Reliance

CAPITAL

Annual Report 2019- 20

Padma Vibhushan

Shri Dhirubhai H. Ambani

(28th December, 1932 – 6th July, 2002)

Reliance Group – Founder and Visionary

Board of Directors

Mr. Anil Dhirubhai Ambani – Chairman
Ms. Chhaya Virani
Mr. Rahul Sarin
Dr. Thomas Mathew
Mr. A N Sethuraman
Mr. Dhananjay Tiwari – Director & Chief Executive Officer

Key Managerial Personnel

Mr. Vaibhav Kabra – Chief Financial Officer
Mr. Atul Tandon – Company Secretary & Compliance Officer

Auditors

M/s. Pathak H.D. & Associates LLP

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

KFin Technologies Private Limited
Unit: Reliance Capital Limited
Selenium Building, Tower - B
Plot No. 31 & 32, Financial District,
Nanakramguda, Hyderabad, Telangana 500 032
Email: rclinvestor@kfintech.com
Website: www.kfintech.com

Investor Helpdesk

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

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34th Annual General Meeting on Tuesday, June 23, 2020 at 12:00 Noon (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM)

This Annual Report can be accessed at www.reliancecapital.co.in

Notice

Notice is hereby given that the 34th Annual General Meeting of the Members of **Reliance Capital Limited** will be held on Tuesday, June 23, 2020 at 12:00 Noon (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM), 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, 2020 and the reports of Board of Directors and Auditors thereon; and

   b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2020 and the reports of Auditors thereon.

Special Business:

2. Appointment of Mr. A N Sethuraman as a Director

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

"RESOLVED THAT in accordance with the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and Articles of Association of the Company, Mr. A N Sethuraman (DIN:01098398), who was appointed by the Board of Directors as an Additional Director of the Company with effect from December 13, 2019, pursuant to the provisions of Section 161 of the Act and who holds office upto the date of this Annual General Meeting ("Meeting") 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 a Director of the Company, liable to retire by rotation".

3. Appointment of Mr. Dhananjay Tiwari as a Director

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

"RESOLVED THAT in accordance with the provisions of Sections 152, 196 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Schedules and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and Articles of Association of the Company, Mr. Dhananjay Tiwari (DIN:08382961) the Chief Executive Officer of the Company, who was appointed by the Board of Directors as an Additional Director with effect from January 21, 2020, pursuant to the provisions of Section 161 and all other applicable provisions of the Act and who holds office upto the date of this Annual General Meeting ("Meeting") 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 a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient 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

May 8, 2020

Notes:

1. Statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act"), in respect of the Special Business to be transacted at the Annual General Meeting ("AGM") is annexed hereto.

2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide it's circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the "AGM" through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

3. The AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. **Accordingly, the facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**

4. Corporate Members are required to send a scanned copy (PDF / JPG Format) of its Board or governing body Resolution/Authorization, etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting to KFin Technologies Private Limited (Kfintech), Registrar and Transfer Agent, by e-mail through its registered e-mail address to praveendmr@kfintech.com.

5. In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company or CDSL / NSDL ("Depositories"). Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.reliancecapital.co.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Kfintech at www.kfintech.com.

6. Members whose email address are not registered can register the same in the following manner:
   a. Members holding share(s) in physical mode can register their e-mail ID on the Company's website at http://www.reliancecapital.co.in/Registration-of-Shareholders-information.aspx by providing the requisite details of their holdings and documents for registering their e-mail address; and
   b. Members holding share(s) in electronic mode are requested to register / update their e-mail address with their respective Depository Participants "DPs" for receiving all communications from the Company electronically.
7. The Company has engaged the services of .KFintech, Registrar and Transfer Agent as the authorized agency for conducting of the e-AGM and providing e-voting facility.
8. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
10. Relevant documents referred to in the accompanying Notice calling the AGM are available on the website of the Company for inspection by the Members. 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 through electronic mode on the website of the Company.
11. Members are advised to refer to the section titled 'Investor Information' provided in this Annual Report.
12. As mandated by SEBI, effective from April 1, 2019, that securities of listed companies shall be transferred only in dematerialised form. In order to facilitate transfer of share(s) view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise share(s) held by them in physical form.
13. 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 endeavor to enhance the standards of service to investors.
14. Instructions for attending the AGM and e-voting are as follows:

A. Instructions for attending the AGM:

1. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM at https://ris.kfintech.com/vc/login2vc.aspx by using their remote e-voting login credentials and selecting the 'Event' for Company's AGM. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-voting system.
2. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and Members who may like to express their views or ask questions during the AGM may register themselves at https://ris.kfintech.com/agmvcspeakerregistration. Facility of joining AGM will be closed on expiry of 15 minutes from the schedule time of the AGM. Those Members who register themselves as speaker will only be allowed to express views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers and time for each speaker depending upon the availability of time for the AGM.
3. Facility of joining the AGM through VC / OAVM shall be available for 1 000 members on first come first served basis. However, the participation of members holding 2% or more shares, promoters, and Institutional Investors, directors, key managerial personnel, chairpersons of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.
4. Members who need technical assistance before or during the AGM, can contact KFintech at https://ris.kfintech.com/agmqa/agmqa/login.aspx.

B. Instructions for e-voting

1. In compliance with the provisions of Section 108 of the Act read with Rules made there under and Regulation 44 of the SEBI Listing Regulations, the Company is offering e-voting facility to all Members of the Company. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners (in case of electronic shareholding) maintained by the Depositories as on the cut-off date i.e. June 16, 2020 only shall be entitled to avail the facility of remote e-voting/e-voting at the AGM. Kfintech will be facilitating remote e-voting to enable the Members to cast their votes electronically. Members can cast their vote online from 10:00 A.M. (IST) on Friday, June 19, 2020 to 5:00 P.M. (IST) on Monday, June 22, 2020. At the end of remote e-voting period, the facility shall forthwith be blocked.
2. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
3. The Members present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting, and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
4. The procedure and instructions for e-voting are as follows:
   a. Open your web browser during the remote e-voting period and navigate to "https://evoting.karvy.com".
   b. Enter the login credentials (i.e., user-id and password) mentioned in the letter. Your Folio No. / DP ID No. / Client ID No. will be your User- ID.

User – ID For Members holding shares in DematForm:-

For NSDL :- 8 Character DP ID followed by 8 Digits Client ID

For CDSL :- 16 digits beneficiary ID

User – ID For Members holding shares in Physical Form:-

Event Number followed by Folio No. registered with the Company

Password :Your unique password is sent via e-mail forwarded through the electronic notice

Captcha Please enter the verification code i.e. the alphabets and numbers in the exact way as they are displayed for security reasons

c. After entering these details appropriately, click on "LOGIN".

d. Members holding shares in Demat / Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #,$, etc.). Kindly note that this password can be used by the Demat holders for voting in any other Company on which they are eligible to vote, provided that the other company opts for e-voting through Kfintech e-Voting platform. System will prompt you to change your password and update your contact details like mobile number, e-mail ID, etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

e. You need to login again with the new credentials.

f. On successful login, system will prompt you to select the 'Event' i.e. 'Company Name'.

g. If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" and have cast your vote earlier for any company, then your existing login ID and password are to be used.

h. On the voting page, you will see Resolution Description and against the same the option 'FOR / AGAINST / ABSTAIN' for voting. Enter the number of shares (which represents the number of votes) under 'FOR / AGAINST / ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR / AGAINST' taken together should not exceed your total shareholding. If you do not wish to vote, please select 'ABSTAIN'.

i. After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

j. Once you 'CONFIRM' your vote on the Resolution whether partially or otherwise, you will not be allowed to modify your vote.

5. Corporate Members (i.e. other than Individuals, HUF, NRI, etc.) are required to send scanned copy (PDF / JPG format) of the relevant Board or governing body Resolution / Authorisation together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to 'evoting@karvy.com' (Details are given in point 4 above). The file / scanned image of the Board Resolution / authority letter should be in the naming format 'Corporate Name Event no.

6. The voting rights of the Members shall be in proportion to the number of shares held by them in the equity share capital of the Company as on the cut-off date being Tuesday, June 16, 2020.

   In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company shall be entitled to vote at the AGM.

7. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on https://evoting.karvy.com/ to reset the password.

8. The Board of Directors have appointed Mr. Anil Lohia, Partner or in his absence Mr. Chandrahas Dayal, 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 AGM of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM. 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 at www.reliancecapital.co.in and also on the website of KFintech at https://evoting.karvy.com.

9. In case of any query pertaining to e-voting, please visit Help and FAQs section available at Kfintech's website https://evoting.karvy.com OR contact toll free no.1800 4250 999.

Statement pursuant to Section 102 (1) of the Companies Act, 2013 to the accompanying Notice dated May 8, 2020

Item No. 2 Appointment of Mr. A N Sethuraman as a Director

Mr. A N Sethuraman was appointed as an Additional Director of the Company by the Board on the recommendation of the Nomination and Remuneration Committee, with effect from December 13, 2019, in accordance with the provisions of Section 161 of the Companies Act, 2013 (the "Act"). Pursuant to the provisions of Section 161 of the Act, Mr. A N Sethuraman holds office upto the date of the ensuing Annual General Meeting.

As required under Section 160 of the Act, the Company has received notice in writing from a member proposing his candidature for office of Director of the Company, liable to retire by rotation. Mr. A N Sethuraman is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Director. He also fulfill 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 his declaration in this regard.

The details pertaining to Mr. A N Sethuraman are furnished hereunder:

Mr. A N Sethuraman, aged 68 years, holds master's degree in economics. He has varied experience in major growth sectors of the Indian economy, including communications, generation, transmission and distribution of renewable and non-renewable sources of energy, infrastructure, roads, metro rail systems, cement, financial services, education, health care, and media and entertainment. Currently, he is Group President of Reliance Group, and handles corporate and regulatory affairs. He also serves as a Director on the Board of BSES Yamuna Power Limited, BSES Rajdhani Power Limited and Galaxy Multiventures and Trading Private Limited. He holds 2,204 shares in the Company as of March 31, 2020.

He does not have any relationship with other Directors and Key Managerial Personnel of the Company. Mr. A N Sethuraman attended one meeting out of two board meetings held during the financial year 2019-20. He shall be paid remuneration by way of fee for attending the 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.

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

Mr. A N Sethuraman is interested in the resolution set out at Item No. 2 of the Notice in regard to his appointment. The relatives of Mr. A N Sethuraman may be deemed to be interested in the resolution set out in Item No. 2, of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors, Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 2 of the Notice.

Approval of Members is accordingly sought for appointment of Mr. A N Sethuraman as Director as set out in the resolution at Item No. 2 of the accompanying Notice. The Board recommends the Ordinary Resolution set out at Item No. 2 of the accompanying Notice for the approval of the Members.

Item No. 3 Appointment of Mr. Dhananjay Tiwari as Director

Mr. Dhananjay Tiwari, acting in his professional capacity as the Chief Executive Officer (CEO) of the Company was appointed as an Additional Director by the Board on the recommendation of the Nomination and Remuneration Committee, with effect from January 21, 2020, in accordance with the provisions of Section 161 of the Companies Act, 2013 (the "Act"). Pursuant to the provisions of Section 161 of the Act, Mr. Dhananjay Tiwari holds office as an additional director upto the date of the ensuing Annual General Meeting. As required under Section 160 of the Act, the Company has received notice in writing from a member proposing his candidature for office of Director of the Company, liable to retire by rotation. Mr. Dhananjay Tiwari is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. He also fulfills 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 his declaration in this regard.

The details pertaining to Mr. Dhananjay Tiwari are furnished hereunder:

Mr. Dhananjay Tiwari, aged 51 years, holds bachelor's degree in Engineering (Mechanical) and is also an MBA. He has over 26 years of experience in the field of financial service sector viz. Portfolio Management, Product Risk, Credit Risk, Enterprise Risk Management, etc. Mr. Tiwari serves as a Whole-time Director on the Board of Reliance Commercial Finance Limited. Prior to joining Reliance, he served as Chief Risk Officer of Vistaar Financial Services Private Limited and Senior Vice President with HDFC Bank Limited. Prior to HDFC Bank Limited, he has also worked with Kotak Mahindra Group and GLFL. Mr. Dhananjay Tiwari is the member of Audit Committee of the Company. He is also a member of the Audit Committee of Reliance Commercial Finance Limited. He does not hold any shares in the Company as on March 31, 2020. He does not have any relationship with other Directors and Key Managerial Personnel of the Company. Mr. Dhananjay Tiwari attended one meetings out of one board meetings held during the financial year 2019-20. Mr. Dhananjay Tiwari is paid Nil remuneration. Mr. Dhananjay Tiwari satisfies all the conditions as set out in Part – I of Schedule V to the Act and sub-section (3) of Section 196 of the Act, for being eligible for his appointment.

The Board of Directors has appointed Mr. Dhananjay Tiwari as a Chief Executive Officer for a term of 3 years and the term of office can be terminated by giving 3 months notice and he shall perform duties with regard to all work of the Company and he will manage and attend to such business and carry out the directions given by the Board from time to time.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Dhananjay Tiwari under Section 190 of the Act. This statement may also be regarded as a disclosure under Regulation 36 (3) of the Listing Regulations.

Mr. Dhananjay Tiwari is interested in the resolution set out at Item No. 3 of the Notice in regard to his appointment. The relatives of Mr. Dhananjay Tiwari may be deemed to be interested in the resolution set out in Item No. 3 of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors, Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

Approval of Members is accordingly sought for appointment of Mr. Dhananjay Tiwari as set out in the resolution at Item No. 3 of the accompanying Notice. The Board recommends the Ordinary Resolution set out at Item No. 3 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

May 8, 2020

Directors' Report

Dear Shareowners,

Your Directors present the 34th Annual Report and the audited financial statement for the financial year ended March 31, 2020.

Financial Performance and State of Company's Affairs

The standalone performance of the Company for the financial year ended March 31, 2020 is summarised below:

Particulars	**March 31, 2020**	March 31, 2019*
	(₹ in crore)	(₹ in crore)
Total revenue	**1 393**	2 317
Profit / (Loss) before tax	**(5 465)**	157
Tax expense	**-**	-
Profit / (Loss) after tax	**(5 465)**	157
Add: Opening surplus in statement of profit and loss	**(2 296)**	(2 093)
Profit / (loss) available for appropriation	**(7 761)**	(1 936)
Transfer to statutory reserve fund**	**-**	31

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

** No amount was transferred to the Statutory Reserve Fund pursuant to Section 45-IC of the Reserve Bank of India Act, 1934, as company has incurred loss during the year

Core Investment Company

The Company is a Core Investment Company ('CIC') registered with Reserve Bank of India under the Master Direction – Core Investment Companies (Reserve Bank) Directions, 2016.

Dividend

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

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, 2020.

Resources and Liquidity

During the year the Company has issued Non-Convertible Debentures aggregating to ₹ 1 crore and redeemed Non-Convertible Debentures aggregating to ₹ 1,592 crore.

Since September 2018, due to sudden adverse developments in the financial sector, all categories of lenders in India (including Banks, Mutual Funds, etc.) had put near complete freeze on additional lending to Non-Banking Financial Companies (NBFCs) and have been insisting for reducing the existing level of borrowings which has severely impacted the financial flexibility of majority of NBFCs. These developments had also adversely impacted the Company resulting into temporary liquidity mismatches which led to rating downgrades. Following this, various lenders and debenture holders demanded immediate repayment that were otherwise due and payable in a phased manner over the next 8 years, leading to delay / default in repayment. The Company is engaged with debenture holders to arrive at a resolution by monetization of its assets and unlock the value of its underlying businesses and thereby significantly reduce its overall leverage, subject to approvals from courts, creditors and regulatory authorities.

Particulars of Loans, Guarantees or Investments

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.

Subsidiary and Associate companies

During the year under review, Reliance Underwater Systems Private Limited became a subsidiary of the Company and Reliance Capital Trustee Co. Limited, Reliance Capital AIF Trustee Company Private Limited ceased to be the subsidiaries and Reliance Nippon Life Asset Management Limited ceased to be an associate of the Company. Reliance Home Finance Limited ceased to be subsidiary and become an associate and Reinplast Advance Composites Private Limited and Global Wind Power Limited become associates of the Company.

The summary of the performance and financial position of the each of the subsidiary and associate companies are presented in Form AOC-1 and of major subsidiaries and associates are mentioned 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.

Standalone and Consolidated Financial Statement

The audited financial statement of the Company drawn up, both on standalone and consolidated basis, for the financial year ended March 31, 2020, are in accordance with the requirements of the Companies (Indian Accounting Standards) Rules, 2015 "Ind AS Rules" prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules and other accounting principles. The Consolidated Financial Statement have been prepared in accordance with Ind AS and relevant provisions of the Act based on the financial statement received from subsidiary and associate companies, as approved by their respective Board of Directors.

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 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/cg_policies.html.

Mr. A N Sethuraman was appointed as an Additional Director of the

Company with effect from December 13, 2019 and Mr. Dhananjay Tiwari, Chief Executive Officer of the Company was appointed as an Additional Director of the Company with effect from January 21, 2020, to hold office as Director upto the date of ensuing Annual General Meeting of the Company. The Company has received notices under Section 160 of the Act from a member proposing their candidature for the office of Director of the Company, liable to retire by rotation.

A brief profile of Mr. A N Sethuraman and Mr. Dhananjay Tiwari, along with the 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.

During the year under review, the shareholders of the Company has appointed Mr. Rahul Sarin and Dr. Thomas Mathew as Independent Directors of the Company for a period of 5 years with effect from August 16, 2019 and re-appointed Ms. Chhaya Virani as an Independent Director for a second term of 5 consecutive years with effect from May 29, 2020.

In order to enable the Company to comply with the requirements of Regulation 17(1B) of the SEBI (LODR) Regulations 2015, Mr. Anmol Ambani, being related to the Chairperson of the Company, ceased to be the Executive Director of the Company with effect from December 10, 2019.

Ms. Ryna Karani was appointed as a Non-executive Director w.e.f. September 30, 2019 who held office as such till December 13, 2019.

The Board places on record its deep sense of appreciation for the guidance and invaluable contribution made by the Directors during their tenure as Director of the Company.

In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are the persons of high integrity and repute. They fulfil the conditions specified in the Companies Act, 2013 and the Rules made thereunder and are independent of the management.

Key Managerial Personnel (KMP)

Mr. Dhananjay Tiwari was appointed as the Chief Executive Officer with effect from January 21, 2020.

Mr. Amit Bapna former Chief Financial Officer (CFO) was elevated to the position of President & Chief Operating Officer and Mr. Vaibhav Kabra was appointed as the CFO with effect from December 10, 2019.

Mr. Sachin Bora who was appointed as Chief Executive Officer on December 10, 2019 voluntarily retired early due to unforeseen critical health issues with effect from December 27, 2019.

Evaluation of Directors, Board and Committees

The Nomination and Remuneration Committee (NRC) of the Company 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 the Listing Regulations and based on policy devised by the NRC, the Board has carried out an annual performance evaluation of its own performance, its committees and individual directors. 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 and information provided to the Board, etc.

The performance of the committees was evaluated by the Board of Directors based on inputs received from all the committee members after considering criteria such as composition and structure of committees, effectiveness of committee meetings, etc.

Pursuant to the Listing Regulations, performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

A separate meeting of the Independent Directors was also held 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.

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, 2020, 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, 2020 and of the loss 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, 2020 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 / 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 and 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

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report.

Meetings of the Board

A calendar of Meetings is prepared and circulated in advance to the Directors. During the financial 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 Ms. Chhaya Virani as the Chairperson, Mr. Rahul Sarin, Dr. Thomas Mathew and Director & Chief Executive Officer of the Company, Mr. Dhananjay Tiwari 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 LLP, Chartered Accountants was appointed as Auditor of the Company for a term of 5 (five) consecutive years, at the Annual General Meeting of the Company held on September 27, 2016.

The observations and comments given by the Auditors in their Report read together with notes on Financial Statement 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 read with 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. 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 Securities and Exchange Board of India (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.

The observations and comments given by the Secretarial Auditor in their Report are self-explanatory and hence do not call for any further comments under Section 134 of the Act.

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 2018-19 and 2019-20, 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 Rule 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 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 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 policy has been overseen by audit committee. No person has been denied for direct access to the Chairperson of the Audit Committee. 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 Risk Management Policy, defining Risk profiles involving Strategic, Technological, Operational, Financial, 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. Rahul Sarin as 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.

As on March 31, 2020, the CSR Committee consists of Ms. Chhaya Virani as Chairperson, Mr. Rahul Sarin and Dr. Thomas Mathew as the Members. The disclosures with respect to CSR activities are given in Annexure - D.

Significant and material Orders passed by the Regulators or Courts or Tribunal

1. Pursuant to Order dated November 20, 2019 passed by the Hon'ble Delhi High Court in the matter of OMP(I) COMM. 419/2019 and OMP(I) COMM. 420/2019, the Company is prohibited to dispose off, alienate, encumber either directly or indirectly or otherwise part with the possession of any assets.
2. The Company is also prohibited from transferring, alienating, encumbering or otherwise parting with the possession of assets owned by the Company pursuant to the proceedings initiated by Vistra ITCL (India) Limited, the Debts Recovery Tribunal vide its order dated December 3, 2019.

Internal Financial Control Systems and their adequacy

The Company has in place adequate internal financial control systems 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 was observed. As regards the qualified opinion of auditors on the Internal Financial Control, it is stated that the Company is taking constant steps to strengthen its loan sanctioning, processing and documentation processes.

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.

For and on behalf of the Board of Directors

Anil Dhirubhai Ambani
Chairman

Mumbai
May 8, 2020

Annexure – A

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.

Annexure - B

Form No. MR-3
Secretarial Audit Report
For the financial year ended March 31, 2020
[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
Reliance Centre, Ground Floor
19, Walchand Hirachand Marg
Ballard Estate, Mumbai 400 001

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, 2020 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, 2020, 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, 2018 – Not Applicable;

   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;

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – 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 (NRC), Stakeholders Relationship Committee (SRC), Corporate Social Responsibility (CSR) Committee;

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the listing regulation") 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 and the Company is in the process of filing form BEN-2 with the Registrar of Companies and in terms of Regulation 33(3)(d) of the Listing Regulation results for the financial year ended March 31, 2019 were published on August 14, 2019 and the delay was due to the situations beyond the control of the Company.

Directors' Report

I further report that based on the compliance mechanism established by the Company, which has been verified on test checked basis and the Compliance Report submitted to and taken on record by the Board of Directors of the Company, we are of the opinion that the Company has complied with the following laws applicable specifically to the Company:

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

On account of pandemic "COVID 2019" and nationwide lockdown imposed by governments, the audit process has been modified, wherein certain documents /records etc were verified in electronic mode, and have relied on the representations received from the Company for its accuracy and authenticity.

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. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice, agenda and detailed notes have been given to all Directors to schedule the Board Meetings at least 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 have relied on the representation made by the Company and its Officers for 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:

(i) Disinvestment in Reliance Nippon Life Asset Management Limited, associate company, Reliance Capital Trustee Co. Limited and Reliance Capital AIF Trustee Company Private Limited, subsidiary Companies;

(ii) Convening debenture holders meeting and passing resolution for constitution of debenture holders committee;

(iii) Default in payment of interest and redemption of Non-convertible debentures;

(iv) The Company has obtained the shareholder's approval at its 33rd Annual General Meeting held on September 30, 2019 for the following businesses;

 (a) Appointment of Ms. Ryna Karani (DIN: 00116930) as a director liable to retire by rotation;

 (b) Confirmation of M/s Pathak H. D. & Associates, Chartered Accountants as the sole Statutory Auditors of the Company.

 (c) Appointment of Mr. Rahul Sarin (DIN: 02275722) and Dr. Thomas Mathew (DIN: 05203948) as Independent Directors of the Company.

 (d) Re-appointment of Ms. Chhaya Virani (DIN: 06953556) as Independent Director of the Company.

 (e) Approval of Private Placement of Non–Convertible Debentures and / or other Debt Securities for re-financing of existing debts.

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

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

Proprietor
UDIN: A019639B000216946
ACS No.: 19639
COP No.: 7023
Date : May 8, 2020
Place : Mumbai

Annexure – C

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 steps taken by the Company for utilizing alternate sources of energy The capital investment on energy conservation equipments	:	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.

(b) Technology Absorption, Adoption and Innovation:

(i) The efforts made towards technology absorption (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.	:	The Company uses latest technology and equipments into the business. Further, the Company is not engaged in any manufacturing activities.
(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

Annexure – D

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2019-20

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:**

   Ms. Chhaya Virani, Chairperson (Independent Director)

   Mr. Rahul Sarin (Independent Director)

   Dr. Thomas Mathew (Independent Director)

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

   Average net profit : ₹ 188 crore.

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

The Company is required to spend ₹ 3.76 crore towards CSR.

5. Details of CSR spent during the financial year:

a. Total amount spent for the financial year: ₹ Nil

b. Amount unspent, if any: ₹ 3.76 crore

c. 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	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	To the Chief Minister's Disaster Relief Fund for floods in 2018
6.	Blood Donation Camp	Health Care	Maharashtra	0.01	-	0.01	Through a non-profit centre via Thoughtcom India specialised in the provision of health care.
	Total			**65.72**	**-**	**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.

The Company is facing severe financial stress. Further, the Hon'ble Delhi High Court vide its Order dated November 20, 2019, has placed restraint on the Company on incurring expenses other than in ordinary course of business. In view of the aforesaid, the Company has not spent the amount on CSR activities this year. The Company is committed to spend on CSR in the long term.

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.

May 8, 2020	**Dhananjay Tiwari** **Director & Chief Executive Officer**	**Chhaya Virani** **Chairperson, CSR Committee**

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

In 2019, India became a $ 2.7 trillion economy, having added one trillion US dollars in the last five years. The Economic Survey of the government outlined the blueprint to achieve the vision of making Indian a USD 5 trillion economy by 2024-25. Following the path, India's rank in the World Bank's Ease of Doing Business 2020 survey has consistently improved over last three years and stands at 63, among 190 countries, making it the one of world's top 10 most improved countries for the third consecutive time. Further, the Government has set a target to invest worth ₹ 111 trillion over 2020-2026 under National Infrastructure Pipeline (NIP). NIP is likely to help provide quality and adequate infrastructure across the nation and boost economic growth.

RBI has taken number of measures to ensure sufficient liquidity in the system since the beginning of 2019-20. We note that it has slashed policy rate (Repo rate) from 6.25% in the beginning of year to 4.4% at the closing of fiscal and at now at 4% in ongoing fiscal so far. We also note this time transmission of rate cuts has happened in a large way and helped across all industries and borrowers.

According to the World Bank, the global economy decelerated to an estimated 2.4 percent in 2019, the slowest pace since the global financial crisis. The Indian Economy was not immune to the slowdown. The Indian economy was affected across all four key growth engines of our economy faltered to stimulate any growth. We note that three of the four growth engines—private consumption, private investment, and exports—have slowed down significantly led by variety of reasons. Consumption, the biggest contributor of growth was subdued, pointing to fragile consumer sentiment and purchasing ability. Similarly, private investments and exports have remained muted owing to soft demand, global uncertainties around trade and investments and geopolitical tensions. The fourth engine, government consumption and investment, has been moderated because of the limited elbow room the government has for counter-cyclical spending as the budget deficit remains under pressure. Further, an unexpected COVID-19 outbreak engulfed India too and resulted in nationwide lockdown starting 25th March 2020 has dashed hope of any early recovery on economy, which will have wider ramification in current fiscal.

As per the Central Statistics Organization (CSO) second advance estimates, the GDP growth was retained at 5 per cent in 2019-20 and however final numbers are likely to be worse than expectations due to sharp contraction in economic activities in March due to COVID-19. As per Moody's (a global rating company), India's GDP growth rate for 2020-21 is expected to be at Zero mainly led by steep deterioration in business activities and sharp contraction in consumption trend due to disruption led by COVID-19. However, on a positive note, it has forecasted India's GDP growth rate to bounce back to 6.6 per cent in 2021-22.

Notably, having remained benign in first half of 2019-20, a surge in food prices and vegetable prices resulted in surge in retail inflation with CPI averaging 4.8 per cent in 2019-20 versus 3.4 per cent in 2018-19. Going forward, likely reduction in food prices, decreasing core inflation and stabilization in fuel prices are expected to result in softening of CPI numbers in subsequent months. RBI has set the objective of achieving the medium-term target for CPI of 4 per cent within a band of plus or minus 2 per cent, while supporting growth, while it has set an inflation target of 5.4-5.0 per cent for first half of FY21 and 3.2 per cent for third quarter of FY21.

Central government has increased its borrowing target by over 50% in current fiscal to ₹ 12 trillion (US$ 160 billion) up from the previously budgeted Rs 7.8 lakh crore to cushion the blow from the new coronavirus pandemic. Given the borrowing target of ₹ 12 trillion, it is estimated that government is targeting a fiscal deficit of 5.5-6% for current fiscal.

The government rationalised the corporate tax rate to 22 per cent from 30 per cent, subject to the condition that companies will not avail of any exemption/ incentive. Further, in order to boost fresh investment, new companies incorporated on or after October 1, 2019 and making fresh investment in manufacturing, the tax rate for them has been cut to 15 per cent from 25 per cent.

The government collected ₹ 15 lakh crore as net tax revenue in 2019-20 as against ₹ 13.2 lakh crore collected in 2018-19, while direct tax collection stood at ₹ 11.7 Lakh crore as against estimated ₹ 13.4 lakh crore in 2018-19. For 2020-21, the gross direct tax collections are budgeted to increase by 12.7 per cent as per the union budget as against 2.9 per cent growth achieved in 2018-19. Further, capital expenditure for 2020-21 is pegged at ₹ 4.12 Lakh crore as against ₹ 3.49 Lakh crore incurred in 2019-20 and fiscal deficit was targeted at 3.5 per cent in 2020-21, which will be difficult to be achieved given the disruption in economy.

GDP Growth

Domestic rating agency CRISIL has cut its projections for India's economic growth rate to 1.8 per cent, from 3.5 per cent it had earlier predicted for 2020-21. Among the major economies, India and China are the only exception to the declining economic activities in 2020-21.

Industrial Production

Industrial output (IIP) for fiscal 2019-20 contracted by 0.7 per cent compared with a growth rate of 3.8 per cent in 2018-19. While the growth has been lower across sectors than a year ago the manufacturing sector has registered contraction in the output during the year. Within the used based classification, compared with the previous year, all segments indicated lower growth with capital goods, infrastructure and consumer durables slipping into contraction with an exception being intermediate goods, whose growth rate has been highest in the last 8 years. Subdued investment climate and weak consumer demand have weighed on the industrial output during the year.

Inflation and Interest Rate

Given a sharp contraction in domestic economic activities and soft stance of global bankers toward interest rates as to promote consumption activities are likely to keep interest rate scenario benign in India. A sharp fall in oil prices and other commodities are likely to result in softening of inflation rate in subsequent months, which along with a normal monsoon forecast does not warrant a significant rise in the food inflation trajectory. The RBI had changed its stance from neutral to accommodative in its June'19 monetary policy and is expected to continue going forward given the macroeconomic backdrop.

Trade Deficit and the exchange rate

India's foreign trade was significantly hit during the year led by disruption caused by COVID-19 especially in 4Q2019-20. Export figures for financial year 2019-20 declined by 4.78 per cent to $314.31 billion, while imports during the fiscal declined 9.12 per cent to $467.19 billion. Hence, overall trade deficit in 2019-20 was lower at $152.88 billion compared to the trade gap in 2018-19 at $184 billion. India's goods exports were sluggish even before the Covid-19 crisis broke out due to overall slowdown in the global economy and world trade.

During 2019-20, the country's foreign exchange reserves increased by almost USD 62 billion to USD 476.19 billion. Rupee in comparison to US dollar depreciated by about 7 per cent to ~₹ 75 levels mainly led by higher dollar demand in the wake of uncertainties about global outlook mainly triggered by coronavirus outbreak. INR is expected to remain range bound hereon in current fiscal.

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 total income for the financial year ended March 31, 2020, stood at ₹ 18,359 crore (US$ 2.5 billion). Staff costs for the year were ₹ 1,507 crore (US$ 209 million) as against ₹ 1,523 crore (US$ 212 million) in the previous year, a decrease of 1.1 per cent. Selling, administrative and other expenses in the year were ₹ 18,889 crore (US$ 2.6 billion) as against ₹ 15,860 crore (US$ 2.2 billion) in the previous year, an increase of 19.1 per cent. Interest & finance charges for the year were ₹ 3,969 crore (US$ 551 million) as against ₹ 4,519 crore (US$ 628 million) in the previous year, a decrease of 12.2 per cent. Depreciation for the year stood flat at ₹ 123 crore (US$ 17 million). Tax expenses was for the year ₹ 24 crore (US$ 3 million) as against ₹ 122 crore (US$ 17 million) in the previous year. Total comprehensive income attributable to owners and excluding non-controlling interest for the year was (₹ 920 crore) (US$ (128 million)) as against (₹ 1 597 crore) (US$ (222 million)) in the previous year.

As of March 31, 2020, the standalone net worth of the company stood at ₹ 3,374 crore (US$ 4.7 billion). As of March 31, 2020, the consolidated total assets stood at ₹ 64,782 crore (US$ 9.0 billion).

The total numbers of employees in the group were 18,360 as on March 31, 2020 including 5,918 women employees.

As on March 31, 2020, the Company had a standalone net debt equity ratio of 5.14.

Due to sudden adverse developments in the recent past in the financial sector, all categories of lenders in India (including Banks, Mutual Funds, etc.) had put near complete freeze on additional lending to Non-Banking Financial Companies (NBFCs) and have been insisting for reducing the existing level of borrowings which has severely impacted the financial flexibility of majority of NBFCs.

These developments had also adversely impacted RCL resulting into temporary liquidity mismatches which unfortunately led to multiple rating downgrades of the Company. Following this, various lenders and debenture holders demanded immediate repayment that were otherwise due and payable in a phased manner over the next 8 years. These has adversely impacted key financial ratios including return on networth. The Company is under discussions with its lenders and debenture holders to conduct a fair and transparent asset monetisation process. The debenture holders have formed a Committee of Debenture Holders (CoDH) to achieve asset monetization in an effective and a time bound manner, which would lead to substantial reduction of debt. The Company is confident of achieving the effective resolution in current fiscal subject to approvals from lenders, regulators and courts

Major Business

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 8.2 per cent. During 2019-20, gross direct premium of the total general insurance industry increased by 12 per cent to ₹ 1,89,305 crore (US$ 26.2 billion). During 2019-20, gross direct premium of the private Indian general insurance industry increased by 12 per cent to ₹ 91,176 crore (US$ 12.7 billion) (Source: IRDAI website). RGI's gross written premium for the year ended March 31, 2020 was ₹ 7,514 crore (US$ 1.0 billion), an increase of 20 per cent over the previous year.

