL					
- Derivative Financial Instruments	-	-	2	-	2
- Debt Securities	-	-	906	-	906
Trade and other payables	-	-	-	1 161	1 161
Financial liabilities at Amortised cost					
- Debt Securities	-	-	-	18 179	18 179
- Borrowings	-	-	-	19 269	19 269
- Subordinated liabilities	-	-	-	834	834
- other financial liabilities	-	-	-	25 965	25 965
Total financial liabilities	<u>-</u>	<u>-</u>	<u>908</u>	<u>65 408</u>	<u>66 316</u>

63 Financial risk management

Company had transformed itself into a Core Investment Company (CIC) and obtained the Certificate of Registration as a CIC under Core Investment Companies (Reserve Bank) Directions, 2016. In compliance with the same directions, the Company holds not less than 90% of its net assets in the form of investments in equity shares, preference shares, debentures, debt or loans to group companies.

The Company is exposed to market risk, credit risk, liquidity & interest rate risk and capital management risk. The Company's risk management function is carried out by the Risk Management department that is guided and supported by Risk Management Committee that advises on financial risks and the appropriate governance framework for the Company. The Risk Management Committee provides assurance to the Board that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The major risks are summarised below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company has quoted investments which are exposed to fluctuations in stock prices. Similarly, the Company has also raised funds through issue of Market Linked Debentures, whose returns are linked to relevant underlying market instruments or indices. The company continuously monitors market exposure for both equity and debt and, in appropriate cases, also uses various derivative instruments as a hedging mechanism to limit volatility. The unquoted Compulsorily Convertible Preference Shares and Compulsory Convertible debentures of group companies are measured at fair value through profit or loss. The fair values of these investments are regularly monitored.

Credit risk management

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises mainly from loans and advances, and loan commitments arising from such lending activities, but can also arise from credit enhancement provided, such as financial guarantees, letters of credit, endorsements and acceptances. RCL is a Core Investment Company (CIC) with its lending restricted to and within the Group companies.

Credit risk is one of the major risk for the company's business, management therefore carefully manages its exposure to credit risk. This risk is comprehensively addressed both at the strategic level and at the client level. There is a framework with risk oversight being provided by the Risk Management. During the year the company has adopted the IND-AS while identifying

Notes to the consolidated financial statement for the year ended March 31, 2019

and providing for the Expected Credit Losses (ECL). Regular portfolio risk analysis is done various financial and policy parameters for making required changes in the credit policy as a proactive approach to risk management. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations. The Company measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). This is similar to the approach used for the purposes of measuring Expected Credit Loss (ECL) under Ind AS 109.

Liquidity and Interest Rate Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. While interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to liquidity risk principally, as a result of lending and investment for periods which may differ from those of its funding sources. Treasury teams actively manage asset liability positions in compliance with the ALM policy of the company laid down in accordance overall guidelines issued by RBI in the Asset Liability Management (ALM) framework.

The Company may be impacted by volatility in interest rates in India which could cause its margins to decline and profitability to shrink. It is exposed to interest rate risk, both as a result of lending at fixed interest rates and for reset periods which may differ from those of its funding sources. The Company seeks to match its interest rate positions of assets and liabilities to minimize interest rate risk. Further, an interest rate sensitivity gap report is prepared by classifying all rate sensitive assets and rate sensitive liabilities into various time period categories. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. Interest rate risk is measured on a bi-annual basis and filed with regulator.

Analysis of assets and liabilities by remaining contractual maturities

(₹ in crore)

Particulars	As at March 31, 2019		
	Less than 12 months	More than 12 months	Total
ASSETS			
Financial assets			
Cash and cash equivalents	688	-	688
Bank balance other than cash and cash equivalents	1 077	231	1 308
Derivative financial instruments	-	1	1
Receivables			
(I) Trade receivables	792	4	796
(II) Other receivables	21	-	21
Loans	15 138	20 310	35 448
Investments	5 755	26 917	32 672
Other financial assets	2 719	3 386	6 105
Total assets	26 190	50 849	77 039
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments	6	57	63
Payables			
(I) Trade payables			
(i) total outstanding dues of MSME	-	-	-
(ii) total outstanding dues of creditors other than MSME	837	10	847
(II) Other payables			
(i) total outstanding dues of MSME	-	-	-
(ii) total outstanding dues of creditors other than MSME	859	1 090	1 949
Debt securities	5 562	21 078	26 640
Borrowings (Other than debt securities)	8 617	9 930	18 547
Deposits	-	4	4
Subordinated liabilities	16	953	969
Other financial liabilities	4 257	27 721	31 978
Total liabilities	20 154	60 843	80 997

Note: Eliminations have been adjusted as per the estimate of management.

Notes to the consolidated financial statement for the year ended March 31, 2019

Capital Management Risk

The Reserve Bank of India (RBI) sets and monitors capital adequacy requirements for the Company from time to time. The Core Investment Companies (Reserve Bank) Directions, 2016, stipulate that the Adjusted Net Worth of a CIC-ND-SI shall at no point in time be less than 30% its risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items as on date of the last audited balance as at the end of the financial year. The Core Investment Companies (Reserve Bank) Directions, 2016, further stipulate that the outside liabilities of a CIC-ND-SI shall at no point of time exceed 2.5 times its Adjusted Net Worth as on date of the last audited balance as at the end of the financial year. Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Company to particular operations or activities, it is not the sole basis used for decision making. Account is also taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Company's longer-term strategic objectives. The Companies policies in respect of capital management and allocation are reviewed regularly by the Board of Directors. The Company has put in place systems for quarterly monitoring of capital adequacy and necessary mitigation plan to address deviation on a priority basis.