Profit before tax for the year ended March 31, 2020, stood at ₹ 299 crore (US$ 42 million) as against ₹ 212 crore (US$ 29 million) in the corresponding period of the previous year, an increase of 41 per cent over the previous year. The distribution network comprised of 136 branches and approx. 43,590 agents at the end of March 31, 2020. At the end of March 31, 2020, the investment book increased by 15 per cent to ₹ 10,822 crore (US$ 1.5 billion).

Reliance Nippon Life Insurance

Reliance Nippon Life Insurance (RNLI) currently offers a total of 22 products that fulfill the savings and protection needs of customers. Of these, 20 are targeted at individuals and 2 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 ₹ 2,58,896 crore (US$ 36.0 billion) as against ₹ 2,14,673 crore (US$ 29.8 billion) in the previous year, an increase of 20.6 per cent. During the year, the Indian private sector life insurance industry recorded new business premium of ₹ 80,919 crore (US$ 11.2 billion) as against ₹ 72,481 crore (US$ 10.1 billion) in the previous year, an increase of 11.6 per cent (Source: Financial Year 2019-20 data, Life Insurance Council website). RNLI is amongst the leading private sector life insurers with a private sector market share of 1.2 per cent, in terms of new business premium. (Source: Financial Year 2019-20 data, Insurance Regulatory and Development Authority of India website). The total net premium for the year stood at ₹ 4,418 crore (US$ 614 million) as against ₹ 4,336 crore (US$ 602 million). The new business premium income for the year ended March 31, 2020, was ₹ 1,006 crore (US$ 140 million) as against ₹ 1,067 crore (US$ 148 million) for the previous year. For the year ended March 31, 2020, the renewal premium was ₹ 3,435 crore (US$ 476 million) as against ₹ 3,291 crore (US$ 457 million). The new business achieved profit for the year ended March 31, 2019 was ₹ 352 crore (US$ 49 million) as against ₹ 332 crore (US$ 46 million) in the previous year.

The total funds under management were at ₹ 19,837 crore (US$ 2.7 billion) as on March 31, 2020, as against ₹ 20,281 crore (US$ 2.8 billion) as on March 31, 2018. The number of policies sold during the year was approximately 2.1 lakh. The distribution network stood at 717 branches and over 63,000 active advisors at the end of March 2020.

Reliance Asset Reconstruction

Reliance Asset Reconstruction Company Limited (RARC) 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, 2020, rose to ₹ 2,023 crore (US$ 281 million) as against ₹ 2,113 crore (US$ 293 million) as on March 31, 2019. Its own investment in NPAs stood at ₹ 306 crore (US$ 43 million) as on March 31, 2020 as against ₹ 313 crore (US$ 43 million) as on 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 houses 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, 2020, the business had over 9,42,400 equity broking accounts and achieved average daily turnover of ₹ 4,373 crore (US$ 607 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 ₹ 1,323 crore (US$ 184 million) as on March 31, 2020. 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, 2020, the business had over 1,11,000 commodity broking accounts and recorded average daily commodities broking turnover of ₹ 312 crore (US$ 43 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 118 branches and over 1,380 customer touch points across India. The business achieved revenues of ₹ 250 crore (US$ 35 million) for the year ended March 31, 2020. Broking business reported a loss of ₹ 32 crore (US$ 4 million) for the year ended March 31, 2020.

In October 2019, Reliance capital has entered into a binding agreement with existing management team of reliance securities for selling broking & distribution business, subject to regulatory and other customary approvals.

Reliance Commercial Finance and Reliance Home Finance

As of March 31, 2020, Reliance Commercial Finance Limited (RCF), a wholly owned subsidiary of RCL had Assets Under Management (including securitized portfolio) of ₹ 11,190 crore (US$ 1.6 billion) as against ₹ 14,269 crore (US$ 2.0 billion) as on March 31, 2019. During the year, RCF securitized loans of ₹ 241 crore (US$ 34 million), as against ₹ 1,508 crore (US$ 209 million) securitized in the previous year. As on March 31, 2020, the outstanding loan book was ₹ 10,441 crore (US$ 1.5 billion) as against ₹ 12,761 crore (US$ 1.8 billion) at the end of March 31, 2019. RCF reported a loss of ₹ 1,441 crore (US$ 206 million) for the year ended March 31, 2020 as against a loss ₹ 1,892 crore (US$ 270 million) in the previous year.

As of March 31, 2020, Reliance Home Finance Limited (RHF) had Assets Under Management (including securitised portfolio) of ₹ 14,713 crore (US$ 2.0 billion) as against ₹ 18,868 crore (US$ 2.6 billion) as on March 31, 2019. RHF's Total Income for the year ended March 31, 2020, was at ₹ 1,603 crore (US$ 223 million), as against ₹ 2,003 crore (US$ 278 million) for the previous year. As on March 31, 2020, RHF's outstanding loan book was ₹ 13,961 crore (US$ 1.9 billion) as against ₹ 16,355 crore (US$ 2.3 billion). RHF reported a loss of ₹ 375 crore (US$ 54 million) for the year ended March 31, 2020 as against profit of ₹ 67 crore (US$ 10 million) in the previous year.

Since the last financial year, due to sudden adverse developments in the financial sector, all categories of lenders in India 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 adversely impacted both RCF and RHF resulting into temporary liquidity mismatch.

RCF and RHF have taken steps to meet such temporary liquidity mismatch by securitisation of its loan portfolio. The lenders RCF and RHF have entered into an Inter-Creditor Agreement (ICA) for the resolution of 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. Both RCF and RHF are continuously engaged with its Lenders for their Debt resolution. RCF and RHF are confident of implementing the Resolution Plan during current fiscal.

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, 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 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 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. The company has adopted the IND-AS during the financial 2018-19 for identification of Expected Credit Losses (ECL) and provision thereof. Regular portfolio risk analysis is done 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 along with its subsidiaries is exposed to liquidity risk principally, because 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.

The credit rating of the Company was downgraded to 'D' in September 2019, this rating downgrade has initiated acceleration, of various facilities and consequential demands for immediate payment of amounts that were otherwise due and payable in a phased manner over the next 8 years till March 2028. The company is in the process of finalising Debenture Holder Resolution plan for repayment of debt obligation through monetisation of assets

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 realisation 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 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 Securities 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, and 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 and strong brand recognition
- 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

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

Health Safety and Pandemic Risk

In addition to serious implications for people's health and the healthcare services, coronavirus (COVID-19) is having a significant impact on the world-wide economy including India in terms of business growth and business models. The disruption has pushed the Financial sector to adopt digital model for sustenance and growth. The company and its subsidiaries have been proactive enough to switch over to fully digital mode since the Covid-19 ensuring employees the best health safety measures and uninterrupted service to the stakeholders. However, the performance of the company and its subsidiaries may be impacted in future because of the lasting effect of this disruption on the economy

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. 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
- **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
- **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.
- **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

Corporate Governance Report

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 the 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. The vigil mechanism has been overseen by the Audit Committee.

It is affirmed that no person has been denied direct access to the chairperson of 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 or whenever there is any change in the circumstances which may affect her / his status as an Independent Director, provides a declaration that she / he meets with 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 Ms. Chhaya Virani, 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 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 for members are also given out on relevant statutory changes and on important issues impacting the Company's business environment.

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 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 LLP, 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, except for approval of financial results for the quarter and financial year ended March 31, 2019, within prescribed due date, for which the Company has paid the fine in terms of circular No. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 3, 2018.

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

As on March 31, 2020, the Board comprised of six directors. 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. A N Sethuraman (DIN:01098398) (Appointed on December 13, 2019)
Independent Directors	Ms. Chhaya Virani (DIN:06953556) Mr. Rahul Sarin (DIN:02275722) (Appointed on August 16, 2019) Dr. Thomas Mathew (DIN:05203948) (Appointed on August 16, 2019)
Director & Chief Executive Officer	Mr. Dhananjay Tiwari (DIN:08382961) (Appointed on January 21, 2020)

Notes:

a. None of the directors has any business relationship with the Company.

b. None of the directors has received any loans and advances from the Company during the financial year.

c. None of the directors are related to any other director.

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 fulfill 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:

a. 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.

b. Monitoring the effectiveness of the Company's governance practices and making changes as needed.

c. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.

d. Aligning key executive and Board remuneration with the longer term interests of the Company and its shareholders.

e. Ensuring a transparent Board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.

f. Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.

g. 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.

h. Overseeing the process of disclosure and communications.

i. Monitoring and reviewing Board Evaluation Framework.

3. **Board meetings**

The Board held 7 meetings during the financial year 2019-20 on May 23, 2019, August 8, 2019, August 14, 2019, October 25, 2019, December 10, 2019, January 21, 2020 and February 14, 2020. The maximum time gap between any two meetings during the year under review was 77 days and the minimum gap was 6 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 and Committee meetings held during the financial year 2019–20 and the last Annual General Meeting (AGM) held on September 30, 2019 were as under:

Board and Committee meetings of the Company	Attendance at the last AGM held on September 30, 2019	Board Meeting attended / held	Audit Committee attended / held	Stakeholders Relationship Committee attended / held	Nomination and Remuneration Committee attended / held	Risk Management Committee attended / held
Total number of meetings held		7	5	3	3	3
Directors Attendance						
Mr. Anil D. Ambani	Yes	5 of 7	N.A.	N.A.	N.A.	N.A.
Ms. Chhaya Virani	Yes	7 of 7	4 of 5	3 of 3	2 of 2	3 of 3
Mr. Rahul Sarin	Yes	4 of 4	2 of 2	1 of 1	2 of 2	2 of 2
Dr. Thomas Mathew	Yes	4 of 4	2 of 2	1 of 1	2 of 2	N.A.
Mr. A N Sethuraman	N.A.	1 of 2	N.A.	N.A.	N.A.	N.A.
Mr. Dhananjay Tiwari	N.A.	1 of 1	1 of 1	N.A.	N.A.	N.A.
Mr. Rajendra P. Chitale	Yes	3 of 3	3 of 3	N.A.	1 of 1	N.A.
Dr. Bidhubhushan Samal	Yes	3 of 3	3 of 3	1 of 1	1 of 1	N.A.
Mr. V. N. Kaul	Yes	2 of 3	3 of 3	N.A.	N.A.	1 of 1
Mr. Amitabh Jhunjhunwala	Yes	3 of 3	3 of 3	1 of 1	1 of 1	N.A.
Ms. Ryna Karani	N.A.	1 of 2	N.A.	1 of 1	1 of 1	N.A.
Mr. Anmol Ambani	Yes	3 of 5	4 of 4	1 of 1	N.A.	N.A.

4.1 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, 2020 were as under:

Name of Director	Number of directorship (including RCL)	Committee(s) Chairmanship / Membership (including RCL)	
		Membership	Chairmanship
Mr. Anil D. Ambani	11	-	-
Ms. Chhaya Virani	5	7	5
Mr. Rahul Sarin	3	2	-
Dr. Thomas Mathew	3	4	-
Mr. A N Sethuraman	4	-	-
Mr. Dhananjay Tiwari	2	2	-

Notes:

a. None of the directors hold directorships in more than twenty companies of which directorship in public companies does not exceed ten in line with the provisions of Section 165 of the Act.

b. None of the directors hold membership of more than ten committees of board, nor, is a chairman of more than five committees across board of all listed entities.

c. No director holds directorship in more than seven listed entities.

d. None of the independent director holds the position of the independent director in more than seven listed companies as required under the Listing Regulations.

e. None of the director has been appointed as an Alternate Director for Independent Director.

f. 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.

g. The committee membership and chairmanship above excludes membership and chairmanship in private companies, foreign companies and Section 8 companies.

h. Membership of committees includes 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. Two meetings of the Independent Directors was held during the financial year.

5. Details of directors

The abbreviated resumes of all the directors are furnished hereunder:

Mr. Anil D. Ambani, 61 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, 2020.

Ms. Chhaya Virani, 66 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 the Chairperson of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility (CSR) Committee and a member of Risk Management Committee of the Company. She is a director on the board of Reliance Home Finance Limited, Reliance General Insurance Company Limited, Reliance Capital Pension Fund Limited and Reliance Corporate Advisory Services Limited. She is the Chairperson of Audit Committee and Stakeholders Relationship Committee of Reliance Home Finance Limited and also a Chairperson of Stakeholders Relationship Committee of Reliance General Insurance Company Limited. She is the member of Audit Committee of Reliance General Insurance Company Limited and Reliance Capital Pension Fund Limited. She does not hold any share in the Company as of March 31, 2020.

Mr. Rahul Sarin, aged 70 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. Mr. Sarin is the Chairman of Risk Management Committee and a member of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility (CSR) Committee of the Company. At present Mr. Sarin is Independent Director of Reliance General Insurance Company Limited. He does not hold any share in the Company as of March 31, 2020.

Dr. Thomas Mathew, aged 64 years, holds a bachelor's honours 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 international relations, a degree of Master of Philosophy, and a degree of Doctor of Philosophy from Jawaharlal Nehru University, New Delhi. 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 and Reliance Nippon Life Insurance Company Limited. He is a member of Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee and Stakeholders Relationship Committee of the Company. He is also a member of Audit Committee of Reliance General Insurance Company Limited and Reliance Nippon Life Insurance Company Limited. He does not hold any share in the Company as of March 31, 2020.

Mr. A N Sethuraman, aged 68 years, holds Master's degree in economics. He has varied experience in major growth sectors of the Indian economy, including communications, generation, transmission and distribution of renewable and non-renewable sources of energy, infrastructure, roads, metro rail systems, cement, financial services, education, health care, and media and entertainment. Currently, he is Group President of Reliance Group, and handles corporate and regulatory affairs. He also serves as a Director on the Board of BSES Yamuna Power Limited, BSES Rajdhani Power Limited. He holds 2,204 shares in the Company as of March 31, 2020.

Mr. Dhananjay Tiwari, aged 51 years, holds bachelor's degree in Engineering (Mechanical) and is also an MBA. He has over 26 years of experience in the field of financial service sector viz. Portfolio Management, Product Risk, Credit Risk, Enterprise Risk Management, etc. Mr. Tiwari serves as a Whole-time Director on the Board of Reliance Commercial Finance Limited. Prior to joining Reliance, he served as Chief Risk Officer of Vistaar Financial Services Private Limited and Senior Vice President with HDFC Bank Limited. Prior to HDFC Bank Limited, he has also worked with Kotak Mahindra Group and GLFL. Mr. Dhananjay Tiwari is the member of Audit Committee of the Company. He is also a member of the Audit Committee of Reliance Commercial Finance Limited. He does not hold any shares in the Company as on March 31, 2020.

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

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

The core skills / expertise / competencies required in the Board in the context of the Company's Businesses and sectors functioning effectively as identified by the Board of Directors of the Company are tabulated below:

Core skills / competencies / expertise	Mr. Anil D. Ambani	Ms. Chhaya Virani	Mr. Rahul Sarin	Dr. Thomas Mathew	Mr. A N Sethuraman	Mr. Dhananjay Tiwari
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, 2020 are as follows:

Name of Director	Names of listed entities	Category
Mr. Anil D. Ambani	Reliance Infrastructure Limited	Promoter, Non-Executive and Non-Independent Director
	Reliance Power Limited	Promoter, Non-Executive and Non-Independent Director
Mr. A N Sethuraman	-	-
Ms. Chhaya Virani	Reliance Home Finance Limited	Non-Executive and Independent Director
	Reliance General Insurance Company Limited	Non-Executive and Independent Director
Dr. Thomas Mathew	Reliance General Insurance Company Limited	Non-Executive and Independent Director
Mr. Rahul Sarin	Reliance General Insurance Company Limited	Non-Executive and Independent Director
Mr. Dhananjay Tiwari	Reliance Commercial Finance Limited	Whole-time 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 was re-constituted during the year and presently comprises of three Independent non-executive Directors of the Company viz. Ms. Chhaya Virani as Chairperson, Dr. Thomas Mathew, Mr. Rahul Sarin and Director & Chief Executive Officer of the Company, Mr. Dhananjay Tiwari 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 Directors' 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 utilized 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;
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. 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.

Meetings of the Audit Committee held during 2019-20

The Audit Committee held its meetings on June 12, 2019, June 25, 2019, August 14, 2019, October 25, 2019 and February 14, 2020. The maximum and minimum time gap between any two meetings, during the year under review was 112 days and 13 days, respectively. The details of attendance of Committee members are given in this Report.

The Chairperson 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.

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 was re-constituted during the year and presently comprises of three Independent directors viz. Ms. Chhaya Virani as Chairperson, Dr. Thomas Mathew and Mr. Rahul Sarin as Members.

The Chairperson 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. Devising a policy on Board diversity;
7. Performing functions relating to all share based employees benefits;
8. 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
9. 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 Nomination and Remuneration Committee held its meetings on August 14, 2019, October 25, 2019 and January 21, 2020. which were attended by all the Committee Members. The maximum time gap between any two meetings during the year under review was 88 days and the minimum gap was 72 days. The details of attendance of Committee members are given in this Report.

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 paid to the Non-Executive Directors during the Financial Year ended March 31, 2020.

(₹ in lakh)

Directors	Sitting Fees
Mr. Anil D. Ambani	2.00
Ms. Chhaya Virani	7.60
Mr. Rahul Sarin	4.40
Dr. Thomas Mathew	3.60
Mr. A N Sethuraman	0.40
Mr. Amitabh Jhunjhunwala	3.20
Mr. Rajendra P. Chitale	2.80
Dr. Bidhubhusan Samal	3.20
Mr. V. N. Kaul	2.40
Ms. Ryna Karani	1.20

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. No remuneration by way of commission to the non-executive directors was paid for the financial year 2018-19.

Mr. Anmol Ambani ceased to be Executive Director of the Company w.e.f. December 10, 2019, was paid remuneration of ₹ 80.11 lakh, in terms of the approval granted by the Shareholders vide resolution passed at the Annual General Meeting held on September 27, 2016.

Mr. Dhananjay Tiwari, Chief Executive Officer of the Company was appointed as Director w.e.f. January 21, 2020 & is paid Nil remuneration.

Employee Stock Option Scheme

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 was re-constituted during the year and presently comprises of three Independent directors viz. Ms. Chhaya Virani as Chairperson, Dr. Thomas Mathew and Mr. Rahul Sarin as Members.

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

i. Resolving the grievances of the security holders 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;

ii. Reviewing the measures taken for effective exercise of voting rights by shareholders;

iii. Reviewing the service standards adopted by the Company in respect of various services being rendered by the Registrar & Transfer Agent; and

iv. 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.

The Stakeholders Relationship Committee held its meetings on August 14, 2019, October 25, 2019 and February 14, 2020. The maximum time gap between any two meetings during the year under review was 112 days and the minimum gap was 72 days. The details of attendance of Committee members are given in this Report.

The Chairperson 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 CSR Committee are in compliance with the provisions of Section 135 of the Companies Act, 2013 and other applicable laws. The Committee was re-constituted during the year and presently comprises of Ms. Chhaya Virani as Chairperson, Mr. Rahul Sarin and Dr. Thomas Mathew 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. During the year, no meeting of the CSR Committee was held. The Company Secretary acts as the Secretary to the Corporate Social Responsibility (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 was re-constituted during the year and presently comprises of two independent directors viz. Mr. Rahul Sarin as Chairman and Ms. Chhaya Virani as Member.

The Committee is authorised to discharge its responsibilities as follows:

1. Overseeing and approving the risk management, internal compliance and control policies and procedures of the Company;
2. 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;
3. Review and monitor the risk management plan, cyber security and related risks;
4. Setting reporting guidelines for management;
5. 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;
6. Oversight of internal systems to evaluate compliance with corporate policies;
7. Providing guidance to the Board on making the Company's risk management policies; and
8. Monitoring the subsidiary companies.

During the year, the Risk Management Committee held its meetings on August 14, 2019, October 25, 2019 and February 14, 2020. The details of attendance of Committee members are given in this Report.

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

A. Annual General Meetings

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

Financial Year	Date and Time	Whether Special Resolution passed or not
2018-19	September 30, 2019 10:00 A.M	Yes, Continuation of Ms. Chhaya Virani as an Independent Director, Private Placement of Non-Convertible Debentures and / or other Debt Securities for re-financing of existing debts, Sale / disposal of asset(s) / undertaking(s) of the Company, its subsidiaries, associates and joint ventures
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")

The Annual General Meetings for the financial year 2016-17 and 2017-18 were held at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020 and for the year 2018-19 was held at Rama & Sundri Watumull Auditorium, Vidyasagar, Principal K. M. Kundnani Chowk, 124, DinshawWachha Road, Churchgate, Mumbai 400 020.

B. Extra-ordinary General Meeting

During the year, there was no Extra-Ordinary General Meeting held by the Company.

C. Any other Meeting

During the year, a meeting of Debenture Holders of the Company was held on Friday, January 17, 2020 at 4:00 P.M., which was adjourned and held on Thursday, January 30, 2020 at 4:00 P.M. and resolution was passed approving constitution of Committee of Debenture Holders.

IX. Postal Ballot

The Company had not conducted any business through Postal Ballot during the financial year 2019-20. 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

a. **Quarterly Results:** Quarterly results, in ordinary course, are published in The Financial Express (English) newspaper circulating in substantially the whole of India and in Navshakti (Marathi) newspaper and are also posted on the Company's website.

b. **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.

c. **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.

d. **Annual Report:** The Annual Report containing, *inter alia*, Notice of Annual General Meeting, Audited Financial Statement, Consolidated Financial Statement, Directors' Report, Auditor's Report and other important information is circulated to members and others entitled thereto. The, 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. In compliance with the various relaxations provided by SEBI and MCA due to COVID-19 Pandemic, the Company have e-mailed the soft copies of the Annual Report to all those members whose e-mail IDs were available with its Registrar and Transfer Agent or Depositories and urged those members to register their e-mail IDs to receive the said communication.

e. **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.

f. **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, corporate announcement, media release, results, annual report etc. are filed electronically on the Listing Centre.

g. **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@kfintech.com

h. **Designated E-mail id**: 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. In its efforts to improve ease of doing business, SEBI has launched a mobile app "SEBI SCORES", making it easier for investors to lodge their grievances with SEBI, as they can now access SCORES at their convenience of a smart phone.

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 (RGIC), Reliance Nippon Life Insurance Company Limited (RNLICL), Reliance Home Finance Limited (upto March 5. 2020), Reliance Corporate Advisory Services Limited (RCASL), Reliance Commercial Finance Limited (RCFL), Reliance Health Insurance Limited (RHIL), Reliance Securities Limited (RSL), Reliance Financial Limited (RFL), Reliance Exchangenext Limited (REL) and Quant Capital Private Limited (QCPL) are material subsidiaries.

Further, in terms of Regulation 24 of the Listing Regulations, Dr. Thomas Mathew is appointed on the Board of RNLICL and Ms. Chhaya Virani is appointed on the Board of RCASL.

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.

All the unlisted material subsidiaries have undergone Secretarial Audit by a practicing Company Secretary and their Secretarial Audit Reports are available on the website of the Company.

XIV. Disclosures

a. There has been no non-compliance by the Company on any matter related to capital markets during the last three financial years. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority except for the fine in terms of circular No. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 3, 2018 for the delay in publication of financial results for the year ended March 31, 2019 due to the situations beyond the control of the Company.

b. Related party transactions

During the financial year 2019-20, 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 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. Rahul Sarin acts as 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 Director & Chief Executive Officer 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 2019-20."

Dhananjay Tiwari

Director & Chief Executive Officer

g. CEO / CFO certification

Mr. Dhananjay Tiwari, Director & Chief Executive Officer and Mr. Vaibhav Kabra, Chief Financial Officer of the Company have 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. The copy of the same forms part of this Annual Report.

i. Review of Directors' Responsibility Statement

The Board in its report has confirmed that the Financial Statements for the year ended March 31, 2020 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, preclearance 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, 2019	2 469	29 773
(ii)	Number of shareholders who approached listed entity for transfer of shares from suspense account during April 1, 2019 to March 31, 2020	-	-
(iii)	Number of shareholders to whom shares were transferred from suspense account during the April 1, 2019 to March 31, 2020	-	-
(iv)	Number of Shares Transfer to IEPF	2 068	25 369
(v)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at March 31, 2020	401	4 404

The voting rights on the shares outstanding in the "Reliance Capital Limited – Unclaimed Suspense Account" as on March 31, 2020 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 LLP, Chartered Accountants, Statutory Auditors and their network entities by the Company and its subsidiaries during the year ended March 31, 2020 are as follows:

(₹ in crore)

Sr. No	Particulars	2019-20
1.	Audit Fees*	1.19
2.	Certification and other eimbursement charges*	0.53
3.	**Total**	**1.72**

* All the above figures are excluding Goods and Services Tax.

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 off 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 standalone financial statements of the Company for the year 2019-20.

3. Separate posts of Chairman and CEO

The Company appointed Mr. Dhananjay Tiwari as Director & Chief Executive Officer 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	• Composition & Meetings • Quorum of Board 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 • Compliance Certificate • Risk assessment and management • Performance evaluation of Independent Director • Recommendation of the Board
2.	Maximum number of Directorship	17A	Yes	• Directorship in listed entities
3.	Audit Committee	18	Yes	• Composition & Meetings • Quorum of the Committee • Powers of the Committee • Role of the Committee and review of information by the Committee
4.	Nomination and Remuneration Committee	19	Yes	• Composition • Quorum of the Committee • Meetings of the Committee • Role of the Committee
5.	Stakeholders Relationship Committee	20	Yes	• Composition • Meetings of the Committee • Role of the Committee
6.	Risk Management Committee	21	Yes	• Composition • Meetings of the Committee • Role of the Committee
7.	Vigil Mechanism	22	Yes	• Review of Vigil Mechanism for Directors and employees • Direct access to Chairman of Audit Committee
8.	Related Party Transactions	23	Yes	• 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 • Disclosure of Related Party Transactions on consolidated basis
9.	Subsidiaries of the Company	24	Yes	• 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	• Secretarial Compliance Report
11.	Obligations with respect to Independent Directors	25	Yes	• 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 • Directors & Officer's Insurance
12.	Obligations with respect to employees including Senior Management, Key Managerial Personnel, Directors and Promoters	26	Yes	• 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	• Compliance with discretionary requirements • Filing of compliance report on Corporate Governance
14.	Website	46(2)(b) to (i)	Yes	• 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 • Criteria of making payment to Non-executive Director • Policy on dealing with Related Party Transactions • Policy for determining material subsidiaries • Details of familiarisation programmes imparted to Independent Directors

Certificate on Corporate Governance by Practicing 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, 2020, 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 Regulations 15(2) of the SEBI Listing Regulations, 2015 for the period from April 01, 2019 to March 31, 2020.

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 may not be suitable 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
A019639B000217529

Mumbai
May 8, 2020

Certificate of Non-Disqualification of Directors

(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, 2020 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.	Ms. Chhaya Virani	06953556	30.09.2014	-
3.	Dr. Thomas Mathew	05203948	16.08.2019	-
4.	Mr. Rahul Sarin	02275722	16.08.2019	-
5.	Mr. A N Sethuraman	01098398	13.12.2019	-
6.	Mr. Dhananjay Tiwari	08382961	21.01.2020	-

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my 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
UDIN: A019639B000248001
Mumbai

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 in to 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.

Members holding shares in physical mode:

a. are required to submit their Permanent Account Number (PAN) and bank account details to the Company / KFintech, 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 / KFintech for receiving all communications from the Company electronically.

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.

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.

Non-Resident Indian members are requested to inform KFin Technologies Private Limited (Kfintech), Company's Registrar and Transfer Agent immediately on the change in the residential status on return to India for permanent settlement.

Hold securities in consolidated form

Investors holding shares in multiple folios are requested to send the share certificates to the Registrar and Transfer Agent and consolidate their holdings in single folio. Holding of securities in one folio enables shareholders to monitor the same with ease.

Link for updating the PAN / Bank Details is provided on the website of the Company.

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. KFin Technologies Private Limited (KFintech), 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.

Investor Information

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 unencashed 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 unencashed 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 34th Annual General Meeting (AGM) will be held on Tuesday, June 23, 2020 at 12:00 noon (IST), through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

E-voting

The Members can cast their vote online through remote e-voting from 10:00 A.M. on June 19, 2020 to 5:00 P.M. on June 22, 2020. Further, the e-voting facility shall also be made available to the shareholders present at the meeting through Video Conferencing and have not cast their vote on resolution through remote e-voting.

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 Members shall refer to the detailed procedure on remote e-voting are given in the Notice and the e-voting instruction slip.

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)

KFin Technologies Private Limited

Unit: Reliance Capital Limited
Selenium Building, Tower – B
Plot No. 31 & 32,
Financial District, Nanakramguda
Hyderabad, Telangana 500 032
Toll free no. (India): 1800 4250 999
Tel.: +91 40 6716 1500
Fax: +91 40 6716 1791
E-mail: rclinvestor@kfintech.com
Website: www.kfintech.com

Karvy Fintech Private Limited, the Registrar and Transfer Agent of the Company has changed its name to KFin Technologies Private Limited with effect from December 5, 2019.

Dividend

The Board of Directors of the Company has not recommended any dividend for the financial year 2019-20.

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 2011-12 and Special Interim Dividend 2012 (SID 2012) remaining unclaimed for seven years from the date of declaration to IEPF.

During the year under review, the Company has transferred ₹ 3,72,95,252/- from the unclaimed dividend account 2011-12 and SID 2012 to IEPF pursuant to the provisions of the Companies Act, 2013. Unclaimed dividend amount of ₹ 7,78,436.50/- has been retained in the unpaid dividend account 2011-12 and SID 2012 on account of pending legal cases.

Investor Information

During the year, the Company has transferred to the IEPF Authority 1,40,496 equity 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 2, 2019. During the year, IEPF Authority have released 1,786 equity shares against various claims received from the shareholders.

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 ₹)
31-03-2013	8.00	27-08-2013	26-09-2020	2 52 10 528
31-03-2014	8.50	30-09-2014	29-10-2021	2 61 70 038
31-03-2015	9.00	30-09-2015	29-10-2022	2 87 20 386
31-03-2016	10.00	27-09-2016	26-10-2023	3 37 61 835
31-03-2017	10.50	26-09-2017	25-10-2024	3 72 49 086
31-03-2018	11.00	18-09-2018	17-10-2025	2 74 48 135

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

The Company shall transfer to IEPF within the stipulated period (a) the unpaid or unclaimed dividend for the financial year 2012-13; (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 30, 2019 (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.

Category of shareholders		As on 31.03.2020		As on 31.03.2019	
		Number of Shares	%	Number of Shares	%
(A)	Shareholding of promoter and promoter group				
	(i) Indian	38 00 419	1.50	11 94 20 661	47.26
	(ii) Foreign	-	-	-	-
	Total shareholding of promoter and promoter group	**38 00 419**	**1.50**	11 94 20 661	47.26
(B)	Public shareholding				
	(i) Institutions	94 79 699	3.75	7 58 93 845	30.03
	(ii) Non-institutions	23 67 30 391	93.68	5 45 82 731	21.60
	Total public shareholding	**24 62 10 090**	**97.43**	13 04 76 576	51.63
(C)	Shares held by custodians and against which depository receipts have been issued	10 98 393	0.44	12 11 665	0.48
(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 08 902	100.00

Distribution of Shareholding

Number of shares	Number of shareholders as on 31.03.2020		Total shares as on 31.03.2020		Number of shareholders as on 31.03.2019		Total shares as on 31.03.2019	
	Number	%	Number	%	Number	%	Number	%
Upto 500	7 31 586	94.69	3 08 32 262	12.20	7 32 206	98.35	2 43 28 729	9.63
501 to 5000	36 164	4.68	5 44 12 460	21.53	11 422	1.53	1 37 25 791	5.43
5001 to 100000	4 758	0.62	6 97 26 469	27.59	735	0.10	1 30 59 198	5.17
Above 100000	106	0.01	9 77 37 711	38.68	114	0.02	20 15 95 184	79.77
Total	7 72 614	100.00	25 27 08 902	100.00	7 44 477	100.00	25 27 08 902	100.00

Investor Information

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 INE013A01015. 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, 2020, 98.88 per cent of the Company's shares are held in dematerialised form.

Investors' Grievances Attended

Received from	Received during		Redressed during		Pending as on	
	2019-20	2018-19	2019-20	2018-19	31.03.2020	31.03.2019
SEBI	34	84	34	84	Nil	Nil
Stock Exchanges	13	22	13	22	Nil	Nil
NSDL/CDSL	4	11	4	11	Nil	Nil
Direct from investors	2	11	2	11	Nil	Nil
Total	53	128	53	128	Nil	Nil

Analysis of Grievances

	2019-20		2018-19	
	Numbers	%	Numbers	%
Non-receipt of dividend	12	22.64	34	26.56
Non-receipt of share certificates	-	-	-	-
Others	41	77.36	94	73.44
Total	53	100.00	128	100.00

There was no complaint pending as on March 31, 2020.

Notes :

1. The shareholder base was 7,72,614 as of March 31, 2020 and 7,44,477 as of March 31, 2019.
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	7000	7000
2.	14-06-1990 & 21-06-1990	1st 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	1st 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	Rights 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

Investor Information

Sr. No.	Date	Particulars	Price per equity share (₹)	No. of shares	Cumulative Total
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	-	(600 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 & Details of Revision

Rating Agency	Type of Instrument	Rating as on April 1, 2019	Rating as on March 31, 2020
CARE Ratings Limited[1]	Long Term Debt Programme	CARE A+ (Single A Plus) (credit watch with developing implications)	CARE D; Issuer not cooperating (Single D; Issuer not cooperating)
	Principal Protected Market Linked Debentures	CARE A+ (PP-MLD Single A Plus) (credit watch with developing implications)	CARE PP-MLD D; Issuer not cooperating (PP-MLD Single D; Issuer not cooperating)
	Subordinated Debt	CARE A+ (Single A Plus) (credit watch with developing implications)	CARE D; Issuer not cooperating (Single D; Issuer not cooperating)
Brickwork Ratings India Private Limited [2 & 3]	Principal Protected Market Linked Debentures	BWR PP MLD AA (BWR Principal Protected Market Linked Debentures Double A) (credit watch with developing implications)	BWR PP MLD D (BWR Principal Protected Market Linked Debentures D)
	Subordinated Tier II NCD	BWR AA (BWR Double A) (credit watch with developing implications)	BWR D (BWR Single D)
	Secured NCDs	BWR AA (BWR Double A) (credit watch with developing implications)	BWR D (BWR Single D)
	Commercial Paper	BWR A1+ (BWR A One Plus)	Rating Withdrawn
ICRA Limited[4]	Commercial Paper	ICRA A2 (on rating watch with negative implications)	Rating Withdrawn

Notes:

1. CARE Rating from A+ to A–19-04-2019, A to BBB (credit watch with developing implications) –18-05-2019, BBB (credit watch with developing implications) to BBB (credit watch with negative implications) – 06-07-2019, BBB (credit watch with negative implications) to BB (stable) –24-08-2019, BB (stable) to D – 21-09-2019 and D to D issuer not cooperating – 28-03-2020;
2. BWR Rating from AA to A+ (credit watch with negative implications) - 19-04-2019, A+ to A (credit watch with negative implications) – 04-05-2019, A (credit watch with negative implications) to BBB (credit watch with negative implications) – 25-06-2019, BBB (credit watch with negative implications) to BB (negative) – 09-09-2019 and BB (negative) to D – 26-09-2019;
3. BWR A1+ to A2+ - 04-05-2019, A2+ to A3 – 25-06-2019 and A3 to Rating withdrawn – 31-07-2019; and
4. ICRA Rating from A2 to A4 (On rating watch with negative implications) – 26-04-2019 and A4 (On rating watch with negative implications) to Rating withdrawn - 31-07-2019.

Investor Information

Stock Price and Volume

2019-20	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Volume Nos.	High (₹)	Low (₹)	Volume Nos.
April 2019	214.30	125.95	3 22 45 725	214.65	126.05	33 39 89 814
May 2019	144.50	103.75	4 52 35 942	144.90	103.65	41 84 53 689
June 2019	126.05	49.40	8 37 47 458	126.30	49.20	82 51 19 661
July 2019	68.80	48.65	5 60 70 809	68.65	48.60	50 65 46 627
August 2019	54.10	30.30	4 73 75 300	54.20	30.10	47 78 42 277
September 2019	38.35	24.20	4 55 97 906	38.25	24.15	38 94 34 947
October 2019	26.50	12.40	1 97 29 802	26.45	12.35	13 75 23 912
November 2019	27.00	14.85	1 27 62 086	27.00	14.80	7 44 95 804
December 2019	15.60	9.95	1 41 77 498	15.50	9.95	9 80 51 526
January 2020	16.25	8.90	2 81 30 015	16.20	8.85	15 50 77 083
February 2020	9.15	6.64	1 18 48 797	9.15	6.65	8 14 05 889
March 2020	6.94	3.70	1 14 03 860	6.95	3.70	6 07 74 906

[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	:	INE013A01015

An Index Scrip: Equity Shares of the Company are included in the Indices viz. Nifty 500, S&P BSE 500, Nifty Midsmallcap 400, 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	75495L202
ISIN	US75945L1035	US75495L2025
Common Code	02646957	026570315

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, 2020 represent 10,98,393 equity shares constituting 0.44 per cent of the paid-up equity 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 risk 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 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

Investor Information

Payment of listing fees

Annual listing fee for the year 2020-21 shall be paid in due course by the Company to the stock exchanges.

As per the National Stock Exchange of India Limited (NSE) Circular Ref. No.09/2020 dated April 30, 2020, NSE has extended the due date of payment for the Annual Listing Fees for F.Y. 2020-21.

Payment of depository fees

Annual custody/ issuer fee for the year 2020-21 shall be paid in due course by the Company to NSDL and CDSL.

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

	RCL %	Sensex BSE %	Nifty NSE %
F.Y. 2019-20	(97.80)	(23.80)	(26.03)
2 years	(98.94)	(10.62)	(14.99)
3 years	(99.27	(0.51)	(6.28)

Key financial reporting dates for the financial year 2020-21

Unaudited results for the first quarter ending June 30, 2020	:	On or before August 14, 2020
Unaudited results for the second quarter/ half year ending September 30, 2020	:	On or before November 14, 2020
Unaudited results for the third quarter/ nine months ending December 31, 2020	:	On or before February 14, 2021
Audited results for the financial year 2020-21	:	On or before May 30, 2021

Depository services

For guidance on depository services, shareholders may write to the Company's RTA or National Securities Depository Limited, Trade World, A Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013, website: www.nsdl.co.in or Central Depository Services (India) Limited, Marathon Futurex, A-Wing, 25th Floor, NM Joshi Marg, Lower Parel, 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 correspondences directly to KFin Technologies Private Limited at the below mentioned address for speedy response:

KFin Technologies Private Limited
Unit: Reliance Capital Limited
Selenium Building, Tower - B
Plot No. 31 & 32,
Financial District, Nanakramguda
Hyderabad, Telangana 500 032
Email: rclinvestor@kfintech.com
Website: www.kfintech.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
Email: 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
Email: 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 financial statements

To

The Members,

Reliance Capital Limited

Report on the audit of the Standalone financial statements

Opinion

We have audited the standalone financial statements of Reliance Capital Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2020, the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2020, its loss and other comprehensive income / (loss), its 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 standalone 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 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.

Material Uncertainty related to Going Concern

We draw attention to Note no. 41(h) of the standalone financial statements wherein the Company has defaulted in repayment of the obligations to its lenders and debenture holders which is outstanding as on March 31, 2020 and also has incurred losses during the year, which indicate material uncertainty exists that may cast a significant doubt on the Company's ability to continue as a Going Concern. The Company is in the process of meeting its obligations by way of time bound monetization of its assets, and accordingly the 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. 41(a) of the standalone financial statements wherein the Company has exposure by way of Loans, Investments (including interest accrued thereon) and Guarantees in its associate company and subsidiary company viz. Reliance Home Finance Limited (RHF) and Reliance Commercial Finance Limited (RCF) aggregating to ₹ 4,935 crore outstanding as on March 31, 2020. The lenders of these subsidiaries have entered into an Inter Creditor Agreement and their resolution plan is being finalized. Though the Company is confident of implementation of the resolution plan, pending finalisation of the same the Company on a conservative basis made an impairment provision of ₹ 742 crore against the above exposure in the books of account.

(b) We draw attention to Note no. 41(f) of the standalone 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 for the financial year 2018-19. 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.

(c) We draw attention to Note no. 57 of the standalone financial statements, as regards to the management evaluation of COVID – 19 impact on the future performance of the Company.

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 financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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.

In addition to the matters described in the Material Uncertainty related to Going Concern section, 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 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 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 financial statements.

Independent Auditors' Report on the Standalone financial statements

Key Audit Matters	How our audit addressed the Key Audit Matter
1. Impairment of financial assets and Corporate Guarantee (CG) Issued (expected credit losses) (as described in Note Nos. 7 and 18 of the standalone financial statements)	
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: • 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 / corporate guarantee with no / minimal historical defaults. Considering the significance of such allowance to the overall financial statements and the degree of estimation involved in computation of expected credit losses, this area is considered as a key audit matter.	• 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) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 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.
2. Impairment assessment for Investments in subsidiaries and associates (as described in Note No. 8 of the standalone financial statements)	
As detailed in Note no. 8, the Company has equity and preference share investments (net of provision for impairment) in subsidiary companies amounting to ₹ 13,340 crore and associate companies amounting to ₹ 843 crore. Such investments are carried at cost as per Ind AS 27 – Separate 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. Based on such evaluation the Company has made impairment provisions against the above investment. We focused on this area due to magnitude of the carrying value of investments in subsidiaries and associates, which comprise 62% of the total assets as at March 31, 2020 and are subject to annual impairment assessment.	Our audit procedures, in respect of testing impairment assessment for investments in subsidiaries and associates, included the following: • 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. • obtained and read latest audited financial statements of subsidiaries and associates. Noted key financial attributes. • We evaluated the impairment assessment performed by management.
3. Valuation of Market Linked Debentures (as described in Note No. 15 of the standalone financial statements)	
The Company has issued Market Linked Debentures (MLD) during current and previous years. The outstanding balance of MLD as on March 31, 2020 is ₹ 490 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. Considering that internal valuation of MLD is significant to overall 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 financial statements. Therefore, it is considered as a key audit matter.	• 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.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Company's annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management Responsibilities for the standalone 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 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 standalone 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 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 financial statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 standalone 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 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 financial statements, including the disclosures, and whether the standalone 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 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.

Independent Auditors' Report on the Standalone financial statements

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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income, the standalone statement of changes in equity and the standalone statement of cash flow dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) The going concern matter described in Material Uncertainty Related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Company.

g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

h) With respect to matter to be included in the Auditors' Report under section 197(16) of the Act:

   In our opinion and according to the information and explanation given to us, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by provision of section 197 read with Schedule V to the Act.

i) 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:

   a. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note no. 39 to the standalone financial statements;

   b. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note no. 52 to the standalone financial statements;

   c. Other than for dividend amounting to ₹ 0.11 crore pertaining to financial year 2010-11 and financial year 2011-12 which could not be transferred on account of pendency of various investor legal cases, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Pathak H.D. & Associates LLP**
Chartered Accountants
Firm's Registration No: 107783W / W100593

Vishal D. Shah
Partner
Membership No: 119303
UDIN: 20119303AAAACY6694

Place: Mumbai
Date : May 8, 2020

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

[Annexure to the Independent Auditor's Report referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date on the financial statements of Reliance Capital Limited for year ended March 31, 2020.]

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls with reference to financial statements of Reliance Capital Limited ('the Company') as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the standalone 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 the Standalone 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 company's assets that could have a material effect on the Standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 with reference to financial statements as at March 31, 2020 based on the internal control with reference to financial statements 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

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

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 with reference to financial statements were operating effectively as at March 31, 2020.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, 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 standalone financial statements of the Company for the year ended March 31, 2020 and these material weaknesses do not affect our opinion on the standalone financial statements of the Company.

For **Pathak H.D. & Associates LLP**
Chartered Accountants
Firm's Registration No: 107783W / W100593

Vishal D. Shah
Partner
Membership No: 119303
UDIN: 20119303AAAACY6694

Place: Mumbai
Date : May 8, 2020

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

Referred to in the Independent Auditors' Report of even date to the members of Reliance Capital Limited ("the Company') on the standalone financial statements as of and for the year ended March 31, 2020

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 and 12 on Investment Property and Property, Plant and Equipment respectively to the standalone 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 profession tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including goods and service tax, cess and other material statutory dues, as applicable, with the appropriate authorities. There are no undisputed amounts payable in respect of such applicable statutory dues as at March 31, 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales 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 income tax as at March 31, 2020, which have not been deposited on account of a dispute is as under:

Name of the statute	Nature of dues	Amount (₹ crore)	Period to which the amount relates	Forum where the dispute is pending
Income tax Act, 1961	Income Tax	12	A.Y. 2017-18	Commissioner of Income Tax Appeals, Mumbai

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 dues to debenture holders except for the following instances of default in repayment of principal amounts and interest:

Particulars	Amount of Default as at the Balance Sheet Date (₹ in crore)		Period of Default (Days)	
Name of the lenders / ISIN	Principal	Interest	Principal	Interest
1. Loans from Bank and financial institutions				
Housing Development Finance Corporation Limited	24	23	91	122
Axis Bank Limited	10	4	128	152
2. Debenture Holders - Series				
INE013A074P0 *	1 000	130	165	169
INE013A075G6	50	4	169	169
INE013A07X10	1	0.38	168	168
INE013A07G11	15	1	167	167
INE013A077G2	25	2	166	166
INE013A076G4	190	17	134	165
INE013A079G8	-	2	-	164
INE013A07X69	1	1	162	162
INE013A07Z42	6	6	162	162
INE013A07A33 *	1 070	102	138	161
INE013A08150	-	4	-	159
INE013A070S2	150	2	159	159
INE013A07Z59 *	7	6	159	159
INE013A07608	-	33	-	155
INE013A078E5 *	5	1	160	160
INE013A077B3	1	0.28	152	152
INE013A073H9	-	88	-	150
INE013A074H7	-	44	-	150
INE013A075H4 *	50	28	134	150
INE013A076H2	-	17	-	150
INE013A07SK3	-	6	-	150
INE013A076P5	-	14	-	149
INE013A077P3	-	15	-	149
INE013A078P1	-	14	-	149
INE013A078H8	-	3	-	145
INE013A071I1	45	4	137	137

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

Particulars	Amount of Default as at the Balance Sheet Date (₹ in crore)		Period of Default (Days)	
Name of the lenders / ISIN	Principal	Interest	Principal	Interest
INE013A07I01	-	2	-	132
INE013A074I5	3	0.07	130	130
INE013A08317	-	1	-	127
INE013A070J1	3	0.14	127	127
INE013A079I4	3	0.15	126	126
INE013A078I6	5	0.1	125	125
INE013A07Z75	2	2	125	125
INE013A071J9	3	0.14	123	123
INE013A072J7	4	0.29	123	123
INE013A07NU3	15	1	122	122
INE013A075J0	3	0.09	116	116
INE013A08325	-	1	-	113
INE013A07S41	-	1	-	111
INE013A07TA2	-	1	-	109
INE013A071D2	20	6	103	103
INE013A08168	-	2	-	96
INE013A071B6	1	1	95	95
INE013A08176	-	1	-	94
INE013A08184	-	1	-	89
INE013A08333	-	1	-	89
INE013A08341	-	0.26	-	84
INE013A078R7	52	6	82	82
INE013A08358 *	18	6	126	126
INE013A07TN5	-	7	-	67
INE013A07TV8	-	1	-	60
INE013A072L3	20	2	53	53
INE013A070D4	-	1	-	48
INE013A073L1	-	29	-	46
INE013A074L9	-	12	-	46
INE013A07QX0 *	500	30	183	183
INE013A075D3	-	1	-	36
INE013A073S6	11	2	33	33
INE013A08192	-	3	-	32
INE013A077L2	7	2	32	32
INE013A08200	-	5	-	26
INE013A070R4 *	900	86	183	183
INE013A072M1	-	2	-	22
INE013A074M7	2	-	22	-
INE013A073M9	-	4	-	21
INE013A08366	-	24	-	13
INE013A08275	-	2	-	12
INE013A07UY0	-	49	-	9
INE013A08218	-	0.32	-	8
INE013A08283	-	4	-	3
INE013A077S7	2	0.19	1	1
INE013A077M0 *	1 500	133	183	183
INE013A070H5 *	5	0.16	160	160
INE013A077H0 *	5	2	160	160
INE013A08135 *	1	0.07	126	126
INE013A071S0 *	13	-	125	-
INE013A074S4 *	22	1	68	68
INE013A071P6 *	7	1	64	64

* Recalled during the year.

The Company did not have any loans or borrowing from government during the year.

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(f) of the standalone financial statements and para (b) of emphasis of matter paragraph 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 financial statements as required by the applicable Accounting Standard.

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 LLP**
Chartered Accountants
Firm's Registration No: 107783W/ W100593

Vishal D. Shah
Partner
Membership No: 119303
UDIN: 20119303AAAACY6694

Place: Mumbai
Date : May 8, 2020

Standalone Balance Sheet as at March 31, 2020

(₹ in crore)

Particulars	Note No,	As at March 31, 2020	As at March 31, 2019
ASSETS			
Financial assets			
Cash and cash equivalents	4	**6**	2
Bank balance other than cash and cash equivalents above	5	**18**	47
Receivables			
(I) Trade receivables	6	**1**	3
(II) Other receivables		**-**	-
Loans	7	**6 369**	6 557
Investments	8	**15 177**	21 185
Other financial assets	9	**689**	1 373
Total Financial Assets		**22 260**	29 167
Non-Financial Assets			
Current tax assets (Net)	10	**4**	26
Investment property	11	**79**	125
Property, plant and equipment	12	**52**	70
Other intangible asset (* ₹ 24 77 373)	13	**-**	*
Other non-financial assets	14	**333**	357
Total Non - Financial Assets		**468**	578
Total Assets		**22 728**	29 745
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Debt securities	15	**16 160**	17 720
Borrowings (Other than Debt Securities)	16	**1 184**	1 734
Other financial liabilities	17	**1 700**	1 019
Total Financial Liabilities		**19 044**	20 473
Non-financial Liabilities			
Provisions	18	**263**	367
Other non-financial liabilities	19	**47**	37
Total Non - Financial Liabilities		**310**	404
EQUITY			
Equity share capital	20	**253**	253
Other equity	21	**3 121**	8 615
Total Equity		**3 374**	8 868
Total Liabilities and Equity		**22 728**	29 745
Significant Accounting Policies	2		

The accompanying notes (1-58) form integral part of the standalone financial statements.

As per our report of even date attached
For **Pathak H.D. & Associates LLP**
Chartered Accountants
Firm Registration No.: 107783W/W100593

Vishal D. Shah
Partner
Membership No.: 119303

Mumbai
Dated: May 8, 2020

For and on behalf of the Board

Chairman	**Anil D. Ambani**
Directors	**Chhaya Virani** **Rahul Sarin** **Dr. Thomas Mathew** **A N Sethuraman**
Director & Chief Executive Officer	**Dhananjay Tiwari**
Chief Financial Officer	**Vaibhav Kabra**
Company Secretary & Compliance Officer	**Atul Tandon**

Mumbai
Dated: May 8, 2020

Standalone Statement of Profit and Loss for the year ended March 31, 2020

(₹ in crore)

Particulars	Note No,	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations			
Interest income	22	**1 258**	2 113
Dividend income		**94**	150
Rental income		**4**	8
Fees income	23	**33**	36
Other operating income (* ₹ 11 79 990)	24	*****	5
Total revenue from operations		**1 389**	2 312
Other income	25	**4**	5
Total income		**1 393**	2 317
Expenses			
Finance costs	26	**1 764**	1 937
Net gain /(loss) on fair value changes	27	**445**	699
Impairment on financial instruments (net)	28	**4 519**	(653)
Employee benefits expense	29	**50**	51
Depreciation, amortisation and impairment	11,12 &13	**35**	53
Other expenses	30	**45**	73
Total expenses		**6 858**	2 160
Profit/(loss) before tax		**(5 465)**	157
Tax expense:	31		
- Current tax		**-**	-
- Deferred tax		**-**	-
- Taxation of earlier years		**-**	-
Total tax expense		**-**	-
Profit/(loss) after tax for the year		**(5 465)**	157
Other Comprehensive Income / (Loss)			
Items that will not be reclassified to profit or loss			
- Change in fair value of FVOCI equity instrument		**(31)**	(167)
- Remeasurements of post-employment benefit obligations (* ₹ 27 33 100, ** ₹ 38 78 924)		*****	**
- Income tax relating to these items		**-**	-
Other Comprehensive Income / (Loss) for the year		**(31)**	(167)
Total comprehensive income / (Loss) for the year		**(5 496)**	(10)
Earnings per equity share (face value of ₹ 10 per share)	38		
- Basic (₹)		**(217.63)**	6.26
- Diluted (₹)		**(217.63)**	6.25
Significant Accounting Policies	2		

The accompanying notes (1-58) form integral part of the standalone financial statements.

As per our report of even date attached
For **Pathak H.D. & Associates LLP**
Chartered Accountants
Firm Registration No.: 107783W/W100593

Vishal D. Shah
Partner
Membership No.: 119303

Mumbai
Dated: May 8, 2020

For and on behalf of the Board

Chairman	**Anil D. Ambani**
Directors	**Chhaya Virani** **Rahul Sarin** **Dr. Thomas Mathew** **A N Sethuraman**
Director & Chief Executive Officer	**Dhananjay Tiwari**
Chief Financial Officer	**Vaibhav Kabra**
Company Secretary & Compliance Officer	**Atul Tandon**

Mumbai
Dated: May 8, 2020

Standalone Statement of Changes in Equity for the year ended March 31, 2020

A. Equity share capital

(₹ in crore)

Particulars	Note No.	Number	Amount
As at March 31, 2019	20	25 27 08 902	253
As at March 31, 2020		25 27 08 902	253

B. Other equity

(₹ in crore)

Particulars	Note No.	Reserves and surplus								Other	Total other equity
		Securities premium	Capital Redemption reserve	Capital reserve	Statutory reserve fund	General reserve	Retained Earnings	Treasury Shares	RCAP ESOP Trust Reserve	Other Comprehensive Income	
As at April 1, 2018	21	3 658	10	779	1 844	4 817	(2 093)	2	11	(71)	8 957
Profit for the year		-	-	-	-	-	157	-	-	-	157
Other comprehensive income / (loss)		-	-	-	-	-	-	-	-	(167)	(167)
Total comprehensive income / (loss) for the year		3 658	10	779	1 844	4 817	(1 936)	2	11	(238)	8 947
Transactions with owners in their capacity as owners:											
- Issue of equity share and debentures, net of transaction cost		1	-	-	-	-	-	-	-	-	1
- Stock option expense for the year		-	-	-	-	-	-	-	(4)	-	(4)
- Remeasurements of post-employment benefit obligations (* ₹ 38 78 924)		-	-	-	-	-	-	-	-	*	*
- Dividends paid		-	-	-	-	-	(276)	-	-	-	(276)
- Dividend distribution tax		-	-	-	-	-	(53)	-	-	-	(53)
- Transfers to Statutory reserve fund		-	-	-	31	-	(31)	-	-	-	-
As at March 31, 2019		3 659	10	779	1 875	4 817	(2 296)	2	7	(238)	8 615
Profit / (loss) for the year		-	-	-	-	-	(5 465)	-	-	-	(5 465)
Other comprehensive income / (loss)		-	-	-	-	-	-	-	-	(31)	(31)
Total comprehensive income / (loss) for the year		3 659	10	779	1 875	4 817	(7 761)	2	7	(269)	3 119

Standalone statement of changes in equity for the year ended March 31, 2020

(₹ in crore)

Particulars	Note No.	Reserves and surplus								Other	Total other equity
		Securities premium	Capital Redemption reserve	Capital reserve	Statutory reserve fund	General reserve	Retained Earnings	Treasury Shares	RCAP ESOP Trust Reserve	Other Comprehensive Income	
Transactions with owners in their capacity as owners:											-
- Issue of debenture, net of transaction cost (* ₹ 3 10 000)		*	-	-	-	-	-	-	-	-	-
- Stock option expense for the year		-	-	-	-	-	-	-	3	-	3
- Remeasurements of post-employment benefit obligations (* ₹ 27 33 100)		-	-	-	-	-	-	-	-	*	*
As at March 31, 2020		**3 659**	**10**	**779**	**1 875**	**4 817**	**(7 761)**	**2**	**10**	**(269)**	**3 121**
Significant Accounting Policies											

The accompanying notes (1-58) form integral part of the financial statements.

As per our report of even date attached
For **Pathak H.D. & Associates LLP**
Chartered Accountants
Firm Registration No.: 107783W/W100593

Vishal D. Shah
Partner
Membership No.: 119303

Mumbai
Dated: May 8, 2020

For and on behalf of the Board

Chairman — **Anil D. Ambani**

Directors — **Chhaya Virani**, **Rahul Sarin**, **Dr. Thomas Mathew**, **A N Sethuraman**

Director & Chief Executive Officer — **Dhananjay Tiwari**
Chief Financial Officer — **Vaibhav Kabra**
Company Secretary & Compliance Officer — **Atul Tandon**

Mumbai
Dated: May 8, 2020

Standalone Cash Flow Statement for the year ended March 31, 2020

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/(Loss) before tax:	**(5 465)**	157
Adjustments:		
Depreciation, amortisation and impairment	**35**	53
Bad debts recovered & credit balance written back	**-**	(7)
Net Impairment on financial instruments and balances written off	**4 519**	(653)
Provision for gratuity / leave encashment	**1**	1
(Profit) / loss on sale of property, plant and equipment	**2**	1
Interest income on investments [* ₹ (2 71 254)]	*****	(718)
Dividend income on investments	**(94)**	(150)
Net (gain) / loss on fair value of investment	**445**	699
Share based payment to employees	**3**	2
Amortised brokerage on borrowings	**36**	57
Discount on commercial papers	**18**	88
Interest expenses	**1 710**	1 793
Operating profit before working capital changes	**1 210**	1 323
Adjustments for (increase) / decrease in operating assets:		
Unamortised expenses incurred	**(2)**	(30)
Interest paid	**(1 008)**	(1 722)
Trade receivables and loans and advances	**(4 302)**	(1 758)
Trade payables and liabilities	**(12)**	(2 349)
Cash generated from operations	**(4 114)**	(4 536)
Less: Income taxes paid (net of refunds)	**21**	17
Net cash inflow / (outflow) from operating activities	**(4 093)**	(4 519)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	**(1)**	(1)
Sale of property, plant and equipment	**9**	8
Proceeds from sale of investments (net)	**5 573**	2 199
Interest received	**584**	757
Dividend received	**94**	150
Net cash inflow / (outflow) from investing activities	**6 259**	3 113
CASH FLOW FROM FINANCING ACTIVITIES:		
Dividends paid (including dividend tax thereon)	**-**	(329)
Debt securities issued / (repaid) (net)	**(1 592)**	(1 900)
Borrowing other than debt securities issued / (repaid) (net)	**(570)**	694
Equity share capital issued (including premium)	**-**	1
Net cash inflow / (outflow) from financing activities	**(2 162)**	(1 534)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**4**	(2 940)
Add: Cash and cash equivalents at beginning of the year	**2**	2 942
Cash and cash equivalents at end of the year	**6**	2

Components of Cash and cash equivalents are disclosed in note no 4.

As per our report of even date attached
For **Pathak H.D. & Associates LLP**
Chartered Accountants
Firm Registration No.: 107783W/W100593

Vishal D. Shah
Partner
Membership No.: 119303

Mumbai
Dated: May 8, 2020

For and on behalf of the Board

Chairman	**Anil D. Ambani**
Directors	**Chhaya Virani** **Rahul Sarin** **Dr. Thomas Mathew** **A N Sethuraman**
Director & Chief Executive Officer	**Dhananjay Tiwari**
Chief Financial Officer	**Vaibhav Kabra**
Company Secretary & Compliance Officer	**Atul Tandon**

Mumbai
Dated: May 8, 2020

Notes to the Standalone Financial Statement for the year ended March 31, 2020

1 Background

Reliance Capital Limited ('the Company') is registered as Non-Banking Financial Company Core Investment Company ('CIC') – Non-Deposit Taking Systemically Important (NBFC-CIC-ND-SI) under Section 45-IA of Reserve Bank of India Act, 1934.

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.

The Company is Public Limited Company listed on recognised stock exchanges in India. The registered office of the Company is located at Reliance Centre, Ground Floor, 19, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001.

These standalone financial statement of the Company for the year ended March 31, 2020 were authorised for issue by the board of directors on May 08, 2020. Pursuant to the provision of the section of the Companies Act, 2013 (the 'Act') the Central Government, Income tax authorities, Securities and Exchange Board of India, other statutory regulatory body and under section 131 of the Act, the board of directors of the Company have powers to amend / re-open the standalone financial statements approved by the board / adopted by the members of the Company.

2 Significant Accounting Policies

The principal accounting policies applied in the preparation of these 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 Financial Statements

These standalone financial statements are presented in 'Indian Rupees', which is also the Company's functional currency and all amounts, are rounded to the nearest Crore, unless otherwise stated.

The standalone financial statements have been prepared in accordance with the requirements of the information and disclosures mandated by Schedule III to the Act, applicable Ind AS, other applicable pronouncements and regulations.

(i) Compliance with Ind AS and regulation

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 and the master direction - Core Investment Companies (Reserve Bank) Direction, 2016 issued by RBI.

(ii) Historical cost convention

The 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 are measured at fair value; and
- Share based payments

b Investment in subsidiaries and associates

Investments in subsidiary and associate companies 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 to its recoverable amount. On disposal of investments in subsidiary companies, associate companies and joint venture companies, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

When the Company ceases to control the investment in subsidiary or associate the said investment is carried at fair value through profit and loss in accordance with Ind AS 109 "Financial Instruments".

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 financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The 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 Statement of Profit and Loss, which results in an accounting loss being recognised in Statement of 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 Statement of Profit and Loss.

f Financial assets

(i) Classification and subsequent measurement

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

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 Statement of Profit and 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.

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 FVTPL, 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.

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 that 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.

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 and 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 FVTPL are included in the Statement of Profit and 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 FVOCI 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 outcome;
- 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 FVTPL 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 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 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 contracts

Financial guarantee obligation is 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

Repossessed collateral represents financial and non-financial assets acquired by the Company 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 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) 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.

(vi) 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.

(i) 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.

(ii) 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 reasonable 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 certain (as the case may be) to be realised.

m Operating Lease

(i) As a lessee

The Company lease assets primarily consists of office premises which are of short term lease with the term of twelve months or less and low value leases. For these short term and low value leases, the Company recognizes the lease payments as an expense in the Statement of Profit and Loss on a straight line basis over the term of lease.

(ii) As a Lessor

Leases for which the Company is a lessor is classified as finance lease or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the lease contract is classified as finance lease. All other leases are classified as operating lease.

For Operating Lease, lease rentals are recognised on a straight line basis over the term of lease.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the retrospective with cumulative effect method of initially applying the standard recognized at the date of initial application without any adjustment to opening balance of retained earnings. The Company did not have any material impact on the standalone financial statements on application of the above standard.

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.

Depreciation methods, estimated useful lives & residual value

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.

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 and 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.

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 Investment Property is depreciated under the straight line method as per the rates and the useful life prescribed as per Schedule II of the Companies Act.

r Borrowing costs

Borrowing costs, which are directly attributable to the acquisition / construction of property plant and equipment, 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 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 neither recognised nor disclosed in the financial statements.

t Offsetting 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 Company or the counterparty.

u 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.

v Share-based payments

(i) 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.

(ii) ESOS Trust

The Company's ESOS scheme is administered through the RCAP ESOS Trust. The Company treats the trust as its extension and shares held by RCAP ESOS Trust are treated as treasury shares and accordingly RCAP ESOS Trust has been consolidated in the Company's books.

w 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.

Notes to the Standalone Financial Statement for the year ended March 31, 2020

x 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.

y 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.

z Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores 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 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 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 securities

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 behavior 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 to be realised within 1 year for asset liability management.

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.

3.8 Estimation of Uncertainties relating to the Global Health Pandemic from COVID – 19 ("Covid – 19")

In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020, the Company would be granting / had granted a moratorium of three months on the payment of all instalments and / or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as Standard, even if overdue, as on February 29, 2020. For all such accounts where the moratorium is granted, the asset classification has been remaining stand still during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the Income Recognition, Asset Classification and Provisioning norms).

Notes to the Standalone Financial Statement for the year ended March 31, 2020

(₹ in crore)

Particulars		As at March 31, 2020	As at March 31, 2019
4	**Cash and cash equivalents**		
	Balances with banks:		
	In current accounts	**6**	2
	Total	**6**	2
5	**Bank balance other than cash and cash equivalents above**		
	Balances with banks:		
	In earmarked accounts		
	– unclaimed dividend	**18**	22
	In Fixed deposits (*₹ 20 00 000)	*****	25
	Total	**18**	47

i) Balances with banks include in fixed deposit accounts, ₹ Nil (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 ₹ Nil (Previous year ₹ 25 crore) is kept as deposit with stock exchanges for margins.

ii) Balances with banks include deposits of ₹ 20 00 000 (previous year ₹ 25 crore) having original maturity of more than 12 months.