Expected credit loss measurement

Ind AS 109 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below. The objective of the impairment requirements is to recognise lifetime expected credit losses for all financial instruments for which there have been significant increases in credit risk since initial recognition – whether assessed on an individual or collective basis – considering all reasonable and supportable information, including that which is forward-looking.

A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Company.

If significant increases in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.

If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. Financial instruments in Stage 1 have their ECL measured at an amount equal to 12 month ECLs. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. Purchased or originated credit-impaired financial assets are those financial assets that are credit impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

The measurement of ECL is calculated using three main components: (i) Probability of Default (PD) (ii) Loss Given Default (LGD) and (iii) the Exposure At Default (EAD).

The 12 month ECL is calculated by multiplying the 12 month PD, LGD and the EAD. The 12 month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

- **Probability of default (PD)** represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- **Exposure At default (EAD)** is the total amount of an asset the entity is exposed to at the time of default. EAD is defined based on the characteristics of the asset. EAD is dependent on the outstanding exposure of an asset, sanctioned amount of a loan and credit conversion factor for non-funded exposures.
- **Loss given default (LGD)** It is the part of an asset that is lost provided the asset default. The recovery rate is derived as a ratio of discounted value of recovery cash flows (incorporating the recovery time) to total exposure amount at the time of default. Recovery rate is calculated for each segment separately. Loss given default is computed as (1 – recovery rate) in percentage terms.

The Company assesses when a significant increase in credit risk has occurred based on quantitative and qualitative assessments. Exposures are considered to have resulted in a significant increase in credit risk and are moved to Stage 2 when:

- i. Quantitative test: Accounts that are 30 calendar days or more past due move to Stage 2 automatically. Accounts that are 90 calendar days or more past due move to Stage 3 automatically.
- ii. Qualitative test: Accounts that meet the portfolio's 'high risk' criteria and are subject to closer credit monitoring. High risk customers may not be in arrears but either through an event or an observed behavior exhibit credit distress.
- iii. Reversal in Stages: Exposures will move back to Stage 2 or Stage 1 respectively, once they no longer meet the quantitative criteria set out above. For exposures classified using the qualitative test, when they no longer meet the criteria for a significant increase in credit risk

Collateral and other credit enhancements

The Company employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The principal collateral types for loans and advances are:

- Charges over business assets such as premises, inventory and accounts receivable; and
- Charges over financial instruments such as debt securities and equities.

Notes to the consolidated financial statement for the year ended March 31, 2019

Longer-term finance and lending to corporate entities are generally secured.

The Company's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Company since the prior period.

The Company closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Company will take possession of collateral to mitigate potential credit losses. Financial assets that are credit-impaired and related collateral held in order to mitigate potential losses.

Write-off policy

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Company's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Company may write-off financial assets that are still subject to enforcement activity. The Company still seeks to recover amounts it is legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery.

A summary of the major risks faced by Reliance Home Finance Limited, its measurement monitoring and management are described as under:

The following table contains an analysis of the credit risk exposure of loan assets of Reliance Home Finance Limited for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Company's maximum exposure to credit risk on these assets.

(₹ in crore)					
Particulars	As at March 31, 2019			As at March 31, 2018	
	ECL staging				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Total
Product					
Affordable Home	1 962.98	37.33	21.13	2 021.44	2 482.37
Home Loan	2 518.39	115.81	15.88	2 650.08	4 298.75
Loan Against Property	1 930.05	101.20	32.02	2 063.26	2 959.36
Construction finance	1 516.54	227.20	35.06	1 778.80	2 375.68
Others loans*	7 837.02	174.06	4.90	8 015.98	2 521.00
Gross carrying amount	15 764.98	655.59	108.99	16 529.56	14 637.16
Loss allowance	194.10	56.82	27.56	278.48	217.11
Carrying amount	15 570.88	598.77	81.43	16 251.08	14 420.05

*include GPCL, SME, Infra and MF

Reliance Home Finance Limited Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in crore)			
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Variable rate borrowing	8 419.72	5 876.38	4 266.26
Fixed rate borrowing	7 279.20	7 259.58	5 382.70
Total Borrowing	15 698.92	13 135.96	9 648.96

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Variable rate Borrowing	54%	45%	44%
Fixed rate Borrowing	46%	55%	56%
Total Borrowing	100%	100%	100%

Notes to the consolidated financial statement for the year ended March 31, 2019

A summary of the major risks faced by Reliance Commercial Finance Limited, its measurement monitoring and management are described as under:

Nature of Risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Liquidity and funding risk	Liquidity risk arises from mismatches in the timing of cash flows. Funding risk arises: (i) when long term assets cannot be funded at the expected term resulting in cashflow mismatches; (ii) amidst volatile market conditions impacting sourcing of funds from banks and money markets	Board appointed Asset Liability Committee (ALCO)	Liquidity and funding risk is: (i) measured by identifying gaps in the structural and dynamic liquidity statements. (ii) monitored by <ul style="list-style-type: none"> assessment of the gap between visibility of funds and the near term liabilities given current liquidity conditions and evolving regulatory directions for NBFCs. a constant calibration of sources of funds in line with emerging market conditions in banking and money markets. periodic reviews by ALCO relating to the liquidity position and stress tests assuming varied 'what if' scenarios and comparing probable gaps with the liquidity buffers maintained by the Company. (iii) managed by the Company's treasury team under the guidance of ALCO.
Interest rate risk	Interest rate risk stems from movements in market factors, such as interest rates, credit spreads which impacts investments, income and the value of portfolios."	Board appointed Asset Liability Committee (ALCO)	Interest rate risk is: (i) monitored by assessment of probable impacts of interest rate sensitivities under simulated stress test scenarios given range of probable interest rate movements on both fixed and floating assets and liabilities. (ii) managed by the Company's treasury team under the guidance of ALCO.
Credit risk	Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations to the Company	Board appointed Risk Management Committee	Credit risk is: (i) measured as the amount at risk due to repayment default of a customer or counterparty to the Company. Various metrics such as EMI default rate, overdue position, collection efficiency, customers non performing loans etc. are used as leading indicators to assess credit risk. (ii) monitored by Risk Management Committee using level of credit exposures, portfolio monitoring, geographic, customer and portfolio concentration risks.
			(iii) managed by a robust control framework by the risk department which continuously align credit policies and reviews of portfolios and delinquencies by senior and middle Management team comprising of risk, analytics, collection and fraud containment along with business. The same is periodically reviewed by the Board appointed Risk Management Committee.

Liquidity and funding risk

The Company's ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet.

The Company continuously monitors liquidity in the market; and as a part of its ALCO strategy.

Notes to the consolidated financial statement for the year ended March 31, 2019

The table below summarises the approach adopted by RCF for various components of ECL viz. PD, EAD and LGD across product lines using empirical data where relevant:

Lending verticals	Nature of businesses	PD			EAD	LGD
		Stage 1	Stage 2	Stage 3		
Consumer/retail lending	Products being offered are two wheelers, Used Cars and Unsecured loans under this category	The actual behaviour of the portfolio, taking the average of the last 5 years of the products having the similar characteristics	The actual behaviour is simulated for the balance tenor of the each individual loan	100%	For Stage 3, Exposure at default and for the Stages 1 & 2 it's the principal outstanding and Interest Overdue as on the reporting date. Cash Collateral, if any, is deducted from the exposure in both the scenarios.	Past trends of recoveries for each set of portfolios are discounted at a reasonable approximation of the original effective rates of interest. The recoveries considered are also within the reasonable time frame.
SME lending	A wide range of products like Equipment funding, SME Loans against property for meeting the working capital or the capital requirement of SMEs					
Infra lending	Under this category fund the projects under the renewable space. Facilities are extended till the principle banker does the final funding to the IPPs or EPC companies					
Micro financing	Term loans to the NBFC-MFIs, Sec 8 companies etc for onward lending and also direct lending through partners					
Other commercial lending	Commercial Vehicles, Construction Equipments, LAP, CF etc, these products are the ones which have been discontinued					

A summary of the major risks faced by Reliance General Insurance Company Limited, its measurement monitoring and management are described as under

Risk Category	Brief Nature of Risk
Market Risk	Risk of financial loss resulting from change in value of assets due to fluctuations in interest rates, foreign exchange rates, market prices, & liquidity conditions.
Credit Risk	Risk of financial loss to company as a result of customer/counterparty failing to meet its contractual obligations
Operational Risk	Risk of loss arising from inadequate internal processes, systems , people or from external events.
Insurance Risk	Risk that insurance company may incur losses as the result of premium rates charged not being sufficient to pay the claims or due to happening of any catastrophic incident etc.
Legal & Compliance Risk	Legal/compliance risk arises from an institution's failure to enact appropriate policies, procedures, or controls to ensure it conforms to laws, regulations, contractual arrangements, and other legally binding agreements and requirements.

Insurance risk

Key assumptions – General insurance

The principal assumption underlying the liability estimates is that the Company's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year. Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future, for example: once-off occurrence; changes in market factors such as public attitude to claiming; economic conditions: as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgement is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency rates.

Material judgement is required in determining the liabilities and in the choice of assumptions. Assumptions in use are based on past experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Assumptions and prudent estimates are determined at the date of valuation and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

Objectives, policies and processes for managing risks arising from insurance contracts and methods to manage those risks

Notes to the consolidated financial statement for the year ended March 31, 2019

For general insurance contracts, the most significant risks arise from climate changes, natural disasters and terrorist activities. For longer tail claims that take some years to settle, there is also inflation risk. For healthcare contracts, the most significant risks arise from lifestyle changes, epidemics and medical science and technology improvements

These risks do not vary significantly in relation to the location of the risk insured by the Company, type of risk insured and by industry.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography. Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the risk exposure of the Company. Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

Credit risk management

Credit risk is the risk of suffering financial loss, should any of the Company's customers, clients or market counterparties fail to fulfil their contractual obligations to the Company. The Company is exposed to credit risk from its operating activities, primarily trade receivables and from its financing/ investing activities, including deposits with banks, mutual fund investments, investments in debt securities.

Credit risk can occur at multiple levels, as a result of broad economic conditions, challenges within specific sectors of the economy, or from issues affecting individual companies. Events that result in defaults, impairments or downgrades of our assets would cause the Company to create or increase the provisions for asset default, adversely impacting earnings. The carrying amount of financial assets represents the maximum credit risk exposure. The Company manages its product mix to ensure that there is no significant concentration of credit risk.

(a) Investment portfolio:

Governance structure, inform of the Investment Committee, and well defined investment policies and processes are in place to ensure that the risks involved in investments are identified and acceptable levels are defined. The funds are invested in accordance with the regulatory norms and investment policies. Majority of the investment is made in the government securities having sovereign rating and debt securities issued by reputed corporate having appropriate ratings.