6	**Trade receivables**		
	Receivables considered good – Unsecured	**1**	3
	Total	**1**	3

No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. No trade 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)	**312**	139
	Loans and advances to related parties (unsecured)	**2 486**	110
	Others (secured)	**6 185**	8 885
	Total (A) – Gross	**8 983**	9 134
	(Less): Impairment loss allowance	**(2 614)**	(2 577)
	Total (A) – Net	**6 369**	6 557
	Secured by property, plant and equipment, other receivables and guarantee	**6 185**	8 885
	Unsecured	**2 798**	249
	Total (B) – Gross	**8 983**	9 134
	(Less): Impairment loss allowance	**(2 614)**	(2 577)
	Total (B) – Net	**6 369**	6 557
	Loans in India		
	– Public sector	**-**	-
	– Others	**8 983**	9 134
	Total (C) – Gross	**8 983**	9 134
	(Less): Impairment loss allowance	**(2 614)**	(2 577)
	Total (C) – Net	**6 369**	6 557

a) Summary of loans by stage distribution

(₹ in crore)

Particulars	As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	**2 915**	**6 068**	**-**	**8 983**
Less: Impairment loss allowance	**(181)**	**(2 433)**	**-**	**(2 614)**
Net carrying amount	**2 734**	**3 635**	**-**	**6 369**

Particulars	As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	2 998	5 550	586	9 134
Less: Impairment loss allowance	(102)	(1 889)	(586)	(2 577)
Net carrying amount	2 896	3 661	-	6 557

b) Analysis of changes in the gross carrying amount of term loans

(₹ in crore)

Particulars	As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Opening balance	**2 998**	**5 550**	**586**	**9 134**
Changes in opening credit exposures (additional disbursement, net of repayments)	**4 101**	**(89)**	**(5)**	**4 007**
Transfers to Stage 1	**203**	**(203)**	**-**	**-**
Transfers to Stage 2	**(2 620)**	**2 620**	**-**	**-**
Transfers to Stage 3	**(1 767)**	**(1 810)**	**3 577**	**-**
Amounts written off	**-**	**-**	**(4 158)**	**(4 158)**
Closing balance	**2 915**	**6 068**	**-**	**8 983**

Particulars	As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Opening balance	1 704	3 313	4 877	9 894
Changes in opening credit exposures (additional disbursement, net of repayments)	2 396	1 140	(69)	3 467
Transfers to Stage 1	1	(1)	-	-
Transfers to Stage 2	(1 098)	1 098	-	-
Transfers to Stage 3	(5)	-	5	-
Amounts written off/ loss on sale of assignment	-	-	(4 227)	(4 227)
Closing balance	2 998	5 550	586	9 134

c) Reconciliation of ECL balance

(₹ in crore)

Particulars	As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Opening balance	**102**	**1 889**	**586**	**2 577**
Changes in opening credit exposures (additional disbursement, net of repayments)	**1 785**	**1**	**(5)**	**1 781**
Transfers to Stage 1	**7**	**(7)**	**-**	**-**
Transfers to Stage 2	**(1 275)**	**1 275**	**-**	**-**
Transfers to Stage 3	**(438)**	**(725)**	**1 163**	**-**
Amounts written off	**-**		**(1 744)**	**(1 744)**
Closing balance	**181**	**2 433**	**-**	**2 614**

Notes to the Standalone Financial Statement for the year ended March 31, 2020

(₹ in crore)

Particulars	As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Opening balance	56	1 553	4 877	6 486
Changes in opening credit exposures (additional disbursement, net of repayments)	96	292	(70)	318
Transfers to Stage 1	–	–	–	–
Transfers to Stage 2	(44)	44		–
Transfers to Stage 3	(6)		6	–
Amounts written off/ loss on sale of assignment	–	–	(4 227)	(4 227)
Closing balance	102	1 889	586	2 577

(₹ in crore)

Particulars	Face Value	Quantity		Value	
		As at March 31, 2020	As at March 31, 2019	**As at March 31, 2020**	As at March 31, 2019
8 Investments					
Investments in Equity Instruments					
Subsidiary Companies *					
At Deemed cost					
Quoted, fully paid-up					
Reliance Home Finance Limited	10	**-**	23 39 69 188	**-**	896
Unquoted, fully paid-up					
Reliance Capital AIF Trustee Company Private Limited (* ₹ 6 00 000)	10	**-**	60 000	**-**	*
Reliance Health Insurance Limited	10	**19 39 00 000**	18 65 50 000	**194**	187
Reliance Capital Trustee Co. Limited (* ₹ 5 07 000)	10	**-**	50 700	**-**	*
Reliance Commodities Limited	10	**30 00 000**	30 00 000	**3**	3
Reliance ExchangeNext Limited	10	**4 22 60 000**	4 22 60 000	**35**	35
Reliance Financial Limited	10	**2 41 57 897**	2 41 57 897	**102**	218
Reliance General Insurance Company Limited (Refer note no 41(b))	10	**25 15 49 920**	25 15 49 920	**5 029**	5 028
Reliance Commercial Finance Limited (Refer note no 41(a))	10	**13 53 25 700**	13 53 25 700	**2 214**	2 213
Reliance Nippon Life Insurance Company Limited	10	**61 01 24 985**	61 01 24 985	**5 078**	5 078
Reliance Securities Limited	10	**21 00 00 000**	21 00 00 000	**62**	707
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	*****	*
Reliance Corporate Advisory Services Limited	10	**121 80 00 000**	121 80 00 000	**459**	689
Reliance Wealth Management Limited	10	**4 27 50 000**	3 25 00 000	**21**	33
Reliance Money Precious Metals Private Limited	10	**80 00 000**	80 00 000	**-**	-
Quant Capital Private Limited	10	**74 01 423**	74 01 423	**105**	105
				13 307	15 197
Less : Provision for impairment				**(332)**	-
				12 975	15 197
Associate Companies *					
At Deemed cost					
Quoted, fully paid-up					
Nippon Life India Asset Management Limited (Formerly Reliance Nippon Life Asset Management Limited)	10	**-**	26 23 95 000		5 128
Reliance Home Finance Limited (Refer note no 41(a))	10	**23 39 69 188**	-	**897**	-
Unquoted, fully paid-up					
Ammolite Holdings Limited	$1	**1 000**	1 000	**-**	-
Global Wind Power Limited	10	**20 00 000**	20 00 000	**-**	-
Reliance Asset Reconstruction Company Limited	10	**4 90 00 000**	4 90 00 000	**80**	80
				977	5 208
Less : Provision for impairment				**(134)**	-
				843	5 208

Notes to the Standalone Financial Statement for the year ended March 31, 2020

(₹ in crore)

Particulars	Face Value	Quantity		Value	
		As at March 31, 2020	As at March 31, 2019	**As at March 31, 2020**	As at March 31, 2019
Other companies					
Quoted, fully paid-up					
At FVTPL					
Nippon Life India Asset Management Limited (Formerly Reliance Nippon Life Asset Management Limited) (Refer note no 41(c))	10	**2 61 76 019**	-	**885**	-
At FVOCI *					
Reliance Communications Limited	5	**2 96 95 295**	2 96 95 295	**-**	3
Reliance Power Limited (* ₹ 41 17 823)	10	**41 17 823**	41 17 823	*****	5
Unquoted, fully paid-up					
At FVOCI					
Azalia Media Services Private Limited	10	**19 38 000**	19 38 000	**2**	2
Reliance Broadcast Network Limited	5	**1 57 27 957**	1 57 27 957	**6**	30
Reliance Digitech Limited	10	**9 000**	9 000	**-**	-
Reliance MediaWorks Limited **	5	**19 32 089**	19 32 089	**-**	-
Reliance Net Limited	10	**5 26 497**	5 26 497	**-**	-
Vrushvik Entertainment Private Limited	10	**19 38 000**	19 38 000	**2**	2
				895	42
Sub-Total (A)				**14 713**	20 447
Investments in preference shares					
Other Companies					
Unquoted, fully paid-up					
At FVTPL					
0% Compulsory Convertible Preference Shares of Reliance Value Services Private Limited	10	**20 60 000**	20 60 000	**-**	-
0% Non- Convertible Redeemable Preference Shares of Reliance Alpha Services Private Limited	10	**85 000**	85 000	**-**	-
Scalable Display Technologies, Inc. Series A-1 Preferred Stock	$0.001	**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	**-**	-
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	*****	*
12% Non- Convertible Cumulative compulsory Redeemable preference shares of Reliance Commercial Finance Limited	10	**40 00 00 000**	40 00 00 000	**400**	400
12% Non-Cumulative Non-Convertible Redeemable Preference Shares of Reliance Money Precious Metals Private Limited	10	**1 70 00 000**	1 70 00 000	**-**	-
10% Non- Convertible Cumulative Redeemable preference shares of Reliance Commercial finance Limited	10	**9 660**	9 660	**-**	-
12% Non-Convertible Cumulative Redeemable Preference Shares of Reliance Financial Limited	10	**11 000**	-	**-**	-
				416	416
Less : Provision for impairment				**(60)**	-
Sub-Total (B)				**356**	416

Notes to the Standalone Financial Statement for the year ended March 31, 2020

(₹ in crore)

Particulars	Face Value	Quantity As at March 31, 2020	Quantity As at March 31, 2019	Value As at March 31, 2020	Value As at March 31, 2019
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	**8**	8
Sub-Total (C)				**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	**-**	-
				-	-
Other Companies					
Unquoted , fully paid-up					
At FVTPL					
11% Compulsory Convertible Debentures of CLE Private Limited (formerly Crest Logistics & Engineers Private Limited)	1,000	**80 00 000**	80 00 000	**-**	-
11% Compulsory Convertible Debentures of Reliance Business Broadcast News Holding Limited	1,000	**10 01 200**	10 01 200	**-**	100
11% Compulsory Convertible Debentures of Reliance Unicorn Enterprises Private Limited	1,000	**88 00 000**	88 00 000	**-**	-
11% Compulsory Convertible Debentures of Reliance Value Services Private Limited	1,000	**92 00 000**	92 00 000	**-**	-
11% Compulsory Convertible Debentures of Reliance Digitech Limited	1,000	**80 00 000**	80 00 000	**-**	-
11% Compulsory Convertible Debentures of Reliance Alpha Services Private Limited	1,000	**1 01 00 000**	1 01 00 000	**-**	-
11% Compulsory Convertible Debentures of Reliance Venture Asset Management Private Limited	1,000	**90 00 000**	90 00 000	**-**	-
				-	100
Sub-Total (D)				**-**	100
Investments in units of fund and Mutual Funds					
Investment in units of fund - unquoted , fully paid-up					
At FVTPL					
Class B Units of Reliance Alternative Investments Fund – Private Equity Scheme I [₹ 46 20 729 (Previous year Rs 46 20 729)]	0.01	**46 20 72 909**	46 20 72 909	*****	*
Nippon India Yield Maximiser AIF Scheme 3 (Formerly Reliance Yield Maximiser Scheme III)	-	**-**	-	**-**	5
Nippon India Yield Opportunities AIF Scheme 1 (Formerly Reliance Yield Opportunities Fund AIF Scheme I)	10,000	**-**	-	**-**	6
Nippon India Yield Maximiser AIF Scheme 1) Formerly Reliance Yield Maximiser AIF - Scheme I)	-	**-**	-	**-**	3
Nippon India Yield Maximiser AIF Scheme 2 (Formerly Reliance Yield Maximiser AIF-Scheme II)	-	**-**	-	**-**	1
Nippon India Equity Opportunities AIF Scheme 1 (Formerly Reliance Eq Opportunities AIF Scheme I)	10,000	**-**	-	**-**	12
Class A Units of Reliance Alternative Investments Fund	10	**6 78 81 850**	7 77 96 044	**68**	116
				68	143

Notes to the Standalone Financial Statement for the year ended March 31, 2020

(₹ in crore)

Particulars	Face Value	Quantity		Value	
		As at March 31, 2020	As at March 31, 2019	**As at March 31, 2020**	As at March 31, 2019
Investment in Mutual fund- quoted , fully paid-up					
At FVTPL					
Nippon India Credit Risk Fund (Formerly 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	1,000	**12 768**	12 768	**5**	5
Nippon India Floating Rate Fund (Formerly Reliance MF Floating Rate Fund Dir PL Growth)	10	**-**	17 48 937	**-**	5
Nippon India Low Duration Fund (Formerly Reliance Money Manager Fund-Dir Gro Plan)	1,000	**-**	20 726	**-**	5
Nippon India Strategic Debt Fund (Formerly Reliance MF Classic Bond Fund Dir Growth)	10	**69 55 314**	69 55 314	**8**	11
Nippon India Overnight Fund -Direct Growth Plan	10	**10 34 483**	-	**11**	-
Nippon India Liquid Fund (Formerly Reliance Liquid Fund - Treasure Plan)	1,000	**15 832**	76 641	**8**	35
				32	71
Sub-Total (E)				**100**	214
Total investments (A+B+C+D+E)				**15 177**	21 185
Total Investment at Deemed cost/ Cost				**14 292**	20 413
Total Investment at FVTPL				**985**	314
Total Investment at Amortised cost				**416**	416
Total Investment at FVOCI				**10**	42
Aggregate amount of provision in deemed cost / amortised cost				**(526)**	-
Investments in India				**15 177**	21 185
Investments outside India				**-**	-

* Related Party ** Value Written Off

Notes:

i) The equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognize 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.

ii) 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.

(₹ in crore)

	Particulars	As at March 31, 2020	As at March 31, 2019
9	**Other financial assets**		
	(Considered good otherwise stated)		
	Interest accrued on loans (net of provision)	**629**	755
	Interest accrued on investments	**-**	584
	Receivables from related parties	**33**	10
	Other deposits	**27**	24
	Total	**689**	1 373
10	**Current tax assets (net)**		
	Income tax paid in advance (net of provision)	**4**	26
	Total	**4**	26

Notes to the Standalone Financial Statement for the year ended March 31, 2020

(₹ in crore)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Land	**Buildings**	Land	Buildings
11 Investment Property				
Gross carrying amount				
Deemed cost	**29**	**143**	29	149
Additions	**-**	**-**	-	-
Disposals and transfers	**-**	**(20)**	-	(6)
Closing gross carrying amount	**29**	**123**	29	143
Accumulated amortisation	**25**	**22**	-	5
Amortisation during the year	**-**	**3**	-	2
Impairment during the year	**1**	**24**	25	15
Disposals and transfers [* ₹ (21 37 813)]	**-**	**(2)**	-	(*)
Closing accumulated depreciation	**26**	**47**	25	22
Net carrying amount as at March 31, 2020	**3**	**76**	4	121

Notes:

i) The Company has carried out the valuation activity to assess fair value of its Investment in land and property which is ₹ 79 crore (Previous Year ₹ 125 crore). Accordingly, fair value estimates for investment in land and property is classified as level 3.

ii) Information regarding Income & Expenditure of Investment property

(₹ in crore)

Particulars	**2019-20**	2018-19
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	**(5)**	(3)
Impairment during the year	**(25)**	(40)
Depreciation for the year	**(3)**	(2)
Profit / (Loss) arising from investment property before indirect expenses	**(33)**	(45)

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2020

12 Property, plant and equipment

(₹ in crore)

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, 2018	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**
Gross carrying amount										
Opening gross carrying amount	60.46	1.19	0.40	22.12	7.51	0.27	38.00	24.02	1.37	155.34
Additions	0.56	-	0.01	0.01	0.24	-	-	-	-	0.82
Disposals and transfers	11.21	0.01	-	-	-	-	-	-	0.10	11.32
Closing gross carrying amount	**49.81**	**1.18**	**0.41**	**22.13**	**7.75**	**0.27**	**38.00**	**24.02**	**1.27**	**144.84**
Accumulated depreciation										
Opening accumulated depreciation	8.35	1.12	0.33	21.35	5.06	0.27	23.93	24.02	1.37	85.80
Depreciation charge during the year	1.36	0.03	0.03	0.47	0.62	-	5.34	-	-	7.85
Disposals and transfers	0.92	-	0.01	-	-	-	-	-	0.10	1.03
Closing accumulated depreciation	**8.79**	**1.15**	**0.35**	**21.82**	**5.68**	**0.27**	**29.27**	**24.02**	**1.27**	**92.62**
Net carrying amount as at March 31, 2020	**41.02**	**0.03**	**0.06**	**0.31**	**2.07**	**-**	**8.73**	**-**	**-**	**52.22**

Notes:

1 Buildings include ₹ 0.01 crore (Previous year ₹ 0.01 crore) which is given as security for Non-convertible debentures.

2 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, 2020

(₹ in crore)

Particulars		Computer software's/ Licensing cost As at March 31 2020	As at March 31 2019
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	55	53
	Amortisation during the year (* ₹ 24 77 373)	*	2
	Disposals and transfers	-	-
	Closing accumulated depreciation	**55**	**55**
	Net carrying amount (* ₹ 24 77 373)	**-**	*****

Notes:

i) In respect of Intangible assets it is other than internally generated.

ii) On transition date the Company has elected to carry previous GAAP carrying amount as deemed cost.

(₹ in crore)

Particulars		As at March 31 2020	As at March 31 2019
14	**Other non-financial asset**		
	(Unsecured good otherwise stated)		
	Capital advances	**300**	300
	Balance with VAT and GST authorities	**6**	8
	Advances	**25**	47
	Prepaid expenses	**2**	2
	Total	**333**	357
15	**Debt securities**		
	At amortised cost		
	Debentures and bonds		
	-Secured		
	Others	**14 207**	15 676
	Related Party	**78**	47
	- Unsecured		
	Others	**1 336**	1 336
	Related Party	**49**	42
	Subtotal	**15 670**	**17 101**
	At fair value through profit and loss		
	Market Linked Debentures		
	- Secured		
	Others	**476**	610
	Related Party	**14**	9
	Subtotal	**490**	**619**
	Total	**16 160**	17 720
	Debt securities in India	**16 160**	17 720
	Debt securities outside India	**-**	-
	Total	**16 160**	17 720

(a) Non convertible debentures (NCDs) are redeemable at par in one or more instalments on various dates.

(b) With respect to Non-Convertible Debentures aggregating to ₹ 5 103 crore as at March 31, 2020. the Trustee has issued notices stating that all monies due in respect of Non-Convertible Debenture are recalled and due and payable forthwith.

(c) Subsequent to the balance sheet date the Trustee of the remaining debenture holders aggregating to ₹ 11 157 crore have issued notices stating that all monies dues in respect of Non-Convertible Debentures are recalled and due and payable forthwith. Accordingly the entire dues payable to Debenture Holders are due and payable forthwith.

(d) Maturity profile and rate of interest of Non-Convertible Debentures on the basis of original scheduled maturity payment dates and without netting off prepaid brokerage of ₹ 100 crore are set out below (Refer note no. 42):

Notes to the Standalone Financial Statement for the year ended March 31, 2020

(₹ 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
#	-	450	-	-	-	-	-	-	-	-	450
8.20%	75	-	-	-	-	-	-	-	-	-	75
8.25%	20	350	-	-	-	-	-	-	-	-	370
8.28%	235	-	-	-	-	-	-	-	-	-	235
8.32%	-	400	-	-	-	-	-	-	-	-	400
8.42%	-	-	14	-	-	-	-	-	-	-	14
8.47%	-	-	25	-	-	-	-	-	-	-	25
8.50%	-	-	480	-	-	-	-	-	-	-	480
8.65%	-	-	20	-	-	-	-	-	-	-	20
8.75%	-	15	245	170	191	-	-	-	-	-	621
8.80%	-	-	-	-	300	-	-	-	-	-	300
8.83%	-	-	-	1 000	-	-	-	-	-	-	1 000
8.85%	-	-	200	-	-	-	-	1 500	-	-	1 700
8.90%	-	-	500	-	-	-	-	-	-	-	500
8.93%	-	-	-	-	-	-	-	-	900	-	900
9.00%	-	-	-	-	-	-	-	1 500	-	-	1 500
9.05%	-	-	-	-	-	-	-	-	1 500	-	1 500
9.12%	-	15	-	-	-	-	-	-	-	-	15
9.25%	150	-	-	-	6	-	-	-	-	-	156
9.32%	-	-	-	-	-	20	-	-	-	-	20
9.40%	-	-	-	-	1 500	-	-	-	-	-	1 500
9.42%	-	-	-	-	-	40	-	-	-	-	40
9.50%	-	-	-	-	5	-	-	-	-	-	5
9.65%	-	-	-	-	-	250	-	-	-	-	250
9.70%	15	-	-	-	-	-	-	-	-	-	15
9.80%	-	-	-	500	-	-	-	-	-	-	500
9.85%	-	-	-	45	-	-	-	-	-	-	45
9.90%	-	500	-	75	-	-	-	-	-	-	575
9.95%	-	-	-	85	-	-	-	-	-	-	85
10.00%	-	-	-	10	-	-	-	-	-	-	10
10.05%	-	-	-	7	-	-	-	-	-	-	7
10.10%	-	-	-	10	-	1 070	-	-	-	-	1 080
10.15%	-	-	-	-	-	-	8	-	-	-	8
10.19%	-	-	-	-	155	-	-	-	-	-	155
10.20%	-	-	-	82	-	-	-	-	-	-	82
10.25%	-	-	-	40	-	-	-	-	-	-	40
10.28%	15	-	-	-	-	-	-	-	-	-	15
10.35%	-	155	-	5	-	-	-	-	-	-	160
10.40%	-	-	-	350	-	-	-	-	-	-	350
10.50%	-	-	25	20	15	-	-	-	-	-	60
10.60%	-	-	83	51	-	-	-	-	-	-	134
10.75%	-	-	367	-	-	-	-	-	-	-	367
MLD	141	161	92	86	-	-	-	-	-	16	496
TOTAL	**651**	**2 046**	**2 051**	**2 536**	**2 172**	**1 380**	**8**	**3 000**	**2 400**	**16**	**16 260**

Zero coupon deep discount non convertible debentures

Details about the nature of the security

(i) The Secured Non-Convertible Debentures of the Company aggregating to ₹ 14 855 crore (Previous year ₹ 16 446 crore) as on March 31 2020 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.

(ii) Unsecured NCDs amounting to ₹ 1 405 crore (Previous year ₹ 1 405 crore) are in respect to Tier II subordinate debts.

Notes to the Standalone Financial Statement for the year ended March 31, 2020

(₹ in crore)

Particulars	As at March 31 2020	As at March 31 2019
16 Borrowings (other than debt securities)		
At amortised cost		
Term loan from banks / financial institutions		
– Secured	**622**	609
– Unsecured	**-**	193
Inter corporate deposit		
– Secured	**73**	-
– Unsecured	**315**	-
– Unsecured from related party	**174**	-
Commercial paper - unsecured	**-**	932
Total (A)	**1 184**	1 734
Borrowings in India	**1 184**	1 734
Borrowings outside India	**-**	-
Total (B)	**1 184**	1 734

a) Maturity profile of Term loans from banks / Financial institutions are set out below :

Rate of Interest	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total
8.25%	10	19	19	19	19	14	100
10.60%	-	100	100	100	100	100	500
13.00%	24	-	-	-	-	-	24
TOTAL	**34**	**119**	**119**	**119**	**119**	**114**	**624**

Note:

The maturity profile has been shown on the basis of original scheduled maturity payment and without netting off prepaid brokerage of ₹ 2 crore (Refer note no 42).

b) Details about the nature of the security

(i) Term Loans from banks / financial institution includes ₹ 624 crore (Previous year ₹ 615 crore) are secured by way of pari passu first charge on all present and future book debts receivables bills claims and loan assets of the Company and its subsidiary.

(ii) Inter Corporate Deposit includes ₹ 73 crore (Previous year ₹ Nil) are secured by way of pari passu first charge on all present and future book debts investment and business receivables of the Company.

(₹ in crore)

Particulars	As at March 31 2020	As at March 31 2019
17 Other financial liabilities		
Interest accrued and due on borrowings	**1018**	-
Interest accrued but not due on borrowings	**650**	966
Security deposits	**4**	4
Other payables	**10**	19
Book Overdraft	**-**	8
Unclaimed dividend *	**18**	22
Total	**1 700**	1 019

* Does not include any undisputed amounts due and outstanding which are liable to be transferred to the Investor Education and Protection Fund created pursuant to Section 125 of the Companies Act 2013.

(₹ in crore)

Particulars	As at March 31 2020	As at March 31 2019
18 Provisions		
Provision for Employee benefits		
Gratuity	**1**	1
Provision Others		
Financial Guarantee Obligation	**243**	346
Assets and advances	**19**	20
Total	**263**	367

Notes to the Standalone Financial Statement for the year ended March 31, 2020

Summary of ECL on Financial Guarantee Obligation by stage distribution

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
March 31 2020	217	-	26	243
March 31 2019	101	234	11	346

(₹ in crore)

Particulars	As at March 31 2020	As at March 31 2019
19 Other non-financial liabilities		
Advance receipts from customers [* ₹ 47 26 536 (** ₹ 46 84 559)]	*	**
Other Payables	**47**	37
Total	**47**	37

(₹ in crore)

Particulars	As at March 31 2020		As at March 31 2019	
	Number	**₹**	Number	₹
20 Equity share capital				
Authorised				
Equity shares of ₹ 10 each	**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
Issued and subscribed				
Equity shares of ₹ 10 each	**25 40 53 108**	**254**	25 40 53 108	254
Paid up				
Equity shares of ₹ 10 each	**25 27 08 902**	**252**	25 27 08 902	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
Total		**253**		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 2020		As at March 31 2019	
	Number	**₹**	Number	₹
Outstanding at the beginning of the year	**25 27 08 902**	**253**	25 27 04 682	253
Stock options exercised under the ESOS (* ₹ 42 200)	**-**	**-**	4 220	*
Shares issued during the year	**-**	**-**	-	-
Outstanding at the end of the year	**25 27 08 902**	**253**	25 27 08 902	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.

c) Shares reserved for issue under options

Information relating to the Reliance Capital Limited Employee Stock Option Scheme (ESOS) including details regarding 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 2020		As at March 31 2019	
	Number	**% holding**	Number	% holding
Reliance Inceptum Private Limited	**1 53 964**	**0.06%**	9 41 39 206	37.43%
Reliance Infrastructure Consulting & Engineers Private Limited	**17 75 991**	**0.70%**	1 95 88 991	7.79%
Housing Development Finance Corporation Limited	**1 62 45 000**	**6.43%**	-	-
Axis Securities Limited	**3 55 62 396**	**14.07%**	10 787	-

e) As on March 31 2020 10 98 393 equity shares (Previous year 12 11 665 equity shares) are held by custodian against which depository receipts have been issued.

(₹ in crore)

Particulars	**As at March 31 2020**	As at March 31 2019
21 Other Equity		
Securities premium		
Opening balance	**3 659**	3 658
Add/(Less) : Changes during the year (* ₹ 3 10 000)	*****	1
Closing balance	**3 659**	3 659
Capital redemption reserve	**10**	10
Capital reserve	**779**	779
Statutory reserve fund		
Opening balance	**1 875**	1 844
Add/(Less) : Changes during the year	**-**	31
Closing balance	**1 875**	1 875
General reserve	**4 817**	4 817
Retained earnings		
Opening balance	**(2 296)**	(2 093)
Net profit / (loss) for the year	**(5 465)**	157
Add/(Less) : Transfer to Statutory Reserve Fund	**-**	(31)
Add/(Less) : Proposed Dividend	**-**	(276)
Add/(Less) : Tax on Proposed Dividend	**-**	(53)
Closing balance	**(7 761)**	(2 296)
Treasury Shares	**2**	2
Other comprehensive Income		
Opening balance	**(238)**	(71)
Add/(Less) : Changes during the year	**(31)**	(167)
Closing balance	**(269)**	(238)
RCAP ESOP Trust Reserve		
Opening balance	**7**	11
Add/(Less) : Changes during the year	**3**	(4)
Closing balance	**10**	7
Total	**3 121**	**8 615**

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 required to be created on buy-back of equity shares. The Company may issue fully paid up bonus shares to its members out of the capital redemption reserve.

Notes to the Standalone Financial Statement for the year ended March 31, 2020

c) Capital reserve

The Reserve is created based on statutory requirement under the Companies Act 2013. This is not available for distribution of dividend but can be utilised for issuing bonus shares. 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.

d) Statutory reserve fund

Created pursuant to Section 45-IC of the Reserve Bank of India Act 1934.

e) 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. Includes ₹ 3 837 crore (Previous year ₹ 3 837 crore) created pursuant to Scheme of Amalgamation.

f) Other comprehensive Income

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.

g) ESOP trust reserve and Treasury shares

Profit of RCAP ESOP trust is recognised in RCAP ESOP trust reserve.

(₹ in crore)

Particulars		2019-20	2018-19
22	**Interest income**		
	On financial assets measured at amortised costs:		
	- Loans	**1 257**	1 359
	- Fixed Deposits and others	**1**	36
	On financial assets measured at FVTPL:		
	Interest income from investments (* ₹ 2 71 254)	*	718
	Total	**1 258**	2 113
23	**Fees Income**		
	Management Fee	**33**	36
	Total	**33**	36
24	**Other operating income**		
	Bad debt recovered	-	5
	Other operating income [₹ 11 79 990 (Previous Year ₹ 15 51 617)]	-	-
	Total (* ₹ 11 79 990)	*	5
25	**Other income**		
	Credit balance / Excess provision written back	-	2
	Miscellaneous income	**4**	3
	Total	**4**	5
26	**Finance cost**		
	On financial liabilities measured at amortised cost:		
	Interest and finance charges		
	Debentures	**1 518**	1 618
	Bank / Financial institutions	**74**	89
	Inter corporate deposits	**90**	29
	Commercial Papers	**18**	87
	Others (* ₹ 8 18 741)	*	1
	Amortised Brokerage	**36**	57
	On financial liabilities measured at FVTPL:		
	Debentures	**28**	56
	Total	**1 764**	1 937

Notes to the Standalone Financial Statement for the year ended March 31, 2020

(₹ in crore)

Particulars		2019-20	2018-19
27	**Net gain/(Loss) on fair value changes**		
	Realised	**(868)**	(830)
	Unrealised	**1 313**	1 529
	Total	**445**	699
28	**Impairment on financial instruments (net)**		
	On financial instruments measured at amortised cost:		
	Loans and interest	**11**	(4 245)
	Financial guarantee obligation	**(103)**	(1 158)
	Bad debts written off	**4 611**	3 873
	Loss on sale of assignment	**-**	877
	Total	**4 519**	(653)
29	**Employee benefits expenses**		
	Salaries and wages	**46**	45
	Contribution to provident and other funds	**2**	3
	Staff welfare expenses	**2**	3
	Total	**50**	51
30	**Other expenses**		
	Bank charges [₹ 7 03 514, (Previous Year ₹ 2 04 163)]	**-**	-
	Rental charges	**1**	21
	Rates and taxes	**1**	2
	Repairs and maintenance		
	- Buildings [₹ 11 76 204 (Previous Year ₹ 12 83 614)]	**-**	-
	- Others	**6**	7
	Electricity [₹ 25 04 758 (Previous Year ₹ 30 61 299)]	**-**	-
	Insurance	**1**	1
	Travel and conveyance	**1**	2
	Postage, telegram and telephones	**1**	1
	Legal & Professional fees	**27**	26
	Payments to auditors [refer note (a) below]	**1**	1
	Sales and marketing expenses	**2**	1
	Employee seminar and training (₹ 2 32 177)	**-**	1
	Donation [₹ 1 00 000, (Previous Year ₹ 1 12 062)]	**-**	-
	Corporate social responsibility (CSR) expenditure	**-**	6
	Directors' sitting fees [₹ 33 13 600, (Previous Year ₹ 44 47 200)]	**-**	-
	Loss on retirement of property, plant and equipment (net)	**2**	1
	Miscellaneous expenses	**2**	3
	Total	**45**	73
	a) **Breakup of Auditors' remuneration**		
	Audit fees (* ₹ 32 00 000)	*	1
	Tax audit fees [₹ Nil (Previous Year ₹ 1 07 500)]	-	-
	Certification charges and other reimbursement [₹ 20 08 071(Previous Year ₹ 1 64 090)]	-	-
	Total (* ₹ 52 08 071)	*	1

b) **Contribution for corporate social responsibility (CSR)**

During the year 2019-20, the Company was required to spend an amount of Rs. 4 crore on CSR activities. The Company is facing severe financial stress. Further the Hon'ble Delhi High Court vide its Order dated November 20, 2019, has placed restraint on the Company on incurring expenses other than in ordinary course of business. In view of the aforesaid, the Company has not spent the amount on CSR activities this year. The Company is committed to spend on CSR in the long term.

The Company during the Previous year has incurred Rs. 6 crore 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 center engaged in the provision of health care for the purpose other than construction / acquisition of asset.

Notes to the Standalone Financial Statement for the year ended March 31, 2020

31 Income tax

a) The components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current tax	-	-
Adjustment in respect of current income tax of prior years	-	-
Deferred tax	-	-
Total	-	-

b) 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 March 31, 2020	As at March 31, 2019
Deferred tax liability :		
Related to property, plant and equipment	7	11
Capital gain effects with STT	-	594
Deferred expenses -DSA & Brokerage	34	46
	41	651
Deferred tax asset :		
Carry forward losses	1 602	-
Provision for gratuity [₹ 17 28 080 (Previous Year ₹ 28 00 119)]	-	-
Provision for expected credit loss	1 099	1 131
	2 701	1 131
Net deferred tax liability / (asset)	(2 660)	(480)

Note: As a matter of prudence, the company has decided not to recognise deferred tax assets (net) in books of accounts.

c) Reconciliation of tax expenses

(₹ in crore)

Particulars	2019-20	2018-19
Profit Before Tax to Taxable Profit	(5 465)	157
Tax at the Indian Tax rate 34.944%	(1 910)	55
Tax Losses on which no deferred tax has been created	1 766	1 597
Expenses / (receipts) not allowable / (offered) for tax purpose	177	(1 599)
Effect of Income which are exempt from tax	(33)	(53)
Income tax expense charged to Statement of Profit and Loss	-	-

d) Tax Losses and Tax Credits

(₹ in crore)

Particulars	2019-20	2018-19
Unused Brought Forward Loss for which no deferred tax asset has been recognised (Refer Note)	4 649	4 649
Unused Mat Entitlement Credit for which no deferred tax asset has been recognised	373	373

Note: The unabsorbed tax losses has been considered to the extent of amount determined and claimed in the income tax returns filed with the Income Tax Authorities

Notes to the Standalone Financial Statement for the year ended March 31, 2020

32 Tax on 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)

Particulars	2019-20	2018-19
Company Dividend		
Company paid / proposed dividend	-	268
Less: Dividend received from subsidiary	-	21
Dividend for distribution tax	-	157
Dividend distribution tax thereon	-	53

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 Plan is 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 2020		As at March 31 2019	
	Average exercise price	Number of options	Average exercise price	Number of options
Outstanding at the beginning of the year	296	2 11 590	296	2 40 622
Granted during the year	-	-	-	-
Exercised during the year	-	-	296	4 220
Forfeited / lapsed / expired during the year	-	97 212	-	24 812
Outstanding at the end of the year	296	1 14 378	296	2 11 590
Vested and exercisable	296	87 268	296	1 05 795

The weighted average share price at the date of exercise of options exercised during the year ended March 31 2020 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 2020	Outstanding as at March 31 2019
October 15 2015	October 15 2020	296	1 14 378	2 11 590
Total			1 14 378	2 11 590

Notes to the Standalone Financial Statement for the year ended March 31, 2020

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

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 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

	No. of stock options as at March 31 2020				
Outstanding at the beginning of the year	**-**	**-**	**-**	**20 53 040**	**8 200**
Granted during the year	**-**	**-**	**-**	**-**	**-**
Exercised during the year	**-**	**-**	**-**	**-**	**-**
Forfeited / Lapsed / Expired during the year	**-**	**-**	**-**	**5 72 750**	**-**
Outstanding at the end of the year	**-**	**-**	**-**	**14 80 290**	**8 200**
Vested and exercisable	**-**	**-**	**-**	**4 10 608**	**1 640**

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 2020
October 05 2018	October 05 2022	270	**14 80 290**
February 13 2019	February 13 2023	137	**8 200**
Total			**14 88 490**

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 benefits

a) Defined contribution plans

Contribution to defined contribution plans recognised as expense for the year is as under:

(₹ in crore)

Particulars	2019-20	2018-19
Employer's contribution to provident fund	**1**	2
Employer's contribution to superannuation fund [₹ 5 89 055 (Previous year ₹ 6 43 184)]	**-**	-
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 and 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 01 2018	4.60	4.64	(0.04)
Current service cost	0.43	-	0.43
Interest expense/(income)	0.37	0.38	(0.01)
Liability transferred in / Acquisition	0.17	-	0.17
Liability transferred in / Divestments	-	-	-
Return on plan assets	-	(0.17)	0.17
Actuarial loss / (gain) arising from change in financial assumptions	0.16	-	0.16
Actuarial loss / (gain) arising from change in demographic assumptions	-	-	-
Actuarial loss / (gain) arising on account of experience changes	0.06	-	0.06
Employer contributions	-	0.03	(0.03)
Benefit payments	(1.44)	(1.44)	-
As at March 31 2019	4.35	3.44	0.91
Current service cost	0.42	-	0.42
Interest expense/(income)	0.33	0.27	0.06
Liability transferred in / Acquisition	0.10	-	0.10
Liability transferred in / Divestments	(0.63)	(0.63)	-
Return on plan assets	-	(0.19)	0.19
Actuarial loss / (gain) arising from change in financial assumptions	0.20	-	0.20
Actuarial loss / (gain) arising from change in demographic assumptions	0.12	-	0.12
Actuarial loss / (gain) arising on account of experience changes	(0.24)	-	(0.24)
Employer contributions	-	1.16	(1.16)
Benefit payments	(1.12)	(1.12)	-
As at March 31 2020	3.53	2.93	0.60

(₹ in crore)

Particulars	As at March 31 2020	As at March 31 2019
Present value of plan liabilities	**3.53**	4.35
Fair value of plan assets	**2.93**	3.44
Plan liability net of plan assets	**0.60**	0.91

ii) Expenses recognised in Statement of Profit and Loss

(₹ in crore)

Particulars	2019-20	2018-19
Employee Benefit Expenses	-	0.42
Current service cost	**0.42**	0.43
Total	**0.42**	0.84
Finance cost	**0.06**	(0.01)
Net impact on the profit before tax	**0.48**	0.83
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in interest expense/ income	**0.19**	0.17
Actuarial gains/(losses) arising from changes in demographic assumptions	**0.12**	-
Actuarial gains/(losses) arising from changes in financial assumptions	**0.20**	0.16
Actuarial gains/(losses) arising from changes in experience	**(0.24)**	0.06
Net impact on the other comprehensive income before tax	**0.27**	0.39

iii) Expenses recognised in Other Comprehensive Income (OCI)

Actuarial loss / (gain) on obligation for the year	**0.08**	0.22
Return on plan assets excluding interest income	**0.19**	0.17
Change in asset ceiling	**-**	-
Net expenses recognised in Other Comprehensive Income (OCI)	**0.27**	0.39

iv) Defined benefit plans assets

Category of assets (% allocation)	As at March 31 2020	As at March 31 2019
Insurer managed funds	**100%**	100%
Total	**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 2020	As at March 31 2019
Expected return on plan assets	**7.59%**	8.08%
Discount rate	**7.59%**	8.08%
Salary escalation rate*	**6.00%**	6.00%
Rate of employee turnover	**Category wise**	Category wise
Mortality rate during employment	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)
Mortality rate After employment	**N.A.**	N.A.

* takes into account the inflation seniority promotions and other relevant factors

vi) Sensitivity Analysis

(₹ in crore)

Particulars	As at March 31 2020	As at March 31 2019
Projected benefit obligation on current assumption	**4.35**	4.35
Delta effect of +1% change in rate of discounting	**(0.17)**	(0.31)
Delta effect of -1% change in rate of discounting	**0.19**	0.35
Delta effect of +1% change in rate of salary increase	**0.19**	0.36
Delta effect of -1% change in rate of salary increase	**(0.17)**	(0.32)
Delta effect of +1% change in rate of employee turnover (* ₹ 8 286)	*****	0.03
Delta effect of -1% change in rate of employee turnover [(* ₹ 11 314)]	**(*)**	(0.03)

The sensitivity analysis has 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 sensitivity 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:

(₹ in crore)

Particulars	**As at March 31 2020**	As at March 31 2019
1st Following Year	**0.41**	0.66
2nd Following Year	**0.61**	0.19
3rd Following Year	**0.30**	0.24
4th Following Year	**0.40**	0.20
5th Following Year	**0.34**	0.31
Sum of 6 to 10	**1.36**	1.77
Sum of Years 11 and above	**1.80**	5.51

The average duration of the defined benefit obligation is 6 years (previous year 7 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 an 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 closed the scheme and paid the amount.

35 Segment information

The Company is primarily engaged in the Finance & Investment activities and all other activities revolve around the main business of the Company. The Financial results of the Company have been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 as amended and as prescribed under Section 133 of the Companies Act 2013 and all activities are conducted within India and as such there is no separate reportable segment as per the Ind AS 108 "Operating Segments".

36 Related party transactions

A. List of Related Parties and their relationship:

i) Entity having significant influence on the Company

Reliance Innoventures Private Limited (RIPL)

ii) Individual Promoter

Shri Anil D. Ambani the person having significant influence during the year

iii) Subsidiaries

Reliance Capital Pension Fund Limited (RCPFL)
Reliance General Insurance Company Limited (RGICL)
Reliance Nippon Life Insurance Company Limited (RNLICL)
Reliance Health Insurance Limited (RHIL)
Reliance Commercial Finance Limited (RCFL)
Reliance Home Finance Limited (RHFL) (ceased w.e.f. March 5, 2020)
Reliance Securities Limited (RSL)
Reliance Commodities Limited (RCoL)
Reliance Financial Limited (RFL)
Reliance Wealth Management Limited (RWML)
Reliance Money Solutions Private Limited (RMSPL)
Reliance Money Precious Metals Private Limited (RMPMPL)

Reliance Exchangenext Limited (RNext)
Reliance Corporate Advisory Services Limited (RCASL)
Quant Capital Private Limited (QCPL)
Quant Broking Private Limited (QBPL)
Quant Securities Private Limited (QSPL)
Quant Investment Services Private Limited (QISPL)
Gullfoss Enterprises Private Limited (GEPL)
Reliance Capital Trustee Co. Limited (RCTC) (Ceased w.e.f. September 27, 2019)
Reliance Capital AIF Trustee Company Private Limited (RCATCPL) (Ceased w.e.f. September 27, 2019)
Reliance ARC-SBI-Maan Sarovar Trust Security Receipt (RASMST)
Reliance Underwater Systems Private Limited (RUSPL) (w.e.f. August 16, 2019)

iv) Associates

Ammolite Holdings Limited (AHL)
Reliance Asset Reconstruction Company Limited (RARCL)
Global Wind Power Limited (GWPL) (w.e.f. June 18, 2019)
Reinplast Advanced Composites Private Limited (RACPL) (w.e.f. April 24, 2019)
Nippon Life India Asset Management Limited (formerly Reliance Nippon Life Asset Management Limited (RNLAML)) (ceased w.e.f. September 27, 2019)
Reliance Home Finance Limited (RHFL) (w.e.f. March 5, 2020)

v) Key management personnel

Mr. Dhananjay Tiwari Director & Chief Executive Officer (appointed w.e.f. January 21, 2020)
Mr. Atul Tandon Company Secretary & Compliance Officer
Mr. Vaibhav Kabra Chief Financial Officer (appointed w.e.f. December 10, 2019)
Mr. Anmol Ambani Executive Director (ceased w.e.f. December 10 2019)
Mr. Amit Bapna Chief Financial Officer (ceased w.e.f. December 10, 2019)
Mr. Sachin Bora Chief Executive Officer (appointed w.e.f December 10, 2019 and ceased w.e.f. December 27, 2019)

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 control

Reliance Communications Limited (RCL)
Reliance Big Entertainment Private Limited (RBEPL)
Reliance Communications Infrastructure Limited (RCIL)
Reliance Power Limited (RPower)
Reliance Infratel Limited (RIL)
Globalcom IDC Limited (GIDC)
Reliance Webstore Limited (RWL)
Guruvas Commercials LLP (GCLLP)
Zapak Digital Entertainment Private Limited (ZDEPL)
Reliance CleanGen Limited (RCGL)
Reliance Infrastructure Limited (RInfra)

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 (* ₹ 18 040 ** ₹ 6 07 125)	2019-20	*	-	-	*
	2018-19	**	-	-	**
Investments					
a) Subscribed / Purchased during the year	2019-20	18	-	-	18
	2018-19	162	-	-	162
b) Redeemed / Sold during the year (* ₹ 79 240)	2019-20	-	-	-	-
	2018-19	*	-	-	-
c) Closing Balances (* ₹ 41 17 823)	2019-20	13 339	*	843	14 182
	2018-19	15 621	8	5 208	20 837
Loans Given					
a) Given during the year	2019-20	2 137	469	-	2 606
	2018-19	170	6	38	214

Notes to the Standalone Financial Statement for the year ended March 31, 2020

(₹ in crore)

Particulars		Year	Subsidiaries	Others (B above)	Associates	Total
b)	Returned / Adjusted during the year	2019-20	215	10	10	235
		2018-19	96	1 219	8	1 323
c)	Assignment of loan	2019-20	-	-	-	-
		2018-19	-	877	-	877
d)	Closing Balances	2019-20	2 002	464	20	2 486
		2018-19	80	5	30	115
e)	ECL provision on loan outstanding	2019-20	130	35	1	166
		2018-19	3	5	1	9
f)	Interest accrued on Loans	2019-20	163	37	-	199
		2018-19	1	1	1	3
g)	ECL provision on interest outstanding	2019-20	11	3	-	14
	(* ₹ 4 15 557 ** ₹ 1 81 009)	2018-19	*	1	**	1
Advances						
a)	Closing Balances (* ₹ 24 442)	2019-20	25	-	8	33
		2018-19	10	-	*	10
Debentures						
a)	Redeemed during the year	2019-20	66	-	-	66
		2018-19	241	-	-	241
b)	Closing Balances	2019-20	143	-	-	143
		2018-19	138	-	-	138
c)	Accrued interest on debentures	2019-20	12	-	-	12
		2018-19	4	-	-	4
Borrowings other than debt securities						
a)	Borrowings during the year	2019-20	-	174	-	174
		2018-19	-	-	-	-
b)	Closing Balances	2019-20	-	174	-	174
		2018-19	-	-	-	-
c)	Accrued interest on borrowings	2019-20	-	14	-	14
		2018-19	-	-	-	-
Income						
a)	Interest & Finance Income	2019-20	165	37	4	205
		2018-19	1	15	1	17
b)	Rent (* ₹ 9 00 000)	2019-20	-	-	-	-
		2018-19	-	*	-	*
c)	Dividend Income	2019-20	13	-	80	93
		2018-19	44	-	106	150
d)	Reimbursement of Expenditure	2019-20	11	-	1	13
	(* ₹ 1 10 549)	2018-19	20	*	4	24
e)	Management Fees	2019-20	29	-	4	33
		2018-19	30	-	6	36
f)	Other operating income	2019-20	-	-	*	*
	[* ₹ 3 90 000 (** ₹ 3 40 000)]	2018-19	-	-	**	**
Expenditure						
a)	Finance cost paid	2019-20	41	24	-	65
		2018-19	38	-	-	38
b)	Insurance	2019-20	1	-	-	1
		2018-19	1	-	-	1
c)	Rent	2019-20	-	-	-	-
		2018-19	-	4	-	4

Notes to the Standalone Financial Statement for the year ended March 31, 2020

(₹ in crore)

	Particulars	Year	Subsidiaries	Others (B above)	Associates	Total
d)	Brokerage paid during the year	2019-20	1	-	-	1
		2018-19	1	-	-	1
e)	Reimbursement of Expenditure	2019-20	3	-	-	3
		2018-19	-	-	-	-
f)	Professional Fees	2019-20	8	-	-	8
		2018-19	-	-	-	-
g)	Fair value change on Investments	2019-20	1 404	7	134	1 545
		2018-19	-	62	-	62
h)	ECL provision on loan and interest (net)	2019-20	139	32	(*)	171
	*(₹ 35 90 976)	2018-19	3	(1 308)	1	(1 304)
i)	Bad debts written off/ loss on sale of assignment	2019-20	-	-	-	-
		2018-19	-	1 313	-	1 313
	Contingent liability					
a)	Guarantees to banks and financial institutions on behalf of third parties.	2019-20	450	658	411	1 519
		2018-19	200	50	-	250
b)	Guarantees from third parties.	2019-20	-	1 673	-	1 673
		2018-19	-	1 388	-	1 388

Employee Benefit expenses ₹ 6 crore (Previous year ₹ 6 crore)

D. The nature and volume of material transactions for the year with above related parties are as follows:

Property plant and equipment

2019-20

Property plant and equipment purchased during the year include ₹ 18 040 from RGIC.

2018-19

Property plant and equipment purchased during the year include ₹ 6 07 125 from RCFL.

Investments

2019-20

Investments Subscribed / Purchased during the year include ₹ 7 crore from RHIL and ₹ 10 crore from RWML. Investments Balance as at March 31 2020 includes ₹ 5 029 crore of RGICL ₹ 2 222 crore to RCFL ₹ 5 078 crore to RNLICL ₹ 41 17 823 to RPower and ₹ 763 crore to RHFL.

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 to RCASL and ₹ 0.01 to RNext. Investments Balance as at March 31 2020 includes ₹ 5 028 crore of RGICL ₹ 2 613 crore to RCFL ₹ 5 078 crore to RNLICL Rs 3 crore to RCL ₹ 5 crore to RPower and ₹ 5 128 crore to RNLAML.

Loans Given

2019-20

Loans given during the year includes ₹ 1 542 crore to RCASL ₹ 550 crore to RCFL ₹ 32 crore to RSL and ₹ 447 crore RBEPL. Loan Returned/Adjusted during the year include Rs.122 crore from RCASL ₹ 56 crore from RSL ₹ 10 crore from RARC ₹ 5 crore from RCGL RInfra and ₹ 5 crore from RInfra. Loan given Balance as at March 31 2020 include ₹ 1 420 crore to RCASL ₹ 527 crore to RCF ₹ 447 crore to RBE and ₹ 20 crore to RARCL. ECL provision on loan outstanding includes ₹ 48 crore to RCASL ₹ 80 crore to RCF ₹ 35 crore to RBE and ₹ 1 crore to RARCL. Accrued Interest on loans as at March 31 2020 includes ₹ 108 crore to RCASL ₹ 49 crore to RCF and ₹ 35 crore to RBE. ECL provision on interest outstanding includes ₹ 4 crore to RCASL ₹ 7 crore to RCF and ₹ 3 crore to RBE.

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 RARC and ₹ 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.

Advances

2019-20

Advance balance as at March 31 2020 includes ₹ 10 crore to RGICL ₹ 7 crore to RCF ₹ 5 crore to RNLICL and ₹ 8 crore to RHFL.

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 Rs 2 crore RHFL and ₹ 24 442 to RARCL.

Debentures (Borrowings)

2019-20

Debentures redeemed during the year include ₹ 63 crore to RFL. Debentures balance as at March 31 2019 includes ₹ 127 crore to RGICL. Accrued Interest on debentures as at March 31 2020 include ₹ 12 crore to RGICL

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

Income

2019-20

Interest & Finance Income includes ₹ 108 crore from RCASL ₹ 49 crore from RCF ₹ 35 crore from RBEPL and ₹ 4 crore from RARCL. Dividend Income includes ₹ 13 crore from RGIC and ₹ 79 crore from RNLAML. Reimbursement of Expenditure include ₹ 3 crore from RGICL ₹ 1 crore from RSL ₹ 4 crore from RNLICL ₹2 crore from RCFL ₹1 crore from RHFL and ₹ 1 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 ₹ 3 crore from RNLAM. Other operating incomes includes ₹ 3 90 000 from RARCL.

2018-19

Interest & Finance Income includes ₹ 1 crore from RSL ₹ 1 crore 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.

Expenditure

2019-20

Finance cost paid include ₹ 17 crore to RGICL ₹ 20 crore to RFL and ₹ 24 crore to GCLLP. Insurance include ₹ 1 crore to RGICL and ₹8 37 000 to RNLICL. Brokerage paid during the year ₹ 1 crore to RSL. Reimbursement of Expenditure include ₹ 3 crore to RGICL. Professional Fees include ₹ 8 crore to RSL. Fair value change on investments include provision of ₹ 644 crore of RSL ₹ 332 crore of RCF ₹ 230 crore of RCASL ₹ 4 crore of RCL ₹ 3 crore of RPower and ₹ 134 crore of RHFL. ECL provision on loan and interest (net) Rs 52 crore to RCASL ₹ 87 crore to RCFL ₹ 37 crore to RBE ₹ (6 crore) to RCGL and Rs (35 90 976) to RARC. Employee benefit expenses include ₹47 63 197 to Shri Vaibhav Kabra ₹1 crore to Shri Atul Tandon ₹ 4 crore to Shri Amit Bapna and ₹ 1 crore to Shri Jai Anmol Ambani.

2018-19

Finance cost paid include ₹ 17 crore to RGICL ₹ 20 crore to RFL and ₹ 44 21 650 to RSL. Insurance include ₹ 1 crore to RGICL and ₹14 16 250 to RNLICL. Brokerage paid during the year ₹ 1 crore to RSL. Fair value change on investments include provision of ₹ 62 crore of RCL. ECL provision on loan and interest (net) Rs 3 crore to RSL Rs (275 crore) to RCL ₹ (450 crore) to RCIL ₹ (427 crore) to RIL and Rs 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 Shri Amit Bapna ₹1 crore to Shri Atul Tandon and ₹ 1 crore to Shri Jai Anmol Ambani.

Contingent Liability

2019-20

Guarantees to Banks and Financial Institutions on behalf of third parties include ₹ 450 crore for RCFL ₹ 408 crore for RBEPL ₹ 250 crore for RPower and ₹ 400 crore for RHFL. Guarantee from third parties include ₹ 1 673 crore from RInfra.

2018-19

Guarantee to Banks and Financial Institutions on behalf of third parties include ₹ 200 crore for RCFL ₹ 50 crore for RBEPL. Guarantees from third parties include ₹ 1 388 crore from RInfra.

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 addition to the above Director Sitting Fees of ₹ 2 00 000 (FY 2018-19 ₹ 2 40 000) has been paid to Shri Anil D. Ambani the person having significant influence during the year.

The Company has provided security amounting to ₹ 707 crore for the Listed Secured Non-Convertible Debentures of its associate 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. During the year the security has been terminated.

Notes to the Standalone Financial Statement for the year ended March 31, 2020

(₹ in crore)

Particulars	As at March 31 2020	As at March 31 2019
37 Operating lease commitments		
Company as lessor		
The Company has given assets on operating lease which expire upto FY 2021-22 (Previous Year, FY 2021-22).		
Within one year of the balance sheet date	**2**	5
Due in a period between one year and five years (* ₹ 37 88 318)	*****	7
Due after five years	**-**	-
Company as lessee		
The Company has on lease office premises which are of short term nature which are of period of less than 12 months. Lease rentals expenses recognised in the books of account is amounting to ₹ 1 Crore (Previous year ₹ 21 crore)		

(₹ in crore)

Particulars	2019-20	2018-19
38 Basic and the diluted earnings per share (EPS)		
a) The basic earnings per share has been calculated based on the following:		
Net profit / (loss) after tax available for equity shareholders	**(5 465)**	157
Weighted average number of equity shares	**25 11 08 902**	25 11 07 838
b) The reconciliation between the basic and the diluted earnings per share is as follows:		
Basic earnings per share	**(217.63)**	6.26
Effect of outstanding stock options	**-**	0.01
Diluted earnings per share	**(217.63)**	6.25
c) Weighted average number of equity shares is computed for the purpose of calculating diluted earnings 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 08 902**	25 11 07 838
Dilutive effect of outstanding stock options	**-**	2 75 609
Weighted average number of shares for computation of Diluted EPS	**25 11 08 902**	25 13 83 447

(₹ in crore)

Particulars	As at March 31 2020	As at March 31 2019
39 Contingent liabilities		
- Guarantees to Banks and Financial Institutions on behalf of third parties	**3 452**	4 278
- Claims against the Company not acknowledge as debt (Refer note below)	**214**	56
Total	**3 666**	4 334
Claims against the Company not acknowledge as debt include income tax claims for the AY 2017-18 of ₹ 12 crore. The company has filed for appeal and rectification request against the demand raised by income tax authorities. In past same demand has been cancelled by the higher authorities hence the Company does not expect any liability against the same.		
40 Capital commitments		
'Estimated amount of contracts remaining to be executed on capital account (net of advances)	**59**	60
Total	**59**	60

41 a) The Company has exposure by way of Loans Investments (including interest accrued thereon) and Guarantees in Reliance Commercial Finance Limited (RCF) and Reliance Home Finance Limited (RHF) aggregating to ₹ 4 935 crore outstanding as on March 31 2020. The lenders of these companies have entered into Inter-Creditor Agreement (ICA) for the resolution of their exposure in accordance with the notification dated June 7 2019 issued by Reserve Bank of India on Prudential Framework for Resolution of Stressed Assets. Both the entities are progressing on implementing their Resolution Plans under ICA which is valid till June 30, 2020. Though the Company is confident of implementation of the resolution plans pending finalisation of the same the Company on a conservative basis has made an adequate impairment provision of ₹ 742 crore against the above exposure in the books of account.

b) The Company had pledged its entire equity holding (25 15 49 920 shares) in Reliance General Insurance Company Limited (RGIC) in favour of IDBI Trusteeship Services Limited (Trustee) against dues of third party guaranteed by the Company. The Trustee on November 19, 2019 invoked the pledge and presently holds the shares of RGIC in their custody. vide orders dated December 4, 2019 and December 27, 2019 Insurance Regulatory and Development Authority of India (IRDAI) has informed the Company that the shares are being held by the Trustee in the capacity as Trustee and the shares have not been transferred. The said order was challenged in Securities Appellate Tribunal Mumbai (SAT) and SAT vide order dated February 27, 2020 also confirmed that the Trustee is also holding shares as Trustee / custodian and will not exercise any control over RGIC and cannot exercise any voting rights on shares of RGIC. Accordingly RGIC continues to be a wholly owned subsidiary of the Company.

c) The Company had pledged 3.35% equity shares (2 04 97 423 shares) of Nippon Life India Asset Management Limited in favour of IndusInd Bank Limited (IBL) against due of third party. IBL has illegally invoked the pledge which has been challenged by the Company before the Hon'ble High Court of Bombay. The High Court has referred the matter to the arbitration wherein pursuant to an interim application by the Company a Status Quo order has been passed. Accordingly, the said shares continue to remain in a separate demat account and the matter is now pending for filing of Statement of Claim by the Company. Accordingly the Company continues to consider its rights on the above referred shares. for the guarantee given on behalf of group company.

d) The Trustee to the Debenture holders of the Company has initiated proceedings against the Company before the Debt Recovery Tribunal Mumbai. The application of the trustee is listed for hearing on May 8 2020. The Company is also considering to file an appeal before Debt Recovery Appellate Tribunal against such proceedings.

e) The Scheme of Amalgamation of Reliance Health Insurance Limited (RHIL) 100% subsidiary of the Company with Reliance General Insurance Company Limited (RGICL) has been approved by board of directors of RHIL & RGICL. The application for approval of amalgamation has been filed with IRDAI on January 13, 2020 and the application is under process with IRDAI. Considering the proposed Scheme of Amalgamation no impairment has been considered necessary in the books of account on the investment held by the Company in RHIL.

f) 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 for matters relating to Financial Year 2018-19. The Company has examined the matter and also appointed legal experts who independently carried out an in-depth examination of the matters and issues raised therein and have concluded that there was no matter attracting the provisions of Section 143(12) of the Companies Act 2013. The matter is under consideration with the Ministry of Corporate Affairs.

g) The Company has given Inter corporate deposits to one entity aggregating to ₹ 390 crore net of provisions which are fully secured by way of first charge on their assets and additionally secured by a corporate guarantee by a group company. The balance amount 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.

h) The Company has defaulted in repayment of obligation to the Lenders & Debenture holders and has incurred losses during the year which indicate material uncertainty exists that may cast a significant doubt on the Company's ability to continue as a Going Concern. The Company is in the process of meeting its obligations by way of time bound monetization of its assets subject to approval from regulators, court and lenders. Accordingly, the financial results of the Company have been prepared on a "Going Concern" basis.

42 The Company has defaulted on principal and / or interest to certain lenders including debenture holders who have issued recall notices the details of which are as under:

Particulars	Due as of March 31, 2020			
	Amount of Default (₹ in crore)		Maximum days of Default	
Name of the lenders / ISIN	**Principal**	**Interest**	**Principal**	**Interest**
1. Loans from Bank and financial institutions				
Housing Development Finance Corporation Limited	24	23	91	122
Axis Bank Limited	10	4	128	152
2. Debenture Holders - Series				
INE013A074P0 *	1 000	130	165	169
INE013A075G6	50	4	169	169
INE013A07X10	1	0.38	168	168
INE013A07G11	15	1	167	167
INE013A077G2	25	2	166	166
INE013A076G4	190	17	134	165
INE013A079G8	-	2	-	164
INE013A07X69	1	1	162	162
INE013A07Z42	6	6	162	162
INE013A07A33 *	1 070	102	138	161
INE013A08150	-	4	-	159
INE013A070S2	150	2	159	159
INE013A07Z59 *	7	6	159	159
INE013A076O8	-	33	-	155
INE013A078E5 *	5	1	160	160
INE013A077B3	1	0.28	152	152
INE013A073H9	-	88	-	150
INE013A074H7	-	44	-	150
INE013A075H4 *	50	28	134	150

Notes to the Standalone Financial Statement for the year ended March 31, 2020

Particulars	Due as of March 31, 2020			
	Amount of Default (₹ in crore)		Maximum days of Default	
Name of the lenders / ISIN	**Principal**	**Interest**	**Principal**	**Interest**
INE013A076H2	-	17	-	150
INE013A07SK3	-	6	-	150
INE013A076P5	-	14	-	149
INE013A077P3	-	15	-	149
INE013A078P1	-	14	-	149
INE013A078H8	-	3	-	145
INE013A071I1	45	4	137	137
INE013A07I01	-	2	-	132
INE013A074I5	3	0.07	130	130
INE013A08317	-	1	-	127
INE013A070J1	3	0.14	127	127
INE013A079I4	3	0.15	126	126
INE013A078I6	5	0.1	125	125
INE013A07Z75	2	2	125	125
INE013A071J9	3	0.14	123	123
INE013A072J7	4	0.29	123	123
INE013A07NU3	15	1	122	122
INE013A075J0	3	0.09	116	116
INE013A08325	-	1	-	113
INE013A07S41	-	1	-	111
INE013A07TA2	-	1	-	109
INE013A071D2	20	6	103	103
INE013A08168	-	2	-	96
INE013A071B6	1	1	95	95
INE013A08176	-	1	-	94
INE013A08184	-	1	-	89
INE013A08333	-	1	-	89
INE013A08341	-	0.26	-	84
INE013A078R7	52	6	82	82
INE013A08358 *	18	6	126	126
INE013A07TN5	-	7	-	67
INE013A07TV8	-	1	-	60
INE013A072L3	20	2	53	53
INE013A070D4	-	1	-	48
INE013A073L1	-	29	-	46
INE013A074L9	-	12	-	46
INE013A07QX0 *	500	30	183	183
INE013A075D3	-	1	-	36
INE013A073S6	11	2	33	33
INE013A08192	-	3	-	32
INE013A077L2	7	2	32	32
INE013A08200	-	5	-	26
INE013A070R4 *	900	86	183	183
INE013A072M1	-	2	-	22
INE013A074M7	2	-	22	-
INE013A073M9	-	4	-	21
INE013A08366	-	24	-	13
INE013A08275	-	2	-	12
INE013A07UY0	-	49	-	9
INE013A08218	-	0.32	-	8
INE013A08283	-	4	-	3
INE013A077S7	2	0.19	1	1
INE013A077M0 *	1 500	133	183	183
INE013A070H5 *	5	0.16	160	160

Notes to the Standalone Financial Statement for the year ended March 31, 2020

Particulars	Due as of March 31, 2020			
	Amount of Default (₹ in crore)		Maximum days of Default	
Name of the lenders / ISIN	**Principal**	**Interest**	**Principal**	**Interest**
INE013A077H0 *	5	2	160	160
INE013A08135 *	1	0.07	126	126
INE013A071S0 *	13	-	125	-
INE013A074S4 *	22	1	68	68
INE013A071P6 *	7	1	64	64

* Recalled during the year.

Interest amount for recalled cases has been considered till March 31, 2020 and for others up to the date of default.

c. The Company has also defaulted on repayment of inter corporate deposits taken from various parties aggregating to ₹ 562 crore and interest of ₹ 4 crore for which maximum days of default ranges from 145 days to 202 days

43 Core Investment Company ('CIC')

i The Company is registered with 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:

(₹ in crore)

Particulars	As at March 31 2020	As at March 31 2019
Investments & loans to group companies as a proportion of Net Assets (%)	**94%**	93%
Investments in equity shares and compulsory convertible instruments of group Companies as a proportion of Net Assets (%)	**65%**	69%
Capital Adequacy Ratio (%) [Adjusted Net worth / Risk Weighted Assets]	**10%**	26%
Leverage Ratio (Times) [Outside Liabilities / Adjusted Networth]	**8.41**	2.8

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.

44 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 2020	March 31 2019	**2019-20**	2018-19
i) Loans and advances in the nature of loans to subsidiaries				
a) Reliance Securities Limited	**51**	75	**89**	75
b) Reliance ExchangeNext Limited	**5**	5	**5**	6
c) Reliance Corporate Advisory Services Limited	**1 420**	-	**1 430**	-
d) Reliance Commercial Finance Limited	**527**	-	**527**	-
e) Reliance Home Finance Limited	**-**	-	**-**	55
ii) Loans and advances in the nature of loans to associates	**-**			
a) Reliance Asset Reconstruction Company Limited	**20**	30	**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.	**-**	-	**-**	-

Notes to the Standalone Financial Statement for the year ended March 31, 2020

45 Disclosure of details as required by Para 19 of Core Investment Companies (Reserve Bank) Directions 2016 (RBI CIC Directions)

(i) Funding Concentration based on significant counterparty for borrowings

Sr No	Number of Significant Counterparties*	Amount (₹ crore)	% of Total deposits	% of Total borrowings
1	2	5 900	NA	34%

*Significant counterparties are defined as parties having exposure in excess of 10% of the total borrowings.

(ii) The Company does not accept public deposits.

(iii) Top 10 borrowings: Constitute ₹ 10 563 crore and 61% of total borrowings

(iv) Funding Concentration based on significant instrument/product: Secured non-convertible debentures comprises ₹ 14 855 crore with 85% of total borrowings.

(v) Stock Ratios:

(a) As of March 31, 2020 Commercial paper outstanding: Nil

(b) As of March 31, 2020 outstanding non-convertible debentures having original maturity of less than one year- Nil

(c) Other short-term liabilities if any as a % of total public funds, total liabilities and total assets -Nil

(vi) Institutional set-up for liquidity risk management

The Company's risk management function is carried out by the Risk Management department that is guided and supported by Risk Management Committee which 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.

46 Disclosure of details as required by Para 20 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	**2019-20**	**34**	**5**	**-**	**105**	**9**	**238**	**233**	**-**	**624**
	2018-19	-	5	-	5	-	205	238	352	805
Market borrowings	**2019-20**	**1 590**	**482**	**50**	**676**	**460**	**4 587**	**3 552**	**5 424**	**16 821**
	2018-19	596	1 029	705	124	668	4 152	1 865	9 645	18 784
Other financial liabilities	**2019-20**	**1 058**	**262**	**18**	**184**	**172**	**6**	**-**	**-**	**1 700**
	2018-19	240	199	16	205	220	139	-	-	1 019
Assets										
Cash and cash equivalent	**2019-20**	**6**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6**
	2018-19	2	-	-	-	-	-	-	-	2
Bank balance other than cash and cash equivalents above	**2019-20**	**18**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**18**
	2018-19	22	-	-	8	17	-	-	-	47
Trade receivables	**2019-20**	**1**		**-**	**-**	**-**	**-**	**-**	**-**	**1**
	2018-19	3	-	-	-	-	-	-	-	3

Notes to the Standalone Financial Statement for the year ended March 31, 2020

(₹ 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
Loans	**2019-20**	**-**	**-**	**102**	**778**	**764**	**4 725**	**-**	**-**	**6 369**
	2018-19	-	-	30	-	86	6 441	-	-	6 557
Investments	**2019-20**	**32**	**-**	**5 914**	**5 078**	**-**	**-**	**-**	**4 153**	**15 177**
	2018-19	71	-	-	5 128	-	-	-	15 986	21 185
Other financial assets	**2019-20**	**33**	**-**	**617**	**3**	**-**	**36**	**-**	**-**	**689**
	2018-19	1 332	-	7	5	2	27	-	-	1 373

Notes:

(a) 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 and associate 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.

(b) 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.