(b) Trade receivables:

The company has credit evaluation policy for each customer and based on the evaluation, credit limit of each customer is defined. Wherever the company assesses the credit risk as high, the exposure is backed by either bank guarantee/letter of credit or security deposits. The company does not expect any material risk on account of non-performance by any of its counter parties and has no significant concentration to any one one of the vendors.

A summary of the major risks faced by Reliance Nippon Life Insurance Company Limited, its measurement monitoring and management are described as under

Insurance risk – For Life Insurance

The principal risk the Company faces under insurance contracts is that the actual claims or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual claims paid and subsequent development of long-term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities. The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

The Company purchases reinsurance as part of its risks mitigation programme. Retention limits for the excess-of-loss reinsurance vary by product line and territory.

Key assumptions

Material judgement is required in determining the liabilities and in the choice of assumptions. Assumptions in use are based on past experience, current internal data, industry data, external market indices and benchmarks which reflect current observable market prices and other published information. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

The key assumptions to which the estimation of liabilities is particularly sensitive are, as follows:

Interest rate: The valuation interest rate is determined based on the expected return on the existing assets, current asset mix and expected investment return on the future investment taking into consideration the asset classes mix and expected future mix. The interest rates used for the valuation vary according to the type of product and is in the range 5.30% p.a. to 6.25% p.a. (5.30% p.a. to 6.25% p.a. as at March 31, 2018).

Mortality: Mortality assumptions are set in accordance with Section 5(2) of Schedule II of (Assets, Liabilities and Solvency Margins of Life Insurance Business) Regulations 2016, in reference to published Indian Assured Lives Mortality (2006-08) (modified) Ultimate with adjustment to reflect expected experience and with an allowance for adverse deviation. The same is in the range of 24.75% – 440.625% of IALM 2006-08. (30.5525% – 416.625% of IALM 2006-08 as at March 31, 2018).

Notes to the consolidated financial statement for the year ended March 31, 2019

Lapse/Surrender/Withdrawal: A prudent estimate of future lapses and surrenders has been assumed based on the current experience of the company.

Expense inflation: The assumed rate of expense inflation is consistent with the investment returns assumed.

Commission: As per the provision under the relevant plan approved by IRDAI.

Expenses: Policy related maintenance expenses are set on the basis of expense analysis performed by the company. The expense assumption used for valuation is ₹ 605 – ₹ 677 for in force policies and ₹ 404 – ₹ 451 for paid-up, fully paid-up and single premium policies. (₹ 655 for in force and ₹ 437 for paid up, fully paid-up and single premium policies as at March 31, 2018).

Future Bonus rates: Based on supportable bonus rates with allowance for tax and shareholder distributions.

Tax rate: The tax rate applicable for valuation at March 31, 2019 is 14.56% p.a.

Sensitivity analysis

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear. Sensitivity information will also vary according to the current economic assumptions, mainly due to the impact of changes to both the intrinsic cost and time value of options and guarantees. When options and guarantees exist, they are the main reason for the asymmetry of sensitivities.

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross liabilities. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear.

(₹ in crore)

As at March 31, 2019	Insurance		Investment	
	With DPF	Without DPF	With DPF	Without DPF
Lapses Increased by 10 %	5 490	12 952	113	568
Lapses Decreased by 10 %	5 522	13 091	113	568
Mortality Increased by 10 %	5 528	13 108	113	568
Mortality Decreased by 10 %	5 484	12 933	113	568
Expense Increased by 10 %	5 549	13 069	113	568
Expense Decreased by 10 %	5 463	12 972	113	568
Interest Increased by 100 bps	5 179	12 076	113	568
Interest Decreased by 100 bps	5 943	14 318	113	568
Inflation Rate Increased by 100 bps	5 527	13 048	113	568
Inflation Rate Decreased by 100 bps	5 486	12 994	113	568

64 First-time adoption of Ind AS

Transition to Ind AS

These are the Group's first consolidated financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note No. 2 have been applied in preparing the consolidated financial statements for the year ended March 31, 2019, the comparative information presented in these consolidated financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS balance sheet at April 01, 2017 (the Group's date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in consolidated financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

a) Optional exemptions available

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

i) Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date.

Notes to the consolidated financial statement for the year ended March 31, 2019

Business combinations occurring prior to the transition date have not been restated. The Group has applied the same exemption for investment in subsidiaries, associates and joint ventures.

ii) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment (including capital work-in-progress) as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities and capital grant, if applicable. This exemption can also be used for intangible assets and investment properties covered by Ind AS 38 and Ind AS 40, respectively.

Accordingly, the Group has elected to measure all of its property, plant and equipment, intangible assets and investment properties at their previous GAAP carrying value.

iii) Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The Group has elected to apply this exemption for its investment in equity investments.

iv) Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Group has elected to apply this exemption for such contracts/arrangements.

v) Share - based payment transactions

Ind AS 102 deals with the accounting and disclosure requirements related to share-based payment transactions. The standard addresses three types of share-based payment transactions: equity-settled, cash-settled, and with cash alternatives. A first-time adopter is encouraged, but is not required, to apply Ind AS 102 to:

- (i) equity instruments that vested before the date of transition to Ind AS,
- (ii) liabilities arising from share-based payment transactions that were settled before the date of transition to Ind AS.

The Group has not applied the requirement of Ind AS 102 to equity instruments that vested before the date of transition to Ind AS and liabilities arising from share-based payments transactions that were settled before the date of transition to Ind AS.

b) Ind AS mandatory exceptions

The Group has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

i) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 01, 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- FVPTL / FVOCI – equity and debt instrument
- Impairment of financial assets based on expected credit loss model

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at April 1, 2017, the date of transition to Ind AS and as of March 31, 2018.

ii) Non controlling interests

Ind AS 110 requires entities to attribute the profit or loss and each component of other comprehensive income to the owners of the parent and to the non controlling interests. This requirement needs to be followed even if this results in the non-controlling interests having a deficit balance. Ind AS 101 requires the above requirement to be followed prospectively from the date of transition. Consequently, the Group has applied the above requirement prospectively.

iii) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

Notes to the consolidated financial statement for the year ended March 31, 2019

The Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

iv) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

c) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

(a) the aggregate deemed cost of those investments for which deemed cost is their previous GAAP carrying amount

i) Reconciliation of total equity between previous GAAP and Ind AS:

	(₹ in crore)	
	As at March 31, 2018	As at April 1, 2017
Total equity as per Previous GAAP (Indian GAAP)	16 961	16 965
Add/ (Less) : Adjustments		
Fair Valuation of investment	(5 125)	(3 119)
Impairment on financial assets (Expected Credit Loss)	(8 855)	(4 885)
Rcap Trust Consolidation	(54)	(58)
ESOP reserve on recognition of expense at fair value	6	4
Merger effect	(179)	-
IND AS subsidiary / associate control effect	-	(1 360)
EIS on direct assignment	-	82
Other adjustments	-	234
Tax Impact of Ind AS Adjustments	(114)	(83)
Total equity as per Ind AS	2 640	7 780

ii) Reconciliation of profit as per Ind AS with profit reported under previous GAAP:

	(₹ in crore)
	Year Ended March 31, 2018
Net profit or loss as per Previous GAAP (Indian GAAP)	1 309
Add/ (Less) : Adjustments	
Expected Credit Loss on Loan and Interest (ECL)	(4 635)
Effect of scheme of amalgamation / merger	24
EIR adjustment	(59)
Fair valuation of Investments	(1 282)
EIS on Direct Assignment (Recognised Upfront)	(3)
Deferred tax impact on account of Ind AS adjustment	(2)
Premium deficiency reserves reversal	17
Deposit Accounting for Investment contracts without DPF effect	2
Others adjustment as per Ind AS	73
Net profit/loss as per Ind AS	(4 556)
Other Comprehensive income after tax as per Ind AS	(284)
Total comprehensive income for the period	(4 840)

Notes to the consolidated financial statement for the year ended March 31, 2019

iii) Impact of Ind AS adoption on the consolidated statement of cash flow for the year ended March 31, 2018

(₹ in crore)

	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	(5 065)	(1 058)	(6 123)
Net cash flow from investing activities	(776)	196	(580)
Net cash flow from financing activities	6 562	857	7 419
Net increase/(decrease) in cash and cash equivalents	721	(5)	716
Cash and cash equivalents as at April 01, 2017	3 599	(25)	3 574
Effects of exchange rate changes on cash and cash equivalents	17	(17)	-
Cash and cash equivalents as at March 31, 2018	4 303	(13)	4 290

d) Notes to first-time adoption:

i) Consolidation of the Trust

The Group has formed RCAP ESOS Trust for implementation of the schemes that are notified or may be notified from time to time by the Group under the plan, providing share based payment to its employees. RCAP ESOS Trust purchases shares of the Company out of funds borrowed from the Group. The Company treats ESOS Trust as its extension and shares held by ESOS Trust are treated as treasury shares.

The consolidation of the ESOS trust financials statements with that of the Company does not in any manner affect the independence of the trustees where the rights and obligations are regulated by the trust deed.

Own equity instruments (treasury shares) are recognised at cost and deducted from equity. Profit on sale of treasury shares by ESOS trust is recognised in ESOS trust reserve.

Other items adjusted owing to the Trust consolidation include :

a Treasury shares

Upon consolidation, the investment in the Company's equity shares made by RCAP ESOS Trust is debited to the Company's equity as treasury shares.

b RCAP ESOS Trust reserve

The income of the Trust till date comprising of dividend income, forms a part of RCAP ESOS Trust reserve.

c Other non current financial assets and other income

Loan advanced to the Trust is eliminated on consolidation forming a part of loans and being current loans in previous GAAP.

ii) Fair valuation of investments

Under the previous GAAP, investments in equity instruments, debentures, preference shares, mutual funds, venture capital funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2018.

Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in FVOCI – Equity investments reserve as at the date of transition and subsequently in the other comprehensive income for the year ended March 31, 2018.

iii) Provision for impairment as per the expected credit loss method

Under the previous GAAP, the Group had recognised provisions against trade receivables, investments and loans and advances as per the RBI/NHB norms. However, in order to comply with Ind AS 109, the Group has reversed the provisions created under the previous GAAP and recognised provisions by applying the effective credit loss method.

iv) Amortisation of transaction costs

Under the previous GAAP, transaction costs incurred on the purchase/origination of financial assets or financial liabilities was recognised upfront in the statement of profit and loss. Under Ind AS, such costs are added to/ deducted from the financial asset/liability and are amortised over the tenure of the instrument by applying the effective interest rate method.

v) **Deferred tax**

Indian GAAP requires deferred tax accounting using the profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments have lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

vi) **Employee stock option expense**

Under the previous GAAP, the Group has used the intrinsic value method to account for the compensation cost of stock to the employees. Intrinsic value is the amount by which the quoted market price of the underlying share on the date, prior to the date of the grant, exceeds the exercise price of the option. Under Ind AS 102, the grant date fair value of the employee stock options should be recognised over the vesting period by debiting the 'Employee benefit expense' in the statement of profit and loss and crediting 'Share option outstanding' reserve' under other equity.