(c) With respect to Non-Convertible Debentures aggregating to ₹ 5 103 crore as at March 31 2020. the Trustee has issued notices stating that all monies due in respect of Non-Convertible Debenture are recalled and due and payable forthwith.Subsequent to the balance sheet date the trustees of the remaining debenture holders aggregating to ₹ 11 157 crore have issued notices stating that all monies dues in respect of Non-Convertible Debentures are recalled and due and payable forthwith. Accordingly the entire dues payable to Debenture Holders are due and payable forthwith. The Company expects to repay debts through asset monetization during the financial year 2020-21 subject to approvals from regulators courts and lenders. The management has presented the maturity pattern based on the original scheduled maturity payment dates.

ii) Exposure to Real Estate

(₹ in crore)

Category	2019-20	2018-19
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)	**1 163**	896
TOTAL	**1 163**	896

Notes:

i) For the exposure to real estate only loans secured by way of mortgage/hypothecation of housing properties commercial properties and land are considered.

ii) In computing the above information certain estimates assumptions and adjustments have been made by the Management which have been relied upon by the auditors.

iii) Break up of 'Provisions and Contingencies' shown under the head Expenditure in statement of Profit and Loss

(₹ in crore)

Particulars	March 31 2020	March 31 2019
(a) Provisions for depreciation/ (appreciation) on Investment / written off	**1 313**	1 529
(b) Impairment on financial instruments (net) on loans	**11**	(4 245)
(c) Impairment on financial instruments (net) on Financial Guarantee Obligations	**(103)**	(1 158)

Notes to the Standalone Financial Statement for the year ended March 31, 2020

47 Disclosure of details as required by Para 22 of Core Investment Companies (Reserve Bank) Directions 2016 (RBI CIC Directions)

(₹ in crore)

Particulars	Amount Outstanding		Amount Overdue	
	March 31 2020	March 31 2019	**March 31 2020**	March 31 2019
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 ₹ 1481 crore (Previous year ₹ 907 crore) interest accrued thereon]	**16 336**	17 353	**6 652**	-
ii) Unsecured[inclusive of ₹ 115 crore (Previous year ₹ 58 crore) interest accrued thereon]	**1 520**	1 463	**76**	-
b) Deferred Credits	**-**	-	**-**	-
c) Term Loans [inclusive of ₹ 28 crore (Previous year ₹ Nil) interest accrued thereon]	**652**	805	**61**	
d) Inter-corporate Loans and Borrowing [inclusive of ₹ 43 crore (Previous year ₹ Nil) interest accrued thereon]	**605**	-	**566**	-
e) Commercial Paper	**-**	933	**-**	-
f) Other Loans	**-**	-	**-**	-

Note: above loans are without netting off prepaid brokerage of ₹ 102 crore (previous year 136 crore)

(₹ in crore)

Particulars	Amount Outstanding	
	March 31 2020	March 31 2019
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	**6 185**	8 885
b) Unsecured	**2 856**	305
	9 041	9 190

Note:

a) 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.

b) In case of loans & advances given in para (2) above Impairment loss allowance ₹ 2 614 crore (Previous Year ₹ 2 577 crore)

Particulars	March 31 2020	March 31 2019
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)	**9**	14
4) Break up of investments		
a) Current investments		
1) Quoted		
i) Shares		
a) Equity	**885**	5 128
b) Preference	**-**	-
ii) Units of Mutual fund	**32**	71
2) Unquoted		
i) Others		
- Preference shares	**-**	-
- Pass Through Certificates	**-**	-
- Reliance Capital Partners	**-**	-

Notes to the Standalone Financial Statement for the year ended March 31, 2020

(₹ in crore)

Particulars	Amount Outstanding	
	March 31 2020	March 31 2019
b) Long term investments		
1) Quoted		
i) Shares		
a) Equity	**763**	904
b) Preference	**-**	-
ii) Debentures and bonds	**-**	-
iii) Government securities	**-**	-
2) Unquoted		
i) Shares		
a) Equity	**13 065**	14 415
b) Preference	**356**	416
ii) Debentures and bonds	**-**	100
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	**68**	143
	15 177	21 185

5) Borrower group-wise classification of assets financed (Gross Amount) as in (2) and (3) above:

(₹ in crore)

Particulars	Secured		Unsecured		Total	
	March 31 2020	March 31 2019	**March 31 2020**	March 31 2019	**March 31 2020**	March 31 2019
a) Related parties						
1) Subsidiaries	**-**	-	**2 035**	89	**2 035**	89
2) Companies in the same group - Associates	**-**	-	**20**	30	**20**	30
3) Other related parties	**-**	-	**464**	-	**464**	-
b) Companies in the same group - as per CIC	**6 185**	8 885	**312**	139	**6 497**	9 024
c) Other than related parties	**9**	14	**25**	47	**34**	61
Total	**6 194**	8 899	**2 856**	305	**9 050**	9 204

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 2020	March 31 2019	**March 31 2020**	March 31 2019
a) Related parties				
1) Subsidiaries	**13 339**	15 398	**13 339**	15 621
2) Companies in the same group - Associates	**97**	5 582	**843**	5 208
3) Other related parties (* ₹ 41 17 823)	*****	-	*****	-
b) Companies in the same group - as per CIC	**662**	142	**895**	142
b) Other than related parties	**100**	214	**100**	214
Total	**14 198**	**21 336**	**15 177**	**21 185**

Notes to the Standalone Financial Statement for the year ended March 31, 2020

(₹ in crore)

	Particulars	March 31 2020	March 31 2019
7)	Other information		
	a) Gross Non Performing Assets		
	1) Related Parties	-	-
	2) Other than Related Parties	-	586
	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.

48 A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109

(₹ in crore)

Asset Classification as per RBI Norms	Asset classifica tion as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets - Loans						
Standard	Stage 1	2 915	181	2 734	12	169
	Stage 2	6 068	2 433	3 635	24	2 409
Subtotal		**8 983**	**2 614**	**6 369**	**36**	**2 578**
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-		-
More than 3 years	Stage 3	-	-	-		-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-		
Subtotal for NPA		-	-	-	-	-
Financial Guarantee Obligations	Stage 1	**3 426**	**217**	**3 210**	**14**	**203**
	Stage 2	-	-	-	-	-
	Stage 3	26	26	-	6	20
Subtotal		**3 452**	**243**	**3 210**	**20**	**223**
Total	**Stage 1**	**6 341**	**398**	**5 943**	**26**	**372**
	Stage 2	**6 068**	**2 433**	**3 635**	**24**	**2 409**
	Stage 3	**26**	**26**	**-**	**6**	**19**
	Total	**12 435**	**2 857**	**9 578**	**56**	**2 800**

49 Expenditure in foreign currency

(₹ in crore)

	Particulars	2019-20	2018-19
i)	Travelling Expenses [₹ Nil (Previous year ₹ 9 50 394)]	-	-
ii)	Legal & Professional Fees	1	1
iii)	Sales & marketing	1	-
iv)	Software Maintenance and Others [₹ 14 12 859 (Previous year ₹ 12 58 353)]	-	-
	TOTAL	1	1

50 Remittance in foreign currency on account of dividend

During the previous year the Company has paid dividend for the year 2017-18 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	2019-20	2018-19
Dividend		
a) Number of Non Resident Shareholders	-	450
b) Number of Equity Shares held by them	-	24 109
c) i) Amount of Dividend paid (gross) (amount in ₹)	-	2 65 199
ii) Year to which Dividend Relates	-	2018-19

51 Disclosure pursuant to para 44 A to 44 E of Ind AS 7 - Statement of cash flows (₹ in crore)

Particulars	2019-20	2018-19
Debt Securities		
Opening Balance	**17 720**	19 595
Availed during the year	**1**	390
Impact of non-cash items		
- Impact of Effective Rate of Interest	**31**	24
Repaid During the year	**(1 592)**	(2 289)
Closing Balance	**16 160**	17 720
Borrowings (other than debt securities)		
Opening Balance	**1 734**	951
Availed during the year	**2 413**	8 069
Impact of non-cash items		
- Impact of Effective Rate of Interest	**(1)**	(6)
Repaid During the year	**(2 962)**	(7 278)
Closing Balance	**1 184**	1 734

52 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.

53 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. Companys 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 and subsidiaries/ associates are carried at deemed cost. This means that fair value are determined in whole or in part using a valuation model based on assumptions that are neither supportd by prices from observable current market transactions in the same instrument nor are they based on avilable 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 2020 (₹ 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	**917**	**68**	**-**	**-**	**985**
– Trade receivables	**-**	**-**	**-**	**1**	**1**
Financial assets at FVOCI					
– Investment (* ₹ 41 17 823)	*****	**-**	**10**	**-**	**10**
Financial assets at Deemed cost					
– Investment	**-**	**-**	**13 826**	**-**	**13 826**
Financial assets at Amortised cost					
– Investment	**-**	**-**	**-**	**356**	**356**
– cash and cash equivalents	**-**	**-**	**-**	**6**	**6**
– bank balance other than cash and cash equivalents	**-**	**-**	**-**	**18**	**18**
– Loans	**-**	**-**	**-**	**6 369**	**6 369**
– Other financial assets	**-**	**-**	**-**	**689**	**689**
Total financial assets	**917**	**68**	**13 836**	**7 439**	**22 260**
Financial liabilities					
Financial liabilities at FVTPL					
– Debt Securities	**-**	**-**	**490**	**-**	**490**
Financial liabilities at Amortised cost					
– Debt Securities	**-**	**-**	**-**	**15 670**	**15 670**
– Borrowings	**-**	**-**	**-**	**1 184**	**1 184**
– other financial libilities	**-**	**-**	**64**	**1 636**	**1 700**
Total financial liabilities	**-**	**-**	**554**	**18 490**	**19 044**

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	100	–	314
– Trade receivables	–	–	–	3	3
Financial assets at FVOCI					
– Investment	8	–	34	–	42
Financial assets at Deemed cost					
– Investment	–	–	20 412	–	20 412
Financial assets at Amortised cost					
– Investment	–	–	–	416	416
– 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	20 546	8 398	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 libilities	–	–	112	907	1 019
Total financial liabilities	–	–	731	19 742	20 473

54 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 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).

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.

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.

Notes to the Standalone Financial Statement for the year ended March 31, 2020

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 2020 was ₹ 4 611 crore (Previous year ₹ 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.

55 Analysis of financial assets and liabilities by remaining contractual maturities

Refer note no 46 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.

56 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

There are no Micro and Small Scale Business Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

57 Uncertainties relating to the Global Health Pandemic from COVID – 19 ("Covid – 19")

In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020, the Company would be granting / had granted a moratorium of three months on the payment of all instalments and / or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as Standard, even if overdue, as on February 29, 2020. For all such accounts where the moratorium is granted, the asset classification has been remaining stand still during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the Income Recognition, Asset Classification and Provisioning norms).

58 Figures for the previous year has been regrouped / rearranged wherever necessary to make them comparable to those with the current year

As per our report of even date attached
For **Pathak H.D. & Associates LLP**
Chartered Accountants
Firm Registration No.: 107783W/W100593

Vishal D. Shah
Partner
Membership No.: 119303

Mumbai
Dated: May 8, 2020

For and on behalf of the Board

Chairman	**Anil D. Ambani**
Directors	**Chhaya Virani** **Rahul Sarin** **Dr. Thomas Mathew** **A N Sethuraman**
Director & Chief Executive Officer	**Dhananjay Tiwari**
Chief Financial Officer	**Vaibhav Kabra**
Company Secretary & Compliance Officer	**Atul Tandon**

Mumbai
Dated: May 8, 2020

Independent Auditors' Report on the Consolidated Financial Statements

To
The Members,
Reliance Capital Limited

Report on the audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements 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, 2020, 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 and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and associates as were audited by other auditors, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid consolidated 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, 2020, the consolidated loss, consolidated total comprehensive loss, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

1. We draw attention to Note 57(a) of the consolidated financial statements with reference to M/s Reliance Home Finance Limited (RHFL) an associate company, wherein the statutory auditor of RHFL has modified its opinion on the financial statements with regards to the loan advanced under the 'General Purpose Corporate Loan' product with significant deviations to certain bodies corporate including group companies and outstanding as at March 31, 2020 aggregating to ₹ 7,965 crore and secured by charge on current assets of borrowers. As stated in the said note, majority of RHFL borrowers have undertaken onward lending transaction and end use of the borrowings from the RHFL included borrowings by or for repayment of financial obligation to some of the group companies. There has been overdue of ₹ 7,815 crore (including non-performing assets of ₹ 4,778 crore) of these loans as on March 31, 2020. We are not getting sufficient audit evidence to ascertain recoverability of principal and interest including time frame of recovery of aforesaid loans. The RHFL's exposure to the borrowers are secured against charge on current assets and is dependent on the recovery of onward lending of the borrowers which depends on external factors not wholly within control of the RHFL/borrower. Further we draw attention to Note 57(b) of 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.
2. We draw attention Note 50 of the consolidated financial statements with reference to M/s Reliance Commercial Finance Limited (RCFL) a subsidiary company, wherein the statutory auditors of RCFL has modified the opinion on the financial statements with regards to the loans sanctioned under corporate loan book with significant deviations to certain bodies corporates including group companies and outstanding as on March 31, 2020 aggregating to ₹ 5,174 crore and secured by charge on current assets of borrowers. As stated in the said note, in certain cases the corporate borrowers of RCFL's have undertaken onward lending transactions and end use of the borrowings from RCFL included borrowings by or for repayment of financial obligation to some of the group companies. These exposures to borrowers are secured against charge on current assets including in certain cases it's further guaranteed by the Group Companies. The recovery against these loan is dependent on the recovery of onward lending of the borrowers which further depends on external factors not wholly within control of the RCFL/borrower. We were unable to obtain sufficient audit evidence about the recoverability of the aforesaid loans. Accordingly, we were unable to determine the consequential implications arising therefrom and it may have implications of adjustments, disclosures or compliances on certain elements in the financial statements of RCFL.

Material Uncertainty related to Going Concern

We draw attention to Note 48 of the consolidated financial statements in respect of:

1. RCFL and RHFL have defaulted in repayment of the obligation to the lenders & debenture holders which is outstanding as on March 31, 2020 and lenders and debenture holders of RCFL and RHFL have also entered an Inter Creditor Agreement which indicate material uncertainty exists that may cast a significant doubt on the RCFL and RHFL ability to continue as a Going Concern. The accounts however has been prepared on a Going concern basis for the factors more described in Note 48(b) & 48 (c).
2. Reliance Capital Pension Fund Limited (RCPFL), which described that accounts of RCPFL has not been prepared as a going concern for the reasons stated in Note 48(d).
3. Reliance Money Precious Metals Private Limited (RMPML) which describes that the RMPML net worth is substantially eroded, indicating the existence of uncertainty that may cast doubt about the Company's ability to continue as a going concern. The financial statements of the Company have been prepared on a going concern basis for the reasons stated in Note 48(e).
4. Reliance Money Solutions Private Limited (RMSPL) which describes that the RMSPL net worth is eroded, indicating the existence of uncertainty that may cast doubt about the Company's ability to continue as a going concern. The financial statements of the Company have been prepared on a going concern basis for the reasons stated in Note 48(f).
5. Reliance Wealth Management Limited (RWML) net worth is eroded, indicating the existence of material uncertainty that may cast doubt about the Company's ability to continue as a going concern. However, the financial statements of RWML have been prepared on a going concern for the reasons stated in Note 48(g)
6. Quant Securities Private Limited & Quant Investment Services Private Limited have accumulated losses and their net worth has been substantially eroded. These conditions, along with other matters set forth in Note 48(h) indicate the existence of a material uncertainty that may cast significant doubt about the Companies ability to continue as a going concern. However, the financial statements of the Companies have been prepared on a going concern basis for

the reasons stated in the said Note.

7. The Parent Company has defaulted in repayment of obligation to the Lenders & Debenture holders and has incurred losses during the year, which indicate material uncertainty exists that may cast a significant doubt on the Parent Company's ability to continue as a Going Concern. Further as stated in paragraphs 1 to 6 above, the Group is in the process of formulating a comprehensive plan for meeting all its obligations through time bound monetization of its assets, and accordingly the consolidated financial statements of the Group have been prepared on a "Going Concern" basis.

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

Emphasis of Matter

1. We draw attention to Note 53 to the consolidated financial statements, wherein Reliance Securities Limited (RSL) has been unable to obtain confirmation against certain fixed deposits (FDs) amounting to ₹ 8 crore by RSL from a Scheduled Commercial Bank (Yes Bank) as on March 31, 2020 for the reasons stated in the said note. These FDs include "Client Margin" FDRs of ₹ 6 crore. Based on the facts fully described in the aforesaid note, view of the RSL and legal opinion obtained by RSL from an independent legal experts, the management of RSL is confident that they will be in a position to recover said Client Margin FDRs from the Bank over a period of time and no adjustments are required in the carrying amount of said "Client Margin" FDRs.
2. We draw attention to Note 54 to the consolidated financial statements, wherein Reliance Commodities Limited (RCOL) has been unable to obtain Bank confirmation against certain fixed deposits (FDs) amounting to ₹ 4 crore from a Scheduled Commercial Bank (Yes Bank) as on March 31, 2020 for the reasons stated in the said note. These FDs include "Client Margin" FDRs of ₹ 4 crore. Based on the facts fully described in the aforesaid note, view of RCOL and legal opinion obtained by RCOL from an independent legal experts, the management of the RCOL is confident that they will be in a position to recover said Client Margin FDRs from the Bank over a period of time and no adjustments are required in the carrying amount of said "Client Margin" FDRs.
3. We draw attention to Note 49(a) to the consolidated 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, Reliance Home Finance Limited (RHFL) and Reliance Commercial Finance Limited (RCFL) for the financial year 2018-19. Based on the facts fully described in the aforesaid note, views of those companies, in-depth examination carried out by the independent legal experts of the relevant records, there were no matters attracting the said Section.
4. We draw attention to Note 55(a) to the consolidated financial statements, which state that the Quant Securities Private Limited (QSPL) has applied for surrender of its Broking license with Bombay Stock Exchange (BSE) as well as National Stock Exchange (NSE), however approval from BSE & NSE is still awaited.
5. We draw your attention to Note 56 to the consolidated financial statements wherein Reliance Exchange Next Limited (RENL) has made investment made in Indian Commodity Exchange Limited & petition filed by MMTC Ltd in Company Law Board against this investment, outcome of this petition are awaited from National Company Law Tribunal.
6. We draw attention to Note 66 to the consolidated financial statements, as regards to the management evaluation of COVID – 19 impact on the future performance of the Group.

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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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. Key audit matters are in addition to the matters described in the Basis for Qualified Opinion section and Material Uncertainty Related to Going Concern section of this report.

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 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 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 financial statements.

Independent Auditors' Report on the Consolidated Financial Statements

<table>
<tr><th>Key Audit Matters</th><th>How our audit including the audit performed by the auditors of subsidiary companies addressed the Key Audit Matter</th></tr>
<tr><td colspan="2">Impairment of financial assets & financial guarantee obligation (expected credit losses) (as described in note 7 and 9 of consolidated financial statements)</td></tr>
<tr><td>Ind AS 109 requires the Group to recognise impairment loss allowance towards its financial assets (designated at amortised cost and fair value through other comprehensive income) 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 financial statements and the degree of estimation involved in computation of expected credit losses, this area is considered as a key audit matter.</td><td>● 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 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 financial statements in respect of expected credit losses.</td></tr>
<tr><td colspan="2">Valuation of Market Linked Debentures (as described in note 18 of consolidated financial statements)</td></tr>
<tr><td>The Group has issued Market Linked Debentures (MLD) during current and previous years. The outstanding balance of MLD as on March 31, 2020 is ₹ 719 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.

Considering that internal valuation of MLD is significant to overall 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 financial statements. Therefore, it is considered as a key audit matter.</td><td>● 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 Group for compliance with Ind AS.
● Compared resulted valuations against independent sources and externally available market valuation data for sample cases.</td></tr>
<tr><td colspan="2">Impairment assessment for goodwill on consolidation (as described in note 15 of consolidated financial statements)</td></tr>
<tr><td>As detailed in Note 15, the Parent Company has recognized goodwill on consolidation of subsidiaries amounting to ₹ 5,111 crore. 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.</td><td>Our audit procedures, in respect of testing impairment assessment for goodwill on consolidation, included the following:
● 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 financial statements of subsidiaries that resulted in recognition of goodwill in consolidated financial statements. Noted key financial attributes.
We evaluated the impairment assessment performed by management taking into account the requirements of Ind AS 36 – Impairment of Assets.</td></tr>
</table>

Independent Auditors' Report on the Consolidated Financial Statements

Key Audit Matters	How our audit including the audit performed by the auditors of subsidiary companies addressed the Key Audit Matter
The Key Audit matters in the Auditors Report of Subsidiary Company Reliance General Insurance Company Limited (RGIC) is reproduced hereunder:	
Appropriateness of Revenue Recognition in relation to Crop Insurance Premium	
The company has recognized revenue of ₹ 386.49 crore relating to crop insurance premium for the year ended March 31, 2020, 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 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 contingencies relating to certain matters pertaining to service tax	
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. 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. We therefore focused on this area as a result of uncertainty and potential material impact.	Our procedures included the following: • 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 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, 2020 to be reasonable.

Independent Auditors' Report on the Consolidated Financial Statements

<table>
<tr><th>Key Audit Matters</th><th>How our audit including the audit performed by the auditors of subsidiary companies addressed the Key Audit Matter</th></tr>
<tr><td colspan="2">The Key Audit matters in the Auditors Report of Subsidiary Company Reliance Nippon Life Insurance Company Limited ('RNLICL') is reproduced here under:</td></tr>
<tr><td colspan="2">Investments classification and valuation</td></tr>
<tr><td>The Company's investment portfolio consists of Policyholders' investments (traditional and unit linked policy holders) and Shareholders investments.
Investments are made and valued in accordance with the Insurance Act, 1938, IRDAI (Investment) Regulations, 2016 ("Investment Regulations"), IRDAI (Preparation of Financial Statement Regulations) 2002 ("Financial Statement Regulations"), Investment Policy of the company and relevant Indian GAAPs.
These valuation methods uses multiple observable market inputs, including observable interest rates, index levels, credit spreads, equity prices, counterparty credit quality, and corresponding market volatility levels etc.
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 judgment. Also, on the basis of 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.
Considering above, there is an additional focus on classification of Investment and its valuation.</td><td>Our procedures included the following:
● 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 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.</td></tr>
<tr><td colspan="2">Valuation of investments in Non Convertible debentures of Dewan Housing Finance Limited (DHFL)</td></tr>
<tr><td>As detailed in Note 44(B), the company has investments in secured Non-Convertible debentures issued by DHFL which is bifurcated in ULIP fund and traditional & shareholder fund. This investment is recognized under the 'fair value through profit and loss', and amortized cost for ULIP and other plans respectively as per Ind AS 109 - Financial Instruments. The valuation method considered in measuring such investments is based on inputs that are not observable by third parties and for which valuation is provided by management.
The Management's basis of valuation is backed by outcome of Committee of creditors meetings, average provision made in mutual fund industry and other insurance companies. The valuation of such investments is important to our audit considering the value and use of management's estimates.</td><td>We carried out following procedures in respect to investments:
● 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 reports provided by management.
● Evaluated the credit rating issued by rating agency.
● Evaluated the provision required as per the IRDAI norms and also provision based on ECL method as per Ind AS 109.
We evaluated fair valuation of such investments taking into account the requirements of Ind AS 109 – Financial Instruments.</td></tr>
</table>

Independent Auditors' Report on the Consolidated Financial Statements

Key Audit Matters	How our audit including the audit performed by the auditors of subsidiary companies addressed the Key Audit Matter
Provisions and contingent liabilities in relation to tax positions	
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. 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.	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: ● 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, 2020 to be appropriate.
Impact of Covid 19 on Audit	
Due to outbreak of pandemic Covid 19 and consequent country wide lockdown enforced by Government of India. Due to this we could not carry out normal audit procedures by visiting the RNLIC office and audit was carried out using "Work from Home" approach. This is considered as Key Audit Matter, since alternate audit procedures were performed for carrying out audit	Due to "work from home" approach adopted, we performed following alternative audit procedures: ● Installation of Virtual Private Network on laptops of team members ● Remote Access to Life Asia which is policy management system and SAP – financial accounting software. ● Various data and confirmation were received either electronically through email or through data sharing on drive. ● For various audit procedures, reliance was placed on scanned copies of original document shared with us electronically. ● Interview / discussion with client via video conferencing / call conferencing and other verbal communications
The Key Audit Matters in the Auditors Report of Subsidiary Company Reliance Securities Limited ('RSL') is reproduced here under:	
Marked Linked Debentures (MLD)	
The company has non-convertible debentures (Marked Linked Debentures) of ₹ 62 crore as at March 31, 2020. The rate of interest on which is linked to performance of specified indices over the period of the debentures. The terms and conditions of the Marked Linked Debentures are detailed in note 19 of the financial statements. Further, Marked Linked Debentures is a key number in the balance sheet and will remain an important funding mechanism for continued growth. Therefore, in our view, Marked Linked Debentures is important to the readers understanding of the financial statements. As a result of these items we consider accounting for Marked Linked Debentures to be a key audit matter at March 31, 2020.	We carried out following procedures in respect to Marked Linked Debentures: ● held discussion with management and obtained understanding of valuation process including management's determination and approval of assumptions and data inputs. ● evaluate the design and tested operating effectiveness of controls related to the data considered in the valuation, related calculations and valuation reports provided by management's external expert. Based on our audit procedures, we noted no reportable matters regarding MLD classification and its valuation.
Provisions and contingent liabilities in relation of Tax position (as described in note 34 to consolidated financial statements)	
The Company has received various demands and show cause notices form the service tax department in respect of various matters. 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.	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.

Independent Auditors' Report on the Consolidated Financial Statements

Key Audit Matters	How our audit including the audit performed by the auditors of subsidiary companies addressed the Key Audit Matter
	For legal, regulatory and tax matters our procedures included the following: ● 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; 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, 2020 to be appropriate.
The Key Audit matters in the Auditors Report of Subsidiary Company Reliance Financial Limited ('RFL') is reproduced here under:	
Marked Linked Debentures (MLD)	
The company has non-convertible debentures (Marked Linked Debentures) of ₹ 101 crore as at March 31, 2020. The rate of interest on which is linked to performance of specified indices over the period of the debentures. The terms and conditions of the Marked Linked Debentures are detailed in note 19 of the financial statements. Further, Marked Linked Debentures is a key number in the balance sheet and will remain an important funding mechanism for continued growth. Therefore, in our view, Marked Linked Debentures is important to the readers understanding of the financial statements. As a result of these items we consider accounting for Marked Linked Debentures to be a key audit matter at March 31, 2020.	We carried out following procedures in respect to Marked Linked Debentures : ● held discussion with management and obtained understanding of valuation process including management's determination and approval of assumptions and data inputs. ● evaluate the design and tested operating effectiveness of controls related to the data considered in the valuation, related calculations and valuation reports provided by management's external expert. Based on our audit procedures, we noted no reportable matters regarding MLD classification and its valuation.

Other Information

The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in Parent Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management Responsibilities 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 and its associates 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 Group and its associates 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 and of its associates are responsible for assessing the ability of each company 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.

The respective Board of Directors of the companies included in the Group and its associates 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 consolidated financial statements.

Independent Auditors' Report on the Consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in point no. 4 of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in section titled Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated 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.

Other Matters

We draw attention to following matters:

1. M/s Reliance Nippon Life Insurance Company Limited ('RNLICL'), a subsidiary of the Parent Company which jointly audited by us with other auditor, have included the following Other Matter in their audit report:

   "The actuarial valuation of liabilities for life policies in-force and policies where premium is discontinued is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary").Further, the assessment and classification of products / policies as Insurance Contract / Investment Contract with Discretionary Participation Feature ("DPF") and without DPF is also done by the Appointed Actuary. The actuarial valuation of these liabilities as at March 31, 2020 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 the 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 special purpose financial information of the company." Our opinion is not modified in respect of this matter.
2. M/s Reliance General Insurance Company Limited ('RGICL'), a subsidiary of the Parent Company, has 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), Premium Deficiency Reserve (PDR) is the responsibility of the company's Appointed Actuary. The actuarial valuation of these liabilities as at March 31, 2020, has been duly certified by the Appointed Actuary. The Appointed Actuary has 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 of the company." Our opinion is not modified in respect of this matter.
3. We did not audit the financial statements of 5 subsidiaries, whose financial statements reflect total assets of ₹ 13,098 crore as at March 31, 2020, total revenues of ₹ 896 crore and net cash inflows of ₹ 64 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of ₹ 375 crore for the year ended March 31, 2020, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates is based solely on the audit reports of the other auditors.

Independent Auditors' Report on the Consolidated Financial Statements

4. The financial statements of 2 subsidiaries, whose financial statements / information reflect total assets of ₹ 60 crore as at March 31, 2020, total revenues of ₹ 9 crore and net cash outflows amounting to ₹ 14 crore for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. The consolidated financial statements also includes Group's share of net loss (and other comprehensive income) of ₹ 136 crore for the year ended March 31, 2020 in respect of 2 associates. These unaudited financial statements / information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associates is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and financial statements / information certified by the management.

Report on other legal and regulatory requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and associates as were audited by other auditors, as noted in the 'Other Matters' section, we report, to the extent applicable, 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 except as stated in the auditors' report dated May 7, 2020 on the financial statements of M/s Reliance Commercial Finance Limited, a subsidiary of the Parent Company, issued by an independent firm of chartered accountants which is reproduced as below:

   "We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit, except for the matter described in the Basis for Qualified Opinion Paragraph"

b) In our opinion, proper books of account as required by law have been kept by the Group 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 except as stated in the auditors' report dated May 7, 2020 on the financial statements of M/s Reliance Commercial Finance Limited, a subsidiary of the Parent Company, issued by an independent firm of chartered accountants which is reproduced as below:

   "Except for the effects of the matter described in the Basis for Qualified Opinion section of our report, in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with relevant rules thereunder."

e) The going concern matter described in Material Uncertainty Related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Group.

f) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2020 taken on record by the Board of Directors of the Parent Company and the reports of statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group's companies and its associates, incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act;

g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Parent Company, its subsidiaries and associates incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

h) With respect to the matter to be included in the Auditor's report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies and associate companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Parent Company, its subsidiary companies and associate companies to its directors is in accordance with the provisions of Section 197 read with schedule V of the Act. The remuneration paid to any director by the Parent Company, its subsidiary companies and associate companies is not in excess of the limit laid down under Section 197 of the Act.

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and associates, as noted in the 'Other Matters' section:

   (i) The consolidated financial statements disclose the impact of pending litigations as at March 31, 2020 on its consolidated financial position of the Group and its associates in its consolidated financial statements – Refer Note 46 to the consolidated financial statements;

   (ii) The Group and its associates did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020;

   (iii) Other than for dividend amounting to ₹ 0.11 crore pertaining to financial year 2010-11 and financial year 2011-12 which could not be transferred by the Parent Company on account of pendency of various investor legal cases, there has been no delay in transferring amounts, by Parent Company and its Subsidiaries and associates required to be transferred, to the Investor Education and Protection Fund during the year March 31, 2020.

For **Pathak H.D. & Associates LLP**
Chartered Accountants
Firm's Registration No: 107783W / W100593

Vishal D. Shah
Partner
Membership No: 119303
UDIN: 20119303AAAACZ2348
Place: Mumbai
Date: May 8, 2020

Annexure A to the Independent Auditors' Report on the Consolidated Financial Statements

Referred to in paragraph report on other legal and regulatory requirements of the Independent Auditors' Report of even date to the members of Reliance Capital Limited on the consolidated financial statements for the year ended March 31, 2020

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

1. In conjunction with our engagement to audit the consolidated financial statements of the Reliance Capital Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to consolidated financial statements of Reliance Capital Limited (hereinafter referred to as "the Parent Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and its associates, as of that date.

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 with reference to consolidated financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control with reference to consolidated financial statements 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 Parent Company's internal financial controls with reference to consolidated financial statements 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls with reference to consolidated financial statements included obtaining an understanding of such internal financial controls, 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 judgment, including the assessment of the risks of material misstatement of the consolidated 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 qualified audit opinion on the internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

6. A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated 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 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 financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

7. Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements 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 Parent 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 and evaluation of borrower's repayment capacity and the policy of sanctioning the loan to entities with weaker credit worthiness.
   b. The Parent Company needs to strengthen the policy of sanctioning the loan to entities who has delayed the payment of interest and principal due in respect of existing exposures.
   c. 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

Annexure A to the Independent Auditors' Report on the Consolidated Financial Statements

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.

d. The basis of Qualified Opinion given in the Auditors Report of Associate 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 recognizing 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.

e. 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 and assessment of impairment provision thereof of the certain investee companies. These investments were being valued at amortized cost as prescribed by the IRDA Regulations and valuation policy approved by the Board of Directors.

   A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to consolidated financial statements, 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.

Qualified Opinion

9. In our opinion and to the best of information and according to explanations given to us, except for the matters described in the Basis of Qualified Opinion paragraph above, the Group and its associates have maintained adequate internal financial controls with reference to consolidated financial statements as at March 31, 2020 based on the internal control with reference to consolidated financial statements criteria established by the Group and its associates 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 with reference to consolidated financial statements were operating effectively as at March 31, 2020.

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 financial statements of the Company for the year ended March 31, 2020 and material weakness described in section Basis for Qualified Opinion, affects our opinion on the consolidated 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), Premium Deficiency Reserve (PDR) & Unexpired Risk Reserve (URR) is the responsibility of the Company's Appointed Actuary. The actuarial valuation of these liabilities as at March 31, 2020, has been duly certified by the Appointed Actuary. The Appointed Actuary has 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 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, 2020. 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.

    Our opinion is not modified in respect of the matters stated in paragraphs 11 and 12 above.

13. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to five subsidiary companies and one associate company, 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 this matter.

For **Pathak H.D. & Associates LLP**
Chartered Accountants
Firm's Registration No: 107783W / W100593

Vishal D. Shah
Partner
Membership No: 119303
UDIN: 20119303AAAACZ2348
Place: Mumbai
Date: May 8, 2020

Consolidated balance sheet as at March 31, 2020

(₹ in crore)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Financial assets			
Cash and cash equivalents	4	**479**	688
Bank balance other than cash and cash equivalents above	5	**459**	1 308
Derivative financial instruments		**9**	1
Receivables			
(I) Trade receivables	6A	**1 097**	796
(II) Other receivables	6B	**26**	21
Loans	7	**14 774**	35 448
Investments	8	**34 595**	32 672
Other financial assets	9	**6 604**	6 105
Total financial assets		**58 043**	77 039
Non-financial assets			
Inventories	10	**6**	30
Current tax assets (Net)	11	**213**	247
Deferred tax assets (Net)	12	**179**	317
Investment property	13	**79**	130
Property, plant and equipment	14	**267**	325
Capital work-in-progress		**7**	11
Intangible assets under development	15	**12**	7
Goodwill	15	**5 111**	5 136
Other intangible assets	15	**91**	108
Other non-financial assets	16	**774**	623
Total non-financial assets		**6 739**	6 934
Total assets		**64 782**	83 973
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments		**36**	63
Payables	17A		
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		**1**	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**1 645**	847
(II) Other payables	17B		
(i) total outstanding dues of micro enterprises and small enterprises		**-**	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**759**	1 949
Debt securities	18	**18 082**	26 640
Borrowings (Other than debt securities)	19	**8 666**	18 547
Deposits	20	**4**	4
Subordinated liabilities	21	**158**	969
Other financial liabilities	22	**35 291**	31 978
Total financial liabilities		**64 642**	80 997
Non-financial liabilities			
Current tax liabilities (Net)	23	**4**	5
Provisions	24	**374**	426
Other non-financial liabilities	25	**1 435**	1 797
Total non-financial liabilities		**1 813**	2 228
Total liabilities		**66 455**	83 226
EQUITY			
Equity share capital	26	**253**	253
Other equity	27	**(2 547)**	(1 202)
Equity attributable to owners of the Company		**(2 294)**	(949)
Non-controlling interests		**621**	1 697
Total equity		**(1 673)**	748
Total liabilities and equity		**64 782**	83 973
Summary of Significant Accounting Policies	2		

The accompanying notes (1-69) form integral part of the consolidated financial statements.