vii) **Debt Securities**

The Group has issued debentures, where the interest payments are linked to market performance. The embedded derivative in this hybrid instrument is not separated as the Group has elected to measure the entire instrument at FVTPL. On the date of transition, the change in fair value has been recorded in OCI and other change in fair value has been adjusted against retained earnings. The impact on account of change in own credit and other factors for year ended March 31, 2018 has been recorded in OCI and profit and loss, respectively.

viii) **Securitisation**

Under the previous GAAP, in case of assignment/securitisation of loans, the assets are derecognised when all the rights, title, future receivables and interest thereof along with all the risk and rewards of ownership are transferred to the purchasers of assigned/securitised loans. Excess interest spread (EIS) income is recognised as an income over the tenure of the deal. Under Ind AS, the present value of the total interest receivable is recognised as an income upfront.

ix) **Change in liability measurement for investment contracts without discretionary participation features (DPF)**

For contracts which are classified as Investment contracts without DPF the liability is measured as per Ind AS 109 since investment contracts without DPF does not fall under the scope of Ind AS 104. The Group's contracts classified as investment contracts without DPF are unit-linked contracts and liabilities are measured at fair value. For unit-linked contracts classified as investments contracts without DPF, the fair value liability is equal to the current unit fund value.

The fair value of liability as per Ind AS 109 and Ind AS 113 is the amount for which the liability could be transferred in an orderly transaction between market participants at the measurement date. Accordingly the liabilities held under the previous GAAP relating to the catastrophic provisions(non-unit and contingency provisions) has been released/reversed which has led to increase in equity at April 1, 2017 and total comprehensive income for the year ended March 31, 2018 under the Ind AS.

x) **Acquisition cost of Investment contract without DPF**

Under the previous GAAP, all acquisition cost and fee has been recognised in the statement of the profit or loss. Under Ind AS, Ind AS 109 required to defer the acquisition cost and fees of investment product without DPF over the life of the contract.

xi) **Premium deficiency reserves**

Under the previous GAAP, the Group performs a premium deficiency test at an overall level, being the difference between the expected claims cost, related cost and unexpired risk reserve. Whereas, Ind AS 104 says if current estimate of future cash flows is less than recognized insurance liabilities then recognized the balance shortfall as an insurance liability (at product segment level). Hence, additional premium deficiency reserve has been created to meet product segment level deficiency.

xii) **Remeasurement of post-employment benefit obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss under the previous GAAP.

Notes to the consolidated financial statement for the year ended March 31, 2019

xiii) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

xiv) Error in computation of employee compensation

Ind AS 8 – "Accounting Policies, Changes in Accounting Estimates and Errors" requires retrospective adjustment of prior period errors and omissions by restating the comparative amounts for prior period presented or, where the errors relate to the period(s) before the earliest prior period presented, restating the opening balance of assets, liabilities and equity for that period. In this guidance, it was observed that there was under-provision for employee expense liability in the financial year 2017 and 2018 and to comply with Ind AS requirement, employee expense provision liability has been reinstated for March 2017 through opening balance sheet adjustment in April 1, 2017 and in March 2018 through re-instating employee benefit liability in the financial statement.

xv) Fair valuation of inventories

Under the previous GAAP, inventories were valued lower of cost or market value. Under Ind AS, these inventories are required to be measured at fair value. The resulting fair value changes of these inventories have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2018.

xvi) Upfront recognition of processing fees

Under the previous GAAP, processing fees was recognised upfront in the statement of profit and loss. Under Ind AS, such revenue is to be amortised over the period of facility provided.

xvii) Revenue and Deferred revenue

As per Ind AS-115, certain items of non-refundable brokerage, received upfront, are now being recognised as revenue over the tenure of contracts as it better reflects the substance of the transaction, which were earlier recognised upfront. Accordingly the Company has deferred the income from such contracts outstanding as at the date of transition and for new contracts entered during the financial year 2017-18.

As per our report of even date attached
For **Pathak H.D. & Associates**
Firm Registration No.: 107783W
Chartered Accountants

Parimal Kumar Jha
Partner
Membership No.: 124262
Mumbai
Dated: August 14, 2019

For and on behalf of the Board
Chairman
Vice Chairman

Directors

Executive Director
Chief Financial Officer
Company Secretary & Compliance Officer
Mumbai
Dated: August 14, 2019

Anil D. Ambani
Amitabh Jhunjhunwala
Rajendra P. Chitale
Dr. Bidhubhusan Samal
V. N. Kaul
Chhaya Virani
Anmol Ambani
Amit Bapna
Atul Tandon