As per our report of even date attached
For **Pathak H.D. & Associates LLP**
Chartered Accountants
Firm Registration No.: 107783W/W100593

Vishal D. Shah
Partner
Membership No.: 119303

Mumbai
Dated: May 8, 2020

For and on behalf of the Board

Chairman	**Anil D. Ambani**
Directors	**Chhaya Virani** **Rahul Sarin** **Dr. Thomas Mathew** **A N Sethuraman**
Director & Chief Executive Officer	**Dhananjay Tiwari**
Chief Financial Officer	**Vaibhav Kabra**
Company Secretary & Compliance Officer	**Atul Tandon**

Mumbai
Dated: May 8, 2020

Consolidated statement of profit and loss for the year ended March 31, 2020

(₹ in crore)

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations			
Interest income	28	**5 197**	7 677
Dividend income	29	**153**	226
Premium income		**11 924**	10 574
Fees and commission income	30	**764**	608
Net gain on fair value changes	31	**-**	1 225
Other operating income	32	**285**	137
Total revenue from operations		**18 323**	20 447
Other income	33	**36**	78
Total income		**18 359**	20 525
Expenses			
Finance costs	34	**3 969**	4 519
Fees and commission expense	35	**585**	562
Net loss on fair value changes	36	**2 024**	699
Net loss on derecognition of financial instruments under amortised cost category			
- Impairment on financial instruments	37	**4 510**	2 600
Employee benefits expense	38	**1 507**	1 523
Depreciation, amortisation and impairment		**123**	123
Claims incurred and benefit paid (net)		**6 296**	6 139
Premium paid on reinsurance ceded		**3 605**	2 584
Change in valuation of liability in respect of life policies		**573**	1 559
Other expenses	39	**1 296**	1 717
Total expenses		**24 488**	22 025
Profit /(Loss) before exceptional items, [share of net profits / (losses) of investments accounted for using equity method] and tax		**(6 129)**	(1 500)
Share of net profit/(loss) of associates		**5**	168
Profit / (loss) on sale of subsidiaries and associates		**4 901**	-
Profit /(Loss) before exceptional items and tax		**(1 223)**	(1 332)
Exceptional items		**-**	-
Profit /(Loss) before tax		**(1 223)**	(1 332)
Income tax expense:			
- Current tax		**56**	67
- Deferred tax		**(80)**	55
Total tax expense		**(24)**	122
Net Profit / (loss) after tax		**(1 199)**	(1 454)
Other comprehensive income / (loss)			
Items that will not be reclassified to Statement of profit and loss			
- Change in fair value of FVOCI instrument		**(108)**	(175)
- Remeasurements of post-employment benefit obligations		**(10)**	(9)
- Income tax relating to these items		**2**	1
		(116)	(183)
Items that will be reclassified to Statement of profit and loss			
- Change in fair value of FVOCI instrument		**356**	142
- Income tax relating to these items		**(124)**	(51)
		232	91
Other comprehensive income / (loss) for the year		**116**	(92)
Total comprehensive income / (loss) for the year		**(1 083)**	(1 546)
Net Profit attributable to :			
Owners of the Company		**(1 075)**	(1 513)
Non controlling interest		**(124)**	52
Other Comprehensive income / (loss) attributable to :			
Owners of the Company		**155**	(84)
Non controlling interest		**(39)**	(8)
Total Comprehensive income / (loss) attributable to :			
Owners of the Company		**(920)**	(1 597)
Non controlling interest		**(163)**	44
Earnings per equity share	44		
Nominal value ₹ 10 each fully paid-up			
- Basic (₹)		**(47.79)**	(57.91)
- Diluted (₹)		**(47.79)**	(57.91)
Summary of Significant Accounting Policies	2		

The accompanying notes (1-69) form integral part of the consolidated financial statements.

As per our report of even date attached
For **Pathak H.D. & Associates LLP**
Chartered Accountants
Firm Registration No.: 107783W/W100593

Vishal D. Shah
Partner
Membership No.: 119303

Mumbai
Dated: May 8, 2020

For and on behalf of the Board

Chairman	**Anil D. Ambani**
Directors	**Chhaya Virani** **Rahul Sarin** **Dr. Thomas Mathew** **A N Sethuraman**
Director & Chief Executive Officer	**Dhananjay Tiwari**
Chief Financial Officer	**Vaibhav Kabra**
Company Secretary & Compliance Officer	**Atul Tandon**

Mumbai
Dated: May 8, 2020

Consolidated statement of changes in equity for the year ended March 31, 2020

A. Equity share capital

(₹ in crore)

Particulars	Note	Number	Amount
As at March 31, 2019	26	25 27 08 902	253
As at March 31, 2020		**25 27 08 902**	**253**

B. Other equity

(₹ in crore)

Particulars	Note	Reserves and surplus: Retained earnings	Capital reserve	Capital Redemption reserve	Securities premium	Debenture redemption reserve	General reserve	Statutory reserve fund	Special reserve	Treasury Shares	RCap ESOP Trust Reserve	Other comprehensive income	Attributable to Owners of the Company	Non controlling Interests
As at April 1, 2018	27	(10 334)	99	9	3 420	130	5 497	1 955	63	2	15	(96)	**760**	1 627
Profit / (loss) for the year		(1 513)	-	-	-	-	-	-	-	-	-		**(1 513)**	52
Other comprehensive income / (loss)		-	-	-	-	-	-	-	-	-	-	(84)	**(84)**	(8)
		(1 513)	-	-	-	-	-	-	-	-	-	(84)	**(1 597)**	44
Transactions with owners in their capacity as owners:														
- Issue of equity share and debentures, 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	-	-	-	**-**	-
Debenture redemption reserve		(200)	-	-	-	200	-	-	-	-	-	-	**-**	-
- Non controlling adjustments		155	-	-	-	(100)	-	-	(7)	-	-	-	**48**	26
As at March 31, 2019		**(12 348)**	**99**	**9**	**3 421**	**230**	**5 497**	**1 986**	**69**	**2**	**13**	**(180)**	**(1 202)**	**1 697**
Profit / (loss) for the year		(1 075)	-	-	-	-	-	-	-	-	-	-	**(1 075)**	(124)
Other comprehensive income / (loss)		-	-	-	-	-	-	-	-	-	-	155	155	(39)
Total comprehensive income / (loss) for the year		**(1 075)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**155**	**(920)**	**(163)**

Consolidated statement of changes in equity for the year ended March 31, 2020

(₹ in crore)

Particulars	Note	Reserves and surplus										Other comprehensive income	Attributable to Owners of the Company	Non controlling Interests
		Retained earnings	Capital reserve	Capital Redemption reserve	Securities premium	Debenture redemption reserve	General reserve	Statutory reserve fund	Special reserve	Treasury Shares	RCap ESOP Trust Reserve			
Transactions with owners in their capacity as owners:														
- Issue of debenture, net of transaction cost		-	-	-	0.03	-	-	-	-	-	-	-	0.03	-
- Stock option expense for the year		-	-	-	-	-	-	-	-	-	(3)	-	(3)	-
- Transfers to:													-	-
Statutory reserve fund		(1)	-	-	-	-	-	1	-	-	-	-	-	-
Debenture redemption reserve		(2)	-	-	-	2	-	-	-	-	-	-	-	-
- Derecongnition of subsidiary		-	-	-	-	(211)	-	-	(69)	-	-	-	-	(883)
- Non controlling adjustments		(141)	-	-	-	-	-	-	-	-	-	-	(141)	(30)
As at March 31, 2020		**(13 567)**	**99**	**9**	**3 421**	**21**	**5 497**	**1 987**	**-**	**2**	**10**	**(25)**	**(2 547)**	**621**

Summary of Significant Accounting Policies - Refer Note 2
The accompanying notes (1-69) form integral part of the consolidated financial statements

As per our report of even date attached
For **Pathak H.D. & Associates LLP**
Chartered Accountants
Firm Registration No.: 107783W/W100593

Vishal D. Shah
Partner
Membership No.: 119303

Mumbai
Dated: May 8, 2020

For and on behalf of the Board

Chairman — **Anil D. Ambani**

Directors — **Chhaya Virani**, **Rahul Sarin**, **Dr. Thomas Mathew**, **A N Sethuraman**

Director & Chief Executive Officer — **Dhananjay Tiwari**
Chief Financial Officer — **Vaibhav Kabra**
Company Secretary & Compliance Officer — **Atul Tandon**

Mumbai
Dated: May 8, 2020

Consolidated statement of cash flows for the year ended March 31, 2020

(₹ in crore)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
CASH FLOW FROM OPERATING ACTIVITIES :		
Profit/(Loss) before tax:	**(1 224)**	(1 332)
Adjustments :		
Depreciation, amortisation and impairment	**123**	123
Bad debts recovered & credit balance written back	**(71)**	(77)
Net Impairment on financial instruments and balances written off	**4 510**	2 600
Provision for gratuity / leave encashment	**-**	(15)
(Profit) / loss on sale of property, plant and equipment	**7**	15
Interest income on investments	**(2 002)**	(2 575)
Dividend income on investments	**(153)**	(226)
Share of net profits of associates accounted for using the equity method	**(5)**	(526)
Profit on sale of subsidiary and associates	**(4 901)**	-
Share based payment to employees	**-**	(2)
Amortised brokerage on borrowings	**39**	66
Discount on commercial paper	**79**	230
Interest expenses	**3 851**	4 233
Operating profit before working capital changes	**253**	2 514
Adjustments for (increase)/ decrease in operating assets:		
Unamortised expenses incurred	**-**	(39)
Interest paid	**(2 709)**	(4 007)
Trade receivables & loans and advances	**15 425**	(3 580)
Adjustments for increase/ (decrease) in operating liabilities		
Trade payables and liabilities	**63**	(3 177)
Cash generated from operations	**13 032**	(8 289)
Less : Income taxes paid (net of refunds)	**(5)**	63
Net cash inflow / (outflow) from operating activities	**13 028**	(8 352)
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of property, plant and equipments	**-**	(56)
Sale of property, plant and equipments	**20**	-
Sale of investments in subsidiary and associates	**6 028**	2 740
Purchase of investments (net)	**(3 045)**	-
Interest received	**2 858**	2 217
Dividend received	**153**	226
Net cash inflow / (outflow) from investing activities	**6 014**	5 127
CASH FLOW FROM FINANCING ACTIVITIES :		
Dividends paid (including dividend tax thereon)	**-**	(412)
Debt securities issued (repaid) (net)	**(8 557)**	(2 486)
Borrowing other than debt securities issued (net)	**(10 693)**	2 520
Equity share capital issued (including premium)	**-**	1
Net cash inflow / (outflow) from financing activities	**(19 250)**	(377)
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	**(209)**	(3 602)
Add : Cash and cash equivalents at beginning of the year	**688**	4 290
Cash and cash equivalents at end of the year	**479**	688

- The above statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.
- Components of cash and cash equivalents are disclosed in note no. 4.

As per our report of even date attached
For **Pathak H.D. & Associates LLP**
Chartered Accountants
Firm Registration No.: 107783W/W100593

Vishal D. Shah
Partner
Membership No.: 119303

Mumbai
Dated: May 8, 2020

For and on behalf of the Board

Chairman	**Anil D. Ambani**
Directors	**Chhaya Virani** **Rahul Sarin** **Dr. Thomas Mathew** **A N Sethuraman**
Director & Chief Executive Officer	**Dhananjay Tiwari**
Chief Financial Officer	**Vaibhav Kabra**
Company Secretary & Compliance Officer	**Atul Tandon**

Mumbai
Dated: May 8, 2020

Notes to the consolidated financial statements for the year ended March 31, 2020

1 Background

Reliance Capital Limited ('the Parent Company') is registered as Non-Banking Financial Company (NBFC) as defined under Section 45-IA of the Reserve Bank of India Act, 1934 (RBI) and a Core Investment Company ('CIC') in terms of the Core Investment Companies (Reserve Bank) Directions, 2016 (RBI CIC Directions). As a CIC, the Parent Company is primarily a holding company, holding investments in its subsidiaries, associates and other group companies.

The Parent Company is a Public Limited Company and its equity shares are listed on two recognised stock exchanges in India and is incorporated and domiciled in India under the provisions of the Companies Act, 1956. The registered office of the Parent Company is located at Reliance Centre, Ground Floor, 19, Walchand Hirachand Marg, Ballard Estate, Mumbai – 400 001.

The Parent Company together with its subsidiaries (hereinafter collectively referred as the 'Group') and its associates are engaged in a wide array of businesses in insurance and financial service sector.

2 Summary of 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) The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016 issued by RBI to the extent applicable and the guidelines issued by National Housing Bank (NHB) and the Insurance Regulatory Development Authority of India (IRDAI) to the extent applicable.

The consolidated financial statements have been prepared on a going concern basis.

The Group uses accrual basis of accounting except in case of significant uncertainties.

(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.

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 Parent 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 and loss, consolidated statement of changes in equity and consolidated 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 (iii) below), after initially being recognised at cost.

(iii) 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 Statement of profit and 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.

(iv) 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 Statement of profit and 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 Statement of profit and 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 Statement of profit and 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 director & CEO 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 Rupees ₹ in crore, which is Parent Company'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 Statement of profit and 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 statement of profit and loss are recognised in Statement of profit and 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 Statement of profit and 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 Statement of profit and loss are expensed in Statement of profit and 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 Statement of profit and 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 the Statement of profit and 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 (FVTPL);
- 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 FVTPL, 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 FVTPL, 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 Statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of profit and 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 Statement of profit and loss. A gain or loss on a debt investment that is subsequently measured at fair value through Statement of profit and loss and is not part of a hedging relationship is recognised in Statement of profit and 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 and 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 FVTPL are included in the Statement of profit and 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 Group'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 Statement of profit and 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 and 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.

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

Repossessed 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 Renegotiation/modification 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, the assets are not derecognised and are 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 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 premiums 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.

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 Group 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 and 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 Group 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 Group 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 Group 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 and 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:

a) Processing fees is recognised on upfront basis in the year of receipt;

b) Management fees is recognised as a percentage of the unaudited net asset value at the end of each month;

c) 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 are 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 are 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) 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 are provided.

(xv) 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 Parent 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 substantially 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.

Current and deferred tax is recognised in Statement of profit and 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

The Group's lease asset classes primarily consist of leases for buildings taken on lease for operating its branch offices. The Group assesses whether a contract contains a lease, at inception of a contract. At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term.

The lease liability is initially measured at amortized cost at the present value of the future lease payments

Transition

Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted.

As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line 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 Statement of profit and loss during the reporting period in which they are incurred.

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 equipment - 2 to 5 years
(iii) Computers - 3 years
(iv) Vehicles - 8 years
(v) Plant & Machinery given on lease – 8 years
(vi) Data processing machineries / Information Technology - 2 to 3 years
(vii) Vehicles given on lease - 8 years
(viii) Buildings - 60 years
(ix) Lease asset – Over the of lease term

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 and 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.

(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.

2.20 Investment property

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 property 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.

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 and 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 "Financial Instruments" and Ind AS 113 "Fair Value Measurement", 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.

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, 2020.

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 Group.

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 Group 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 Group 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 and 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 and 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 and loss.

Phantom Shares

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 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 Statement of profit and loss, with a corresponding adjustment to equity.

ESOS Trust

The Group's ESOS is administered through the RCAP ESOS Trust. The Group treats the trust as its extension and is consolidated in this Consolidated 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.

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 dilative 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 Group 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 Group 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 Group considers some of its investment in subsidiary and associate to be realised within 1 year for asset liability management, accordingly, financial statements 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.

3.10Share-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.

Notes to the consolidated financial statements for the year ended March 31, 2020

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 Group 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.

3.14 Impact of COVID-19 Pandemic

COVID -19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian Financial Markets and a significant decrease in the overall economic activities. On March 24, 2020, the Government of India announced a strict 21 days lockdown which has been further extended across the country to contain the spread of virus. Covid-19 presented us an operational challenge and required recalibrating the management methodology for sales, collections, operations, and customers / policyholders servicing etc. The Group believes that it has taken into account all the possible impact of known events arising out of COVID-19 pandemic in the preparation of financial statements. However, the impact assessment of COVID-19 is a continuing process given its nature and duration. The Group continues to monitor for any material changes to future economic conditions.

(₹ in crore)

Particulars		As at March 31 2020	As at March 31 2019
4	**Cash and cash equivalents**		
	Cash on hand	**8**	35
	Cheques on hand	**62**	71
	Balances with banks:		
	In current accounts	**408**	563
	In fixed deposits	**1**	19
	Total	**479**	688
5	**Bank balance other than cash and cash equivalents above**		
	Balances with banks:		
	In earmarked accounts		
	- unclaimed dividend	**18**	22
	- other bank balances#	**16**	13
	In fixed deposits	**121**	66
	Others		
	- Held as lien (refer note below)	**304**	1 207
	Total	**459**	1 308

Notes:

In respect of balances with Banks in Fixed Deposit accounts above includes:

(a) ₹ 253 crore (Previous year ₹ 303 crore) have been kept as margin requirement for equity trade settlement and market linked debentures to exchanges.

(b) ₹ 6 crore (Previous year ₹ 865 crore) kept as credit enhancement towards securitisation transaction.

(c) ₹ 10 crore (Previous year ₹ 10 crore) are liened against bank overdraft facility.

(d) ₹ 33 crore (Previous year ₹ 28 crore) kept as deposit with bank for issuing of Bank Guarantee.

(e) Balances with banks include in ₹ 20 00 000 (Previous year ₹ 20 00 000) is kept as deposit with the Pension Fund Regulatory and Development Authority (PFRDA).

(f) Balances with banks include in ₹ 2 crore (Previous year ₹ 1 crore) is kept as deposit with other regulatory authorities.

#Out of above ₹ 16 crore (Previous year ₹ 13 crore) are earmarked for specified purpose in a separate bank account.

Notes to the consolidated financial statements for the year ended March 31, 2020

(₹ in crore)

Particulars	As at March 31 2020	As at March 31 2019
6 Receivables		
6A Trade receivables		
Receivables considered good - Secured	**37**	111
Receivables considered good - Unsecured	**1 048**	718
Receivables - credit impaired	**58**	36
Less: Allowance for impairment loss	**(46)**	(69)
Total	**1 097**	796
6B Other receivables		
Receivables considered good - Unsecured	**26**	21
Total	**26**	21

No trade or other receivables are due from directors or other officers of the Group 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.

Particulars	As at March 31 2020	As at March 31 2019
7 Loans		
At amortised cost		
Term loans	**16 240**	37 065
Loans repayable on demand	**124**	146
Loans to related parties (refer note no. 59)	**841**	30
Others	**1 347**	1 612
Total (A) - Gross	**18 552**	38 853
(Less): Impairment loss allowance	**(3 778)**	(3 405)
Total (A) - Net	**14 774**	35 448
Secured by property plant and equipments, other receivables and guarantees	**16 550**	37 916
Secured by intangible assets	**50**	35
Unsecured	**1 952**	902
Total (B) - Gross	**18 552**	38 853
(Less): Impairment loss allowance	**(3 778)**	(3 405)
Total (B) - Net	**14 774**	35 448
Loans in India		
- Public sector	**-**	-
- Others	**18 552**	38 853
Total (C) - Gross	**18 552**	38 853
(Less): Impairment loss allowance	**(3 778)**	(3 405)
Total (C) - Net	**14 774**	35 448

Summary of loans by stage distribution (₹ in crore)

Particulars	As at March 31 2020				As at March 31 2019			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	**8 437**	**9 191**	**924**	**18 552**	27 907	9 328	1 618	38 853
(Less): Impairment loss allowance	**(869)**	**(2 743)**	**(166)**	**(3 778)**	(370)	(2 255)	(780)	(3 405)
Total	**7 568**	**6 448**	**758**	**14 774**	27 537	7 073	838	35 448

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 2020							
	Stage 1		Stage 2		Stage 3		Total	
	Loans Gross	Impairment loss allowance	Loans Gross	Impairment loss allowance	Loans Gross	Impairment loss allowance	Loans Gross	Impairment loss allowance
As at April 1, 2019	**27 907**	**369**	**9 328**	**2 256**	**1 618**	**780**	**38 853**	**3 405**
Transfers during the year	**476**	**1 959**	**(88)**	**1**	**(5)**	**(586)**	**383**	**1 374**
Transfer to stage 1	**206**	**10**	**(203)**	**(7)**	**-**	**-**	**3**	**3**
Transfer to stage 2	**(2 620)**	**(1 275)**	**2 620**	**1 275**	**-**	**-**	**-**	**-**
Transfer to stage 3	**(1 767)**	**-**	**(1 810)**	**(725)**	**3 578**	**-**	**-**	**(725)**
Impact due to cessation of subsidiary	**(15 765)**	**(194)**	**(656)**	**(57)**	**(109)**	**(28)**	**(16 530)**	**(279)**
Amounts written off during the year	**-**	**-**	**-**	**-**	**(4 158)**	**-**	**(4 158)**	**-**
As at March 31, 2020	**8 437**	**869**	**9 191**	**2 743**	**924**	**166**	**18 552**	**3 778**

Particulars	As at March 31 2019							
	Stage 1		Stage 2		Stage 3		Total	
	Loans Gross	Impairment loss allowance	Loans Gross	Impairment loss allowance	Loans Gross	Impairment loss allowance	Loans Gross	Impairment loss allowance
As at April 1, 2018	28 380	206	5 339	1 717	5 738	5 429	39 457	7 352
Transfers during the year	1 079	341	2 391	540	(584)	(454)	2 886	426
Transfer to stage 1	273	-	(266)	-	(8)	-	(1)	-
Transfer to stage 2	(1 582)	(207)	1 848	47	(2)	(29)	264	(189)
Transfer to stage 3	(243)	30	16	(52)	609	110	382	89
Amounts written off / assignment during the year	-	-	-	3	(4 135)	(4 276)	(4 135)	(4 273)
As at March 31, 2019	27 907	370	9 328	2 255	1 618	780	38 853	3 405

(₹ in crore)

Particulars	As at March 31 2020				As at March 31 2019			
	AC	**FVTPL/ DC**	**FVOCI**	**Total**	AC	FVTPL / DC	FVOCI	Total
8 **Investments**								
Investments in equity shares others								
- Quoted	**-**	**4 549**	**-**	**4 549**	-	5 107	8	5 115
- Unquoted	**-**	**122**	**10**	**132**	-	138	34	172
Investments in equity shares of Associates								
- Quoted	**-**	**781**	**-**	**781**	-	1 137	-	1 137
- Unquoted	**-**	**90**	**-**	**90**	-	89	-	89
	-	**871**	**-**	**871**	-	1 226	-	1 226
Less : Provision for impairment	**-**	**(134)**	**-**	**(134)**	-	-	-	-
	-	**737**	**-**	**737**	-	1 226	-	1 226
Investments in preference shares								
- Unquoted	**11**	**117**	**-**	**128**	-	281	-	281
Investment in government or trust securities								
- Quoted	**9 939**	**1 543**	**3 754**	**15 236**	8 138	2 009	3 671	13 818
Investment in pass through certificates and security receipts								
- Unquoted	**-**	**90**	**-**	**90**	145	257	-	402
Investment in debentures and bonds								
- Quoted	**3 251**	**558**	**6 600**	**10 409**	2 911	1 000	5 317	9 228
- Unquoted	**285**	**353**	**-**	**638**	-	467	-	467
	3 536	**911**	**6 600**	**11 047**	2 911	1 467	5 317	9 695
Less : Provision for impairment	**(54)**	**-**	**-**	**(54)**	-	-	-	-
	3 483	**911**	**6 600**	**10 994**	2 911	1 467	5 317	9 695
Investment in mutual fund								
- Quoted	**-**	**1 400**	**-**	**1 400**	-	419	-	419
- Unquoted	**-**	**68**	**-**	**68**	-	215	-	215
Investment in Private Equity Fund								
- Quoted	**-**	**-**	**-**	**-**	-	55	-	55
- Unquoted	**-**	**-**	**-**	**-**	-	250	-	250
Others								
- Quoted	**-**	**196**	**-**	**196**	-	146	-	146
- Unquoted	**374**	**465**	**173**	**1 012**	447	287	144	878
Total	**13 806**	**10 252**	**10 537**	**34 595**	11 641	11 857	9 174	32 672

AC- Amortised cost, FVTPL- Fair Value Through Profit and Loss, FVOCI- Fair Value through Other Comprehensive Income and DC- Deemed Cost.

Notes

(i) The equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value through OCI rather than Statement of profit and loss as these are strategic investments and the Group considers this to be more relevant.

(ii) Includes Investment of 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.

(iii) The Group has also sold FVOCI equity instruments with a principal value aggregating to ₹ 39 crore (Previous year ₹ 20 crore) at loss of ₹ 13 crore (Previous year: Loss ₹ 3 crore) is recognised under OCI. Additionally, out of the FVOCI debt portfolio, instruments with a principal of ₹ 440 crore (Previous year: ₹ 155 crore) matured. In relation to these, the Group transferred the profit of ₹ 7 crore (Previous year: Profit ₹ 0.60 crore) and unrealised gains / (loss) from OCI to the Statement of profit and loss.

(iv) The Group has investments aggregating to ₹ 48 crore in unsecured Commercial Paper of IL&FS with maturity date of February 7, 2019 as on March 31, 2020, the Group is carrying fair value of as ₹ Nil.

Notes to the consolidated financial statements for the year ended March 31, 2020

(v) The Group has investments aggregating ₹ 105 crore in secured debentures of Dewan Housing Finance Limited as on March 31, 2020, the Group is carrying provision for ECL of 75% of total investments in Amortised category and carrying fair valuation at 25% of the investment in FVTPL category.

(vi) The Group has investments aggregating to ₹ 244 crore in unsecured AT1 Bond of Yes Bank Limited as on March 31, 2020. ICRA has downgraded the AT1 Bond to "Default" rating on March 6, 2020 and there is no default on any due interest on said investment, therefore the Group has not classified the investment as "Non Performing Asset". RBI has announced their construction scheme of Yes Bank Limited and subsequently Yes Bank Limited attempted to write down the liability of AT-1 Bonds in their books, through a public notice to the investor. AT-1 Bondholders filed a writ petition before the Hon'ble High Court against the said action. The Hon'ble High Court has passed an order on March 16, 2020 restraining the respondents (Union of India through Ministry of Finance , Reserve Bank of India, Administrator of Yes Bank Limited, Yes Bank Limited and NSDL) from taking any action in the matter relating to the write down of AT-1 Bonds. The Group has issued a letter to the Depository and ensured that the bonds are live and would continue to have value in the DP system. However, on a prudent basis the Group has provided 100% of total investments amounting to ₹ 244 crore as on March 31, 2020 in FVTPL and FVOCI category. The Group consider the same as a conservative measure to protect stakeholders from uncertainties.

(₹ in crore)

	Particulars	**As at March 31, 2020**	As at March 31, 2019
9	**Other financial assets**		
	Interest accrued - loans (net of provision)	**566**	1 286
	Interest accrued - investments	**781**	1 270
	Advances to others	**27**	14
	EIS receivables	**66**	203
	Deposits		
	- Considered good	**175**	78
	- Considered doubtful	**10**	19
	Less: provision for doubtful deposits	**(10)**	(19)
	Unclaimed amount of policyholders	**346**	55
	Reinsurance assets	**4 427**	3 069
	Investment sale to be received	**160**	111
	Others	**56**	19
	Total	**6 604**	6 105
10	**Inventories**		
	Debt securities	**6**	30
	Total	**6**	30
11	**Current tax assets (net)**		
	Income tax paid in advance (net)	**213**	240
	Vat and service tax	**-**	7
	Total	**213**	247
12	**Deferred tax assets (net)**		
	Deferred tax assets		
	Property, plant and equipment	**35**	44
	Defined benefit obligations	**4**	6
	Expenses allowable for tax purpose when paid	**6**	198
	Impairment allowance for financial assets	**50**	144
	Tax losses and unabsorbed depreciation	**168**	118
	Others	**28**	68
		291	578
	Deferred tax liabilities		
	Property, plant and equipment	**2**	39
	Unamortised expenditure	**6**	41
	Fair value adjustments	**-**	51
	Others	**104**	130
		112	261
	Net deferred tax assets / (liabilities)	**179**	317

Notes to the consolidated financial statements for the year ended March 31, 2020

(₹ in crore)

Particulars		As at March 31, 2020		As at March 31, 2019	
		Land	**Buildings**	Land	Buildings
13	**Investment Property**				
	Gross carrying amount				
	Deemed cost	**29**	**148**	29	154
	Additions	**-**	**-**	-	-
	Disposals and transfers	**-**	**(25)**	-	(6)
	Closing gross carrying amount	**29**	**123**	29	148
	Opening accumulated amortisation	**25**	**22**	-	5
	Amortisation during the year	**-**	**3**	-	2
	Impairment during the year	**1**	**24**	25	15
	Disposals and transfers	**-**	**(2)**	-	0.21
	Closing accumulated amortisation	**26**	**47**	25	22
	Net carrying amount	**3**	**76**	4	126

Notes:

i) Of the above, Buildings of subsidiary Reliance Securities limited with carrying value ₹ 14 lakhs (previous year ₹ 14 lakhs) is kept as collateral security against the market linked debentures (MLDs).

ii) The Group has carried out the valuation activity to assess fair value of its Investment in land and buildings which is ₹ 79 crore (previous year ₹ 130 crore) Accordingly, fair value estimates for investment in land and buildings is classified as level 3.

Information regarding Income & Expenditure of Investment property (₹ in crore)

Particulars	**2019-20**	**2018-19**
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)**	(3)
Impairment during the year	**(25)**	(40)
Amortisation for the year	**(3)**	(2)
Profit / (Loss) arising from investment property before indirect expenses	**(31)**	(45)

Notes to the consolidated financial statement for the year ended March 31, 2020

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	Right of use asset	
Year ended March 31, 2019												
Gross carrying amount												
Deemed cost as at April 1, 2018	84	177	137	34	8	45	29	47	24	5	-	590
Additions	-	-	21	2	1	5	7	-	-	-	-	36
Disposals and transfers	-	(11)	(10)	(5)	(0.3)	(7)	(1)	(4)	-	(2)	-	(40)
Closing gross carrying amount	84	166	148	31	9	43	35	43	24	3	-	586
Accumulated depreciation	-	13	108	22	4	33	14	22	23	3	-	242
Depreciation charge during the year	-	5	18	2	1	7	7	6	1	1	-	48
Disposals and transfers	-	(0.4)	(10)	(5)	(0.1)	(8)	(1)	(3)	-	(2)	-	(29)
Closing accumulated depreciation	-	18	116	19	5	32	20	25	24	2	-	262
Net carrying amount as at March 31, 2019	84	148	32	12	4	11	15	18	-	1	-	325
Year ended March 31, 2020												
Gross carrying amount												
Deemed cost as at April 1, 2019	**84**	**166**	**148**	**31**	**9**	**43**	**35**	**43**	**24**	**3**	**9**	**595**
Additions	**-**	**1**	**12**	**5**	**0.2**	**7**	**16**	**-**	**-**	**-**	**10**	**50**
Disposals and transfers	**-**	**(53)**	**(20)**	**(15)**	**(2)**	**(10)**	**(4)**	**(1)**	**(0.4)**	**(0.1)**	**-**	**(105)**
Closing gross carrying amount	**84**	**114**	**140**	**21**	**7**	**40**	**47**	**42**	**24**	**3**	**19**	**541**
Accumulated depreciation	**-**	**18**	**116**	**19**	**5**	**32**	**20**	**25**	**24**	**2**	**-**	**261**
Depreciation charge during the year	**-**	**4**	**16**	**4**	**1**	**7**	**10**	**6**	**-**	**-**	**5**	**53**
Disposals and transfers	**-**	**(4)**	**(17)**	**(8)**	**(1)**	**(8)**	**(2)**	**-**	**(0.5)**	**-**	**-**	**(40)**
Closing accumulated depreciation	**-**	**18**	**115**	**15**	**5**	**31**	**28**	**31**	**24**	**2**	**5**	**274**
Net carrying amount as at March 31, 2020	**84**	**96**	**25**	**6**	**2**	**9**	**19**	**11**	**-**	**1**	**14**	**267**

Note : Buildings include ₹ 0.01 crore (Previous year ₹ 0.01 crore) which is given as security for Non-convertible debentures.