Reliance Capital Limited

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Consolidated Audited Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Consolidated Figures (₹ in Crore) (as reported before adjusting for qualifications)	Adjusted Consolidated Figures (₹ in Crore) (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	20 525	20 525
	2.	Total Expenditure	22 025	22 025
	3.	Net Profit / (Loss)	(1 454)	(1 454)
	4.	Earnings Per Share (₹)	(57.91)	(57.91)
	5.	Total Assets	83 973	83 973
	6.	Total Liabilities	83 225	83 225
	7.	Net Worth	748	748
	8.	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
II. Audit Qualification (each audit qualification separately):				
	a.	Details of Audit Qualifications of Company's subsidiary viz. Reliance Home Finance Limited (RHFL): Loans were advanced by RHFL under the 'General-Purpose Corporate Loan' product with significant deviations to certain bodies corporate including group companies and outstanding as at March 31, 2019 aggregating to ₹ 7,849.89 crore. and secured by charge on current assets of borrowers. Majority of RHFL's borrowers have undertaken onward lending transaction and end use of the borrowings from RHFL included borrowings by or for repayment of financial obligation to some of the group companies. There has been overdue of ₹ 566.30 crore of these loans as on March 31, 2019. We are not getting sufficient audit evidence to ascertain recoverability of principal and interest including time frame of recovery of overdues. 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 RHFL / borrower. Further, 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.		
	b.	Type of Audit Qualification	Qualified Opinion	
	c.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	First Time	
	d.	Audit Qualification(s) where the impact is quantified by the auditor, Management's Views Not quantified hence not applicable		
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor:		
		(i) Management's estimation on the impact of audit qualification:	Not quantified hence not applicable	
		(ii) If management is unable to estimate the impact, reasons for the same: Not applicable		
		(iii) Auditors' Comments on (i) or (ii) above – Not applicable		
III.		Signatories: Anmol Ambani Executive Director Rajendra P. Chitale Audit Committee Chairman Statutory Auditor For Pathak H.D. & Associates Chartered Accountants Firm Registration No. 107783W Parimal Kumar Jha Partner Membership Number: 124262 Place: Mumbai Date: August 14, 2019	Amit Bapna Chief Financial Officer (CFO)	

Statement containing salient features of the financial statement of subsidiaries / associate companies

(Pursuant to first proviso to sub section (3) of Section 129 of the Act read with rule 5 of the Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

Sl. No.	Name	The date since when subsidiary was acquired	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend (Excluding Dividend Tax)	Extent of shareholding (in %)
1	Reliance Capital Trustee Co. Ltd.	12-May-1995	0.05	1.64	1.97	0.28	1.86	0.92	0.20	0.05	0.15	-	100.00%
2	Reliance General Insurance Company Ltd.	15-Jan-2002	251.55	1 421.83	13959.32	12 285.94	9 433.14	7 325.18	120.84	51.81	69.03	-	100.00%
3	Reliance Commercial Finance Ltd.	15-Jan-2002	535.33	270.51	13504.32	12 698.48	147.58	1 780.86	(1 853.63)	38.49	(1,892.12)	-	100.00%
4	Reliance Money Precious Metals Pvt. Ltd.	20-Feb-2007	8.00	(27.08)	1.23	20.31	0.00	0.02	(0.76)	-	(0.76)	-	100.00%
5	Reliance Health Insurance Limited	04-May-2017	186.55	(99.52)	113.07	26.04	38.25	7.83	(83.91)	0.13	(84.04)	-	100.00%
6	Reliance Money Solutions Private Limited	02-Dec-2013	0.01	(77.30)	2.45	79.74	0.00	0.60	(2.83)	(0.02)	(2.81)	-	100.00%
7	Reliance Capital Pension Fund Limited	31-Mar-2009	25.00	2.79	29.33	1.54	28.61	2.80	0.26	0.18	0.08	-	51.00%
8	Reliance Home Finance Limited	26-Jun-2008	485.06	1 356.94	18125.44	16 283.44	93.46	2 002.59	101.61	34.18	67.43	-	48.24%
9	Reliance Capital AIF Trustee Company Private Limited	11-Apr-2013	0.06	0.07	0.16	0.03	0.00	0.11	0.06	0.01	0.05	-	100.00%
10	Reliance Securities Limited	28-Aug-2008	235.00	(102.95)	683.97	551.92	31.27	287.60	21.61	(1.23)	22.84	-	100.00%
11	Reliance Commodities Limited	28-Aug-2008	3.00	7.14	51.32	41.18	0.00	0.56	(1.03)	(0.12)	(0.91)	-	100.00%
12	Reliance Financial Limited	28-Aug-2008	24.16	84.30	556.10	447.64	224.09	74.62	11.74	3.39	8.35	-	100.00%
13	Reliance Wealth Management Limited	15-Dec-2010	32.50	(22.45)	19.93	9.88	0.00	21.12	(22.72)	(5.74)	(16.98)	-	100.00%
14	Reliance Exchangenext Limited	31-May-2010	42.26	56.81	121.22	22.15	121.01	0.30	(1.00)	-	(1.00)	-	100.00%
16	Reliance Corporate Advisory Services Limited	31-May-2010	1235.65	(541.31)	694.35	0.01	668.64	6.82	6.53	-	6.53	-	100.00%
17	Reliance Nippon Life Insurance Company Limited	30-Mar-2016	1196.32	157.89	21 600.00	20 245.79	20 460.00	6 073.99	36.00	-	36.00	-	51.00%
15	Quant Capital Private Limited	01-Jul-2010	10.00	132.71	145.35	2.64	128.58	34.75	(65.18)	0.68	(65.86)	-	74.00%
18	Quant Broking Private Limited	01-Jul-2010	18.00	48.86	73.69	6.83	9.00	3.14	(3.61)	0.20	(3.81)	-	74.00%
19	Quant Securities Private Limited	01-Jul-2010	1.54	(2.65)	5.49	6.60	0.00	3.34	(0.15)	0.07	(0.22)	-	74.00%
20	Quant Investment Services Private Limited	18-Mar-2011	0.74	(1.83)	0.24	1.33	0.00	0.47	(0.47)	-	(0.47)	-	74.00%
21	Gulfoss Enterprises Private Limited	20-Feb-2019	0.01	(0.00)	0.01	0.00	0.00	0.00	-	-	-	-	100.00%

Notes:

- 1 The Financial Year of the Subsidiaries is for 12 months i.e. from April 1, 2018 to March 31, 2019.
- 2 Investment exclude investment in Subsidiaries.
- 3 Name of Subsidiaries which are yet to commence operations - Nil.

Part "B": Associates

Sr. No.	Name of Associates	Latest audited Balance Sheet Date	Shares of Associate held by the Company on the year end		Description of how there is significant influence	Reason why the associate / joint venture is not consolidated	Network attributable to shareholding as per latest audited Balance Sheet	Profit / (loss) for the year	
			No.	Amount of Investment in Associate / Joint Venture				i. Considered in Consolidation	i. Not Considered in Consolidation
1	Reliance Nippon Life Asset Management Limited	31.03.2018	26 239 000	216.46	42.88	-	1 102.02	165.19	
2	Ammolite Holdings Limited	*	1 000	29.00	50	-	22.42	(0.15)	
3	Indian Commodity Exchange Limited	31.03.2018			26	-	-	(4.45)	
4	Reliance Asset Reconstruction Company Limited	31.03.2018	49 000 000	49.00	49	-	87.83	7.80	

Name of associates which are yet to commence operations - There is no associate which is yet to commence operation.

* The unaudited Financial Statement as on March 31, 2019 of Ammolite Holdings Limited, have been certified by the Management.

Notes:

1. There is significant influence due to percentage (%) of share capital.
2. The Company does not have any joint venture during the year.
3. During the year Indian Commodity Exchange Limited ceased to be Associate w.e.f. September 25, 2018.

For and on behalf of the Board of Directors of
Reliance Capital Limited

Chairman
Vice Chairman
Directors

Anil D. Ambani
Amitabh Jhunjhunwala
Rajendra P. Chitale
Dr. Bidhubhusan Samal
V. N. Kaul
Chhaya Virani
Anmol Ambani
Amit Bapna
Atul Tandon

Executive Director
Chief Financial Officer
Company Secretary & Compliance Officer
Mumbai

Dated: August 14, 2019

Route Map to the AGM Venue

Venue : Rama & Sundri Watumull Auditorium, Vidyasagar, Principal K. M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai – 400020



Landmark : K.C. Collage

Distance from Churchgate Station : 0.7 km

Distance from Chhatrapati Shivaji Terminus : 1.9 km

RELIANCE**CAPITAL****Reliance Capital Limited**

Registered Office: Reliance Centre, Ground Floor, 19, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001

CIN: L65910MH1986PLC165645, Tel.: +91 22 4303 1000, Fax: +91 22 4303 6664

Website: www.reliancecapital.co.in, E-mail: rcl.investor@relianceada.com

**ATTENDANCE SLIP
ANNUAL GENERAL MEETING**

*DP Id. / Client Id.		Name and Address of the registered Shareholder
Regd. Folio No.		
No. of Share(s) held		

(* Applicable for Members holding share(s) in electronic form)

I/ We hereby record my/our presence at the **33rd Annual General Meeting** of the Members of Reliance Capital Limited held on Monday, September 30, 2019 at 10:00 A.M. at Rama & Sundri Watumull Auditorium, Vidyasagar, Principal K. M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai 400 020.

Member's / Proxy's Signature

Note: Please complete this and hand it over at the entrance of the hall.

TEAR HERE

PROXY FORM**RELIANCE****CAPITAL****Reliance Capital Limited**

Registered Office: Reliance Centre, Ground Floor, 19, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001

CIN: L65910MH1986PLC165645, Tel.: +91 22 4303 1000, Fax: +91 22 4303 6664

Website: www.reliancecapital.co.in, E-mail: rcl.investor@relianceada.com

FORM NO. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)		
Registered Address		
E-mail Id:		
*DP Id. / Client Id.		Regd. Folio No.

(* Applicable for Members holding share(s) in electronic form)

I / We, being the member(s) of shares of the above named company, hereby appoint:

- (1) Name: Address:
E-mail Id: Signature: or failing him
- (2) Name: Address:
E-mail Id: Signature: or failing him
- (3) Name: Address:
E-mail Id: Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **33rd Annual General Meeting** of the Company, to be held on Monday, September 30, 2019 at 10:00 A.M. at Rama & Sundri Watumull Auditorium, Vidyasagar, Principal K. M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution no. and Matter of Resolution	For	Against
1. To consider and adopt: a) the audited financial statement of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon, and b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2019 and the report of the Auditors thereon.		
2. To appoint Ms. Ryna Karani (DIN: 00116930) as a Director of the Company, liable to retire by rotation.		
3. To confirm M/s. Pathak H.D. & Associates, Chartered Accountants, as sole Statutory Auditor of the Company.		
4. To appoint Mr. Rahul Sarin (DIN: 02275722) as an Independent Director of the Company.		
5. To appoint Dr. Thomas Mathew (DIN: 05203948) as an Independent Director of the Company.		
6. To re-appoint Ms. Chhaya Virani (DIN: 06953556) as an Independent Director of the Company.		
7. To approve Private Placement of Non-Convertible Debentures and / or other Debt Securities for re-financing of existing debt.		
8. To approve sale/disposal of asset(s)/undertaking(s) of the Company, its subsidiaries, associates and joint ventures.		

Signed this _____ day of _____, 2019.

Signature of the Shareholder(s) _____ Signature of Proxy holder(s) _____

Affix
Revenue
Stamp

Note: This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

If undelivered please return to :

Karvy Fintech Private Limited
(Unit: Reliance Capital Limited)

Karvy Selenium Tower – B, Plot No. 31 & 32

Survey No. 116/22, 115/24, 115/25

Financial District, Nanakramguda, Hyderabad 500 032

Tel. : +91 40 6716 1500, Fax : +91 40 6716 1791

E-mail : rcinvestor@karvy.com, Website: www.karvy.com