Notes to the consolidated financial statements for the year ended March 31, 2020

15 Intangible assets

A Goodwill

(₹ in crore)

Particulars	**Goodwill on business acquisition**	**Goodwill on consolidation**	**Total**
Year ended March 31, 2019			
Gross carrying amount			
Deemed cost as at April 1, 2018	162	4 974	5 136
Additions	-	-	-
Disposals/Adjustment	-	-	-
Balance as at March 31, 2019	162	4 974	5 136
Year ended March 31, 2020			
Gross carrying amount			
Opening gross carrying amount	**162**	**4 974**	**5 136**
Additions	**-**	**-**	**-**
Disposals/Adjustment	**-**	**(25)**	**(25)**
Balance as at March 31, 2020	**162**	**4 949**	**5 111**

B Other intangible assets

(₹ in crore)

Particulars	**Computer software/ Licensing cost**	**Membership rights / Asset management rights**	**Total**	**Intangible assets under development**	**Total**
Year ended March 31, 2019					
Gross carrying amount					
Deemed cost as at April 1, 2018	229	1	230	33	263
Additions	75	-	75	7	82
Disposals and transfers	(1)	-	(1)	(33)	(34)
Closing gross carrying amount	303	1	304	7	311
Accumulated amortisation					
Opening accumulated amortisation	165	1	166	-	166
Amortisation during the year	31	-	31	-	31
Disposals and transfers	(1)	-	(1)	-	(1)
Closing accumulated amortisation	195	1	196	-	196
Net carrying amount as at March 31, 2019	108	-	108	7	115
Year ended March 31, 2020					
Gross carrying amount					
Deemed cost as at April 1, 2019	**303**	**1**	**304**	**7**	**311**
Additions	**26**	**-**	**26**	**14**	**40**
Disposals and transfers	**(7)**	**-**	**(7)**	**(4)**	**(11)**
Closing gross carrying amount	**322**	**1**	**323**	**17**	**340**
Accumulated amortisation	**195**	**1**	**196**	**-**	**196**
Amortisation during the year	**39**	**-**	**39**	**5**	**44**
Disposals and transfers	**(3)**	**-**	**(3)**	**-**	**(3)**
Closing accumulated amortisation	**231**	**1**	**232**	**5**	**237**
Net carrying amount as at March 31, 2020	**91**	**-**	**91**	**12**	**103**

Notes to the consolidated financial statements for the year ended March 31, 2020

(₹ in crore)

	Particulars	As at March 31, 2020	As at March 31, 2019
16	**Other non-financial asset**		
	(Considered good unless otherwise stated)		
	Capital advances	**301**	316
	Advance to vendors		
	- Considered good	**128**	43
	- Considered doubtful	**9**	7
	Less: provision for doubtful advances	**(9)**	(7)
	Prepaid expenses	**71**	54
	Balance with VAT, Service tax and GST authorities	**272**	105
	Repossessed assets held for sale	**4**	149
	Less : Provision for impairment	**(2)**	(44)
	Total	**774**	623

17 Payable

17A Trade payable

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
- Total outstanding dues of micro enterprises and small enterprises (Refer table below)	**1**	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	**1 645**	847
Total	**1 646**	847

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 Group and relied upon by the auditors, is as follows:

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Outstanding principal amount and interest due to suppliers registered under MSMED Act and remaining unpaid at the year end:		
- Principal amount	**1**	0.04
- Interest due thereon	**-**	0.02
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 year.	**-**	-
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
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.	**-**	-

17B Other payable

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
- Total outstanding dues of micro enterprises and small enterprises	**-**	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	**759**	1 949
Total	**759**	1 949

18 Debt securities

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Debentures and bonds		
- Secured	**16 032**	23 847
- Unsecured	**1 331**	1 807
At fair value through profit and loss		
- Debentures (secured)	**719**	986
Total	**18 082**	26 640
Debt securities in India	**18 082**	26 640
Debt securities outside India	**-**	-
Total	**18 082**	26 640

Security clause in respect to debentures

a) The Listed Secured Non-Convertible Debentures aggregating to ₹ 14 855 crore (Previous year: ₹ 16 308 crore) are secured by way of first pari-passu mortgage & charge on the Parent Company's immovable property and on present and future book debts, business receivables of the Parent 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) The Rated, Listed, Secured, Redeemable, Non-Convertible Debentures ("Secured NCDs") aggregating to ₹ 1 812 crore (Previous year: ₹ 2 150 crore) are secured by way of a first charge & mortgage over subsidiary viz. 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.

c) The Listed Secured Non-Convertible Debentures (Market Linked Debenture) of Reliance Securities Limited (RSL) aggregating to ₹ 62 crore (Previous year ₹ 109 crore) are secured by way of first ranking mortgage over RSL's immovable property and second charge on the present and future book debts and receivables hypothecated in favour to banks towards working capital facility of RSL as specifically mentioned in the Trust deed and the asset cover thereof exceeds hundred percent of the principal amount of the said debentures.

d) The Listed Secured Non-Convertible Market Linked Debentures (MLD) of ₹ 101 crore (Previous year ₹ 382 crore) are secured by way of first ranking mortgage and charge over subsidiary Reliance Financial Limited's (RFL) Immovable property situated at 4th Floor, Tower C, Siddhi Vinayak Towers, Makarba, Ahmedabad, Gujarat and on the movable assets of Reliance Financial Limited as specifically mentioned in the respective Trust deeds and the asset cover thereof exceeds hundred per cent of the principal amount of the said debentures.

e) Unsecured NCDs amounting to ₹ 1 331 crore (Previous year ₹ 1 807 crore) are in respect to Tier II subordinate debts.

Non convertible debentures (NCDs) are redeemable at par, in one or more instalments, on various dates .

i) With respect to Non-Convertible Debentures of Parent Company aggregating to ₹ 5 103 crore as at March 31, 2020. the Trustee has issued notices stating that all monies due in respect of Non-Convertible Debenture are recalled and due and payable forthwith.

ii) Subsequent to the balance sheet date the trustees of the remaining debenture holders of the Parent Company aggregating to ₹ 11 157 crore have issued notices stating that all monies dues in respect of Non-Convertible Debentures are recalled and due and payable forthwith. Accordingly, the entire dues payable to Debenture Holders are due and payable forthwith

f) Maturity profile and rate of interest of Non-Convertible Debentures on the basis of original scheduled maturity payment dates and without netting off prepaid brokerage of ₹ 100 crore are 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	2029-30	Total
#	-	450	-	-	-	-	-	-	-	-	-	450
8.20%	75	-	-	-	-	-	-	-	-	-	-	75
8.25%	20	350	-	-	-	-	-	-	-	-	-	370
8.28%	235	-	-	-	-	-	-	-	-	-	-	235
8.32%	-	400	-	-	-	-	-	-	-	-	-	400
8.42%	-	-	14	-	-	-	-	-	-	-	-	14
8.47%	-	-	25	-	-	-	-	-	-	-	-	25

Notes to the consolidated financial statements for the year ended March 31, 2020

(₹ 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	2029-30	Total
8.50%	-	-	480	-	-	-	-	-	-	-	-	480
8.52%	-	-	-	-	-	54	-	-	-	-	-	54
8.65%	-	-	20	-	-	-	-	-	-	-	-	20
8.66%	-	-	-	-	-	-	-	-	35	-	-	35
8.75%	-	15	245	170	191	-	-	-	-	-	-	621
8.80%	-	-	-	-	300	-	-	-	-	-	-	300
8.83%	-	-	-	1,000	-	-	-	-	-	-	-	1,000
8.85%	-	-	200	-	-	-	-	1,500	-	-	-	1,700
8.90%	-	-	500	-	-	-	-	-	-	-	-	500
8.93%	-	-	-	-	-	-	-	-	900	-	-	900
9.00%	-	-	-	-	-	-	-	1,500	-	-	-	1,500
9.03%	-	-	-	393	-	-	-	-	-	-	-	393
9.05%	-	-	-	-	-	-	-	-	1,500	-	-	1,500
9.10%	-	-	15	15	15	15	-	228	-	-	-	289
9.15%	200	23	-	-	-	-	-	-	-	-	-	223
9.23%	-	-	-	-	-	-	-	-	208	-	-	208
9.12%	-	15	-	-	-	-	-	-	-	-	-	15
9.25%	150	-	-	-	6	-	-	-	-	-	-	156
9.32%	-	-	-	-	-	20	-	-	-	-	-	20
9.40%	-	-	-	-	1,500	-	-	-	-	-	-	1,500
9.42%	-	-	-	-	-	40	-	-	-	-	-	40
9.50%	-	-	-	-	489	-	-	-	-	-	-	489
9.65%	-	-	-	-	-	250	-	-	-	-	-	250
9.70%	15	-	-	-	-	-	-	-	-	-	-	15
9.80%	-	-	-	500	-	-	-	-	-	-	-	500
9.85%	-	-	-	45	-	-	-	-	-	-	-	45
9.90%	-	500	-	75	-	-	-	-	-	-	-	575
9.95%	-	-	-	85	-	-	-	-	-	-	-	85
10.00%	-	-	-	10	-	-	-	-	-	-	-	10
10.05%	-	-	-	7	-	-	-	-	-	-	-	7
10.10%	-	-	-	10	-	1,070	-	-	-	-	-	1,080
10.15%	-	-	-	-	-	-	8	-	-	-	-	8
10.19%	-	-	-	-	155	-	-	-	-	-	-	155
10.20%	-	-	-	82	-	-	-	-	-	-	-	82
10.25%	-	-	-	40	-	-	-	-	-	-	-	40
10.28%	15	-	-	-	-	-	-	-	-	-	-	15
10.35%	-	155	-	5	-	-	-	-	-	-	-	160
10.40%	-	-	-	350	-	-	-	-	-	-	-	350
10.50%	-	-	25	20	15	-	-	-	-	-	-	60
10.60%	-	-	83	51	-	-	-	-	-	-	-	134
10.75%	-	-	367	-	-	-	-	-	-	-	-	367
MLD	168	256	147	122	24	-	-	-	-	16	-	732
Total	**878**	**2 164**	**2 121**	**2 980**	**2 695**	**1 449**	**8**	**3 228**	**2 643**	**16**	**-**	**18 182**

Zero coupon deep discount non convertible debentures.

Notes to the consolidated financial statements for the year ended March 31, 2020

(₹ in crore)

Particulars		As at March 31, 2020	As at March 31, 2019
19	**Borrowings (other than debt securities)**		
	At amortised cost		
	Loan from banks and financial institution (secured)	**5 899**	10 848
	Cash credit (secured)	**1 205**	1 893
	Overdraft from banks (secured)	**4**	2
	Inter corporate deposits (secured)	**73**	-
	Inter corporate deposits (unsecured)	**855**	376
	Commercial Paper (unsecured)	**630**	2 251
	Other loan (pass through certificates)	**-**	3 177
	Total (A)	**8 666**	18 547
	Borrrowings in India	**8 666**	18 547
	Borrowings outside India	**-**	-
	Total (B)	**8 666**	18 547

Maturity profile of borrowing are as set out below:

(₹ in crore)

Nature	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Loan from banks and financial institution*	2 791	1 714	859	288	136	113	**5 901**
Cash Credit	1 205	-	-	-	-	-	**1 205**
Overdrafts from banks	4	-	-	-	-	-	**4**

* Loan from banks and financial institution includes prepaid brokerage of ₹ 2 crore.

Security clause of Borrowings:

a) The term loans from banks and financial institution aggregating to ₹ 624 crore (Previous year ₹ 615 crore) are secured by way of pari passu first charge on all present and future book debts, receivables, bills, claims and loan assets of the Parent Company.

b) The term loans from banks and financial institution aggregating to ₹ 5 276 crore (Previous year ₹ 5 621 crore) are secured by way of first pari-passu charge on all present and future book debts, business receivables, current assets, investments and all other assets of the subsidiary Reliance Commercial Finance Limited.

c) The cash credit facilities aggregating to ₹ 1 205 crore (Previous year ₹ 1 370 crore) are secured by way of first pari-passu charge on all present and future book debts, business receivables, current assets, investments and all other assets of the subsidiary Reliance Commercial Finance Limited.

d) The bank overdraft facilities aggregating to ₹ 4 crore (Previous year ₹ 2 crore) is secured against fixed deposit of ₹ 5 crore (Previous year ₹ 5 crore) held by subsidiary Reliance Commodities Limited. The rate of interest on bank overdraft varies from 8% to 9% and are repayable at maturity ranging up to 12 months.

e) Inter Corporate Deposit aggregating to ₹ 73 crore (Previous year ₹ Nil) are secured by way of pari passu first charge on all present and future book debts, investment, and business receivables of the Parent Company.

(₹ in crore)

Particulars		As at March 31, 2020	As at March 31, 2019
20	**Deposits**		
	At amortised cost		
	Security deposits lease	**4**	4
	Total	**4**	4

The Group has not accepted any deposit from directors / key management personnel. 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	**158**	124
	Non-convertible Tier II debentures	**-**	845
	Total	**158**	969
	In India	**158**	969
	Outside India	**-**	-

Notes to the consolidated financial statements for the year ended March 31, 2020

(₹ in crore)

Particulars		As at March 31, 2020	As at March 31, 2019
22	**Other financial liabilities**		
	Interest accrued and due on borrowings	**1 156**	-
	Interest accrued but not due on borrowings	**1 374**	1 388
	Other payables	**735**	833
	Unclaimed dividend	**28**	29
	Book overdraft	**91**	72
	Security deposit Lease	**17**	11
	Unclaimed amount of policy holders (including income on unclaimed amount)	**288**	320
	Insurance contract liabilities	**26 984**	22 562
	Provision for linked liabilities	**4 373**	6 178
	Funds for future appropriation	**37**	427
	Claim outstanding	**208**	158
	Total	**35 291**	31 978

(₹ in crore)

23	**Current tax liabilities**		
	Provision for income tax (net of advance tax)	**4**	5
	Total	**4**	5
24	**Provisions**		
	Employee benefits	**63**	48
	Provision for financial guarantee obligation	**243**	346
	Other reserves and provisions	**68**	32
	Total	**374**	426

a) **Summary of ECL on Financial Guarantee Obligation by stage distribution**

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
March 31, 2020	**217**	**-**	**26**	**243**
March 31, 2019	101	234	11	346

(₹ in crore)

Particulars		As at March 31, 2020	As at March 31, 2019
25	**Other non-financial liabilities**		
	Income and other amounts received in advance	**681**	362
	Provisi on for expenses	**61**	338
	Advance receipts from customers	**52**	93
	Payable for employee benefits	**10**	2
	Unallocated premium	**502**	898
	Statutory dues	**101**	88
	Others	**28**	16
	Total	**1 435**	1 797

(₹ in crore)

Particulars		As at March 31, 2020 Number	As at March 31, 2020 ₹	As at March 31, 2019 Number	As at March 31, 2019 ₹
26	**Equity share capital**				
	Authorised				
	Equity shares of ₹ 10 each	**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
	Issued and subscribed				
	Equity shares of ₹ 10 each	**25 40 53 108**	**254**	25 40 53 108	254
	Paid up				
	Equity shares of ₹ 10 each	**25 27 08 902**	**252**	25 27 08 902	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
	Total		**253**		253

Notes to the consolidated financial statements for the year ended March 31, 2020

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, 2020		As at March 31, 2019	
	Number	₹	Number	₹
Outstanding at the beginning of the year	**25 27 08 902**	**253**	25 27 04 682	253
Stock options exercised under the ESOS (** ₹ 42 200)	**-**	**-**	4 220	**
Outstanding at the end of the year	**25 27 08 902**	**253**	25 27 08 902	253

b) Terms and rights attached to equity shares

The Parent Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The dividend proposed by the Board of Directors is subject to the approval of shareholders at the Annual General Meeting, except in case of interim dividend.

c) Shares reserved for issue under options

Information relating to the Reliance Capital Limited Employee Stock Option Scheme (ESOS), including details regarding options issued, exercised and lapsed during the year and options outstanding at the end of the reporting period is set out in Note 41.

d) Details of shareholders holding more than 5% of the shares in the Parent Company

Equity shareholders	As at March 31, 2020		As at April 1, 2019	
	Number	% holding	Number	% holding
Reliance Inceptum Private Limited	**1 53 964**	**0.06**	9 41 39 206	37.43
Reliance Infrastructure Consulting & Engineers Private Limited	**17 75 991**	**0.70**	1 95 88 991	7.79
Housing Development Finance Corporation Limited	**1 62 45 000**	**6.43**	-	-
Axis Securities Limited	**3 55 62 396**	**14.07**	10 787	-

e) As on March 31, 2020, 10 98 393 equity shares (Previous year 12 11 665 equity shares) are held by custodian against which depository receipts have been issued.

(₹ in crore)

Particulars		As at March 31, 2020	As at March 31, 2019
27	**Other equity**		
a)	**Capital reserve**	**99**	99
b)	**Capital redemption reserve**	**9**	9
c)	**Debenture redemption reserve**		
	Opening balance	**230**	130
	Add: Amount transferred from Statement of Profit and loss	**2**	200
	Less: Effect of ceased subsidiary	**211**	-
	Less: Minority Interest	**-**	100
	Closing balance	**21**	230
d)	**Securities premium**		
	Opening balance	**3 421**	3 420
	Add: Additions/ (transfers) during the year	**-**	1
	Closing balance	**3 421**	3 421
e)	**General reserve**	**5 497**	5 497
f)	**Special reserve**		
	Opening balance	**69**	63
	Add: Amount transferred from Statement of Profit and loss	**-**	13
	Less: Effect of ceased subsidiary	**69**	-
	Less: Minority Interest	**-**	7
	Closing balance	**-**	69

Notes to the consolidated financial statements for the year ended March 31, 2020

(₹ in crore)

	Particulars	As at March 31, 2020	As at March 31, 2019
g)	**Statutory reserve fund**		
	Opening balance	**1 986**	1 955
	Add: Amount transferred from Statement of Profit and loss	**1**	31
	Closing balance	**1 987**	1 986
h)	**Retained earnings**		
	Opening balance	**(12 348)**	(10 334)
	Add: Additions transferred from Statement of Profit and Loss	**(1 075)**	(1 513)
	Less: Dividend	**-**	345
	Less: Tax on dividend	**-**	67
	Less: Transfer to special reserve	**-**	13
	Less: Transfer to statutory reserve fund	**1**	31
	Less: Transfer to debenture reserve fund	**2**	200
	Add/(Less) : Changes during the year	**(141)**	155
	Closing balance	**(13 567)**	(12 348)
i)	**Treasury shares**	**2**	2
j)	**Rcap ESOP trust reserve**		
	Opening balance	**13**	15
	Add: Additions/ (transfers) during the year	**(3)**	(2)
	Closing balance	**10**	13
k)	**Other Comprehensive Income**		
	Opening balance	**(180)**	(96)
	Add: Additions/ (transfers) during the year	**155**	(84)
	Closing balance	**(25)**	(180)
	Total	**(2 547)**	(1 202)

Nature and purpose of reserve

a) Capital reserve

Capital Reserves are mainly the reserves created during business combination for the gain on bargain purchase. Includes ₹ 93 crore (Previous year: ₹ 93 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 Parent Company.

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. 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. Pursuant to IRDAI circular no. IRDA/F&A/OFC/01/2014-15/115 dated August 4, 2017, and as required by Companies (Share Capital and Debentures) Rules 2014, the Group has created Debenture Redemption Reserve for ₹ 2 crore (Previous year ₹ 6 crore), thereafter no more Debenture Redemption Reserve is required to be created pursuant to amendment to the Companies (Share Capital and Debentures) Rules, 2014 dated August 16, 2019.

d) 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.

e) 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 Statement of profit and loss. Includes ₹ 3 837 crore (Previous year ₹ 3 837 crore) created pursuant to Schemes of Amalgamation approved by High Court.

f) 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 Group is yet to obtain RBI approval to release statutory reserve fund to retained earnings.Created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934.

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. Created pursuant to Section 29C of the National Housing Bank Act, 1987.

Notes to the consolidated financial statements for the year ended March 31, 2020

h) **ESOP trust reserve and Treasury shares**

Profit on sale of treasury shares by Rcap ESOP trust is recognised in Rcap Esop trust reserve.

i) **Other Comprehensive Income**

The Group 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 Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

(₹ in crore)

	Particulars	2019-20	2018-19
28	**Interest income**		
	On financial assets measured at amortised costs:		
	Loans	**3 107**	4 973
	Investments	**2 002**	2 575
	Fixed deposits and others	**88**	129
	Total	**5 197**	7 677
29	**Dividend income**		
	Investments	**153**	226
	Total	**153**	226
30	**Fees and commission income**		
	Processing fees	**12**	53
	Brokerage, commission and fees	**752**	555
	Total	**764**	608
31	**Net gain on fair value changes**		
	Realised	**-**	463
	Unrealised	**-**	762
	Total	**-**	1 225
32	**Other operating income**		
	Profit on loan sold to other NBFC	**-**	6
	Profit on trading of shares and securities (net)	**162**	27
	Sale of gold	**40**	34
	Rent	**10**	14
	Bad debts recovered	**71**	26
	Other	**2**	30
	Total	**285**	137
33	**Other income**		
	Management fees	**4**	6
	Sundry credit balance written back	**3**	51
	Miscellaneous income	**29**	21
	Total	**36**	78
34	**Finance cost**		
	On financial liabilities measured at amortised cost:		
	Inter corporate deposits	**363**	10
	Bank overdrafts	**32**	53
	Bank loans and financial institution	**1 071**	1 308
	Debentures	**2 183**	2 590
	Preference shares	**6**	6
	Discount on commercial papers	**79**	230
	Amortised brokerage	**36**	66
	Others	**169**	187
	On financial liabilities measured at FVTPL:		
	Debentures	**30**	69
	Total	**3 969**	4 519
35	**Fees and commission expense**		
	Commission expenses	**565**	539
	Other fees	**20**	23
	Total	**585**	562

Notes to the consolidated financial statements for the year ended March 31, 2020

(₹ in crore)

	Particulars	2019-20	2018-19
36	**Net (gain) / loss on fair value changes**		
	Realised	**(868)**	(830)
	Unrealised	**2 892**	1 529
	Total	**2 024**	699
37	**Impairment on financial instruments**		
	On financial instruments measured at amortised cost:		
	Loans	**4 371**	2 168
	Investments	**50**	129
	Others	**89**	303
	Total	**4 510**	2 600
38	**Employee benefits expenses**		
	Salaries and wages	**1 389**	1 380
	Contribution to provident and other funds	**69**	67
	Share based payments to employees	**9**	22
	Staff welfare expenses	**24**	24
	Others	**16**	30
	Total	**1 507**	1 523
39	**Other expenses**		
	Change in reserve for unexpired risk	**(145)**	161
	Bank charges	**25**	22
	Rent	**110**	137
	Rates and taxes	**55**	10
	Repairs and maintenance	**126**	145
	Electricity	**11**	13
	Insurance	**3**	3
	Cost of raw material consumed	**40**	74
	Travelling and conveyance	**50**	71
	Communication costs	**26**	26
	Legal and professional fees	**169**	196
	Auditors' remuneration	**3**	3
	Sales and marketing expenses	**795**	476
	Directors' sitting fees	**2**	2
	Loss on sale of property, plant and equipment / repossessed assets (net)	**7**	15
	Corporate social responsibility	**3**	17
	Coinsurance expenses (net)	**2**	1
	Profit attributable to participating policyholders of life insurance business	**(391)**	99
	Miscellaneous expenses	**405**	246
	Total	**1 296**	1 717
	Breakup of Auditors' remuneration		
	Audit fees	**2**	2
	Tax audit fees	**-**	-
	Certification charges and other reimbursement	**1**	1
	Total	**3**	3

40 Contribution for corporate social responsibility (CSR)

As per Section 135 of the Companies Act, 2013 (the "Act"), the Subsidiaries are under obligation to incur ₹ 3 crore (Previous year ₹ 17 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. However, during the year 2019-20, the Parent Company was required to spend an amount of ₹ 4 crore on CSR activities. The Parent Company is facing severe financial stress. Further the Hon'ble Delhi High Court vide its Order dated November 20, 2019, has placed restraint on the Parent Company on incurring expenses other than in ordinary course of business. In view of the aforesaid, the Parent Company has not spent the amount on CSR activities this year. The Parent Company is committed to spend on CSR in the long term.

41 Employee share based payments

a) Employee stock option scheme (equity settled)

The Parent 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 Parent 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.

b) The Parent Company introduced ESOP 2015 which covers eligible employees of the Parent 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 Parent 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 Parent Company, in line with the difference in the volume weighted average price of the Equity Shares of the Parent 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, 2020**		Year ended March 31, 2019	
	Average exercise price	**Number of options**	Average exercise price	Number of options
Outstanding at the beginning of the year	**296**	**2 11 590**	296	2 40 622
Granted during the year	**-**	**-**	-	-
Exercised during the year	**-**	**-**	296	4 220
Forfeited / Lapsed / Expired during the year	**-**	**97 212**	-	24 812
Outstanding at the end of the year	**296**	**1 14 378**	296	2 11 590
Vested and exercisable	**296**	**87 268**	296	1 05 795

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2020 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, 2020**	**Outstanding as at March 31, 2019**
October 15, 2015	October 15, 2020	296	**1 14 378**	2 11 590
Total			**1 14 378**	2 11 590

c) The Parent Company introduced ESOS 2017 which covers eligible employees of the Parent 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 Parent Company upon payment of the exercise price during the exercise period.

Notes to the consolidated financial statements for the year ended March 31, 2020

Details of ESOS 2017:

	ESOS 2017				
Grant Date	**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

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% to 6.59%	6.89% to 7.46%	7.13% to 7.34%	7.78% to 8.06%	7.04% to 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, 2020				
Outstanding at the beginning of the year	**-**	**-**	**-**	**20 53 040**	**8 200**
Granted during the year	**-**	**-**	**-**	**-**	**-**
Exercised during the year	**-**	**-**	**-**	**-**	**-**
Forfeited / Lapsed / Expired during the year	**-**	**-**	**-**	**5 72 750**	**-**
Outstanding at the end of the year	**-**	**-**	**-**	**14 80 290**	**8 200**
Vested and exercisable				**4 10 608**	**1 640**

	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, 2020**	Outstanding as at March 31, 2019
October 05, 2018	October 05, 2022	270	**14 80 290**	20 53 040
February 13, 2019	February 13, 2023	137	**8 200**	8 200
Total			**14 88 490**	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.

42 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.

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.

Notes to the consolidated financial statements for the year ended March 31, 2020

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 Parent Company has closed the scheme and paid the amount.

43 Leases

As a Lessor

Details of future minimum lease receivables are as under :

(₹ in crore)

Particulars	2019-20	2018-19
Not later than one year	**2**	5
Later than one year and not later than five years	**0.38**	7
later than five years	**-**	-

As a Lessee

Changes in carrying value of right of use assets for the year ended March 31, 2020 : (₹ in crore)

Particulars	2019-20
Opening balance	**9**
Additions	**10**
Interest expense	**-**
Payment of lease liabilities	**(5)**
Closing balance	**14**

Interest Expense on lease liability and movement in lease liabilities for the year ended March 31, 2020 (₹ in crore)

Particulars	2019-20
Opening balance	**9**
Additions	**10**
Interest expense	**1**
Payment of lease liabilities	**(6)**
Closing balance	**14**

Maturity Analysis of Lease Liabilities as on March 31, 2020 (₹ in crore)

Particulars	2019-20	2018-19
Not later than one year	**7**	6
Later than one year and not later than five years	**8**	8
later than five years	**-**	1

Total Cash outflow on account of lease liabilities for the year ended March 31, 2020 amounts to ₹ 6 crore.

Expense pertaining to short term leases (i.e. having lease period of less than 12 months) amounts to ₹ 70 crore.

44 Basic and diluted earnings per share

The computation of earnings per share is set out below:

(₹ in crore)

Particulars	2019-20	2018-19
a) Amounts used as the numerators		
Net loss after tax	**(1 199)**	(1 454)
b) Weighted average number of equity shares (Nos.)	**25 11 08 902**	25 11 07 838
c) Basic earnings per share of face value ₹ 10 each (₹)	**(47.79)**	(57.91)
d) Diluted earnings per share of face value ₹ 10 each (₹)	**(47.79)**	(57.91)

45 Income tax

a) The components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

(₹ in crore)

Particulars	2019-20	2018-19
Current tax	**56**	67
Deferred tax	**(80)**	55
Total	**(24)**	122

Notes to the consolidated financial statements for the year ended March 31, 2020

b) Reconciliation of the total tax charge

(₹ in crore)

Particulars	2019-20	2018-19
Reconciliation of profit/ (loss) before tax to taxable profit / (loss)	**(1 223)**	(1 332)
Effect of expenses that are not deductible in determining taxable profit	**356**	(3 091)
Tax losses on which no deferred tax has been recognised	**1 779**	1 602
Effect of expenses that are deductible in determining taxable profit	**(15)**	(24)
Effect of incomes which are exempt from tax	**(34)**	(151)
Other adjustments	**21**	31
Taxable (loss) / Profit	**884**	(2 965)
Income tax expense at effective tax rate	**(24)**	122
Effective tax rate	**2.74%**	1.98%

Note: As a matter of prudence the Group has not to recognise deferred tax assets (net) in books of accounts.

c) Tax Losses and Credits

(₹ in crore)

Particulars	2019-20	2018-19
Unutilised brought forward losses on which no deferred tax asset has been recognised*	**7 751**	7,987
Unutilised MAT Credit Entitlement on which no deferred tax asset has been recognised	**373**	373

Note:

***** The unabsorbed tax losses has been considered to the extent of amount determined and claimed in the income tax returns filed with the Income Tax Authorities.

46 Contingent liabilities and commitments (as certified by the management)

Contingent liabilities and capital commitments of the Parent Company and its subsidiaries are as follows:

(₹ in crore)

Particulars			2019-20	2018-19
a	**Contingent liabilities**			
	i)	Guarantees to banks and financial institutions	**3 453**	4 495
	ii)	Claims against the Group not acknowledge as debt	**283**	361
	iii)	Dividend on preference shares	**20**	23
	iv)	Others	**526**	86
b	**Commitments**			
	i)	Estimated amount of contracts remaining executed on capital account (net of advances)	**84**	106
	ii)	Undrawn committed credit lines	**-**	992
	iii)	Commitments made and outstanding for investments	**7**	8

Share of Group in contingent liabilities and capital commitments of associates are as follow:

(₹ in crore)

Particulars			2019-20	2018-19
a.	**Contingent Liabilities**			
	i)	Guarantees to banks and financial institutions	**40**	9
	ii)	Claims against the Group not acknowledge as debt	**5**	1
b.	**Commitments**			
	i)	Estimated amount of contracts remaining executed on capital account (net of advances)	**8**	-
	ii)	Undrawn committed credit lines	**347**	-

47 Additional reconciliation required under Ind AS 104

A Related to General Insurance Business

Reinsurance assets (₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Recoverable at the beginning of the year	**3 070**	2 925
Recoveries for the year		
Outstanding claims reserve	**148**	191
IBNR	**956**	(136)
Unearned premium	**253**	90
Recoverable at the end of the year	**4 427**	3 070
Reinsurance assets		
Gross Liability at the beginning of the year	**9 961**	9 032
Add/(Less)		
Change in outstanding claims reserve	**324**	348
Change in IBNR	**1 826**	329
Change in unearned premium	**107**	250
Change in provision for premium deficiency	**(1)**	1
Others (to be specified)	**-**	-
Recoverable at the end of the year	**12 217**	9 961

B Related to Life Insurance Business

Investment Contract Liabilities (₹ in crore)

Particulars	2019-20				2018-19			
	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
At the beginning of the year	**113**	**568**	**-**	**681**	152	924	-	1,076
Additions								
Premium	**2**	**24**	**-**	**26**	3	21	-	24
Interest and bonus credited to policy holders	**7**	**(26)**	**-**	**(19)**	8	67	-	75
Others - Unrealised gain & loss	**1**	**-**	**-**	**1**	1	-	-	1
Deductions								
Withdrawals / Claims	**30**	**203**	**-**	**233**	50	432	-	482
Fee Income and Other Expenses	**1**	**6**	**-**	**8**	2	11	-	13
Others	**-**	**-**	**-**	**-**	-	-	-	-
At the end of the year	**92**	**357**	**-**	**448**	**113**	**568**	**-**	**681**

Insurance contracts liabilities

2019-20 (₹ in crore)

Particulars	With DPF				Without DPF (Non-Par)				Total
	VIP	Linked	Non-Linked	Total	VIP	Linked	Non-Linked	Total	
Gross Liability at the beginning of the year Add/(Less)	**421**	**-**	**5,085**	**5,506**	**26**	**5,672**	**7,321**	**13,020**	**18,526**
Methodology/ Modelling Change	**8**	**-**	**1**	**9**	**-**	**-**	**(5)**	**(5)**	**4**

Notes to the consolidated financial statements for the year ended March 31, 2020

2019-20 (₹ in crore)

Particulars	With DPF				Without DPF (Non-Par)				Total
	VIP	Linked	Non-Linked	Total	VIP	Linked	Non-Linked	Total	
Expected Change in existing business liabilities									
Premium	25	-	991	1,017	-	547	1,821	2,368	3,384
Insurance Liabilities released									
On completion of the insurance contracts	-	-	(99)	(99)	-	(538)	(3)	(540)	(639)
On surrender of the insurance contracts	(31)	-	(88)	(119)	-	(698)	(182)	(881)	(1,000)
On lapsation of the insurance contracts	-	-	(8)	(8)	-	(5)	(91)	(96)	(104)
Others	(52)	-	(490)	(542)	-	(882)	(338)	(1,220)	(1,762)
Unwinding of discount rate	18	-	312	330	-	(688)	466	(222)	108
Release of zeroisation/ surrender value floor	4	-	(12)	(8)	-	(27)	(68)	(95)	(103)
Impact due to assumption changes									
Economic assumptions	-	-	1	1	-	1	1	2	2
Operating assumptions	-	-	25	25	-	(1)	(46)	(47)	(22)
Variance between actual and expected experience									
Economic assumptions	-	-	-	-	-	-	-	-	-
Operating assumptions	-	-	-	-	-	-	-	-	-
Change in Undistributed Participating Policyholders surplus									
Opening Balance	-	-	427	427	-	-	-	-	427
Amount utilised during the year	-	-	(196)	(196)	-	-	-	-	(196)
Amount Credited during the year	-	-	(195)	(195)	-	-	-	-	(195)
Closing Balance	-	-	37	37	-	-	-	-	37
Provisions in respect of new business	3	-	15	19	-	440	178	618	637
Other Movements									
Change in any global reserves	(6)	-	7	1	2	(5)	59	57	57
Change in benefit on account of bonus changes	-	-	-	-	-	-	-	-	-
Change due to policy alterations	-	-	-	-	-	-	-	-	-
Others	(4)	-	(175)	(179)	0	259	(48)	211	32
Gross Liability at the end of the year	386	-	5,173	5,559	29	4,074	9,067	13,170	18,729
Reinsurance Asset at the end of the year	-	-	-	-	-	-	-	-	-
Net Liability	386	-	5,173	5,559	29	4,074	9,067	13,170	18,729

Notes to the consolidated financial statements for the year ended March 31, 2020

2018-19 (₹ in crore)

Particulars	With DPF				Without DPF (Non-Par)				Total
	VIP	Linked	Non-Linked	Total	VIP	Linked	Non-Linked	Total	
Gross Liability at the beginning of the year Add/(Less)	558	-	4,484	5,042	24	6,207	5,555	11,785	16,828
Methodology/ Modelling Change	-	-	-	-	-	2	1	3	3
Expected Change in existing business liabilities									
Premium	29	-	1,093	1,122	-	521	2,262	2,783	3,905
Insurance Liabilities released									
On completion of the insurance contracts	-	-	(120)	(120)	-	(307)	(6)	(313)	(433)
On surrender of the insurance contracts	(45)	-	(77)	(121)	-	(622)	(116)	(738)	(860)
On lapsation of the insurance contracts	-	-	(15)	(15)	-	(2)	(80)	(82)	(97)
Others	(151)	-	(541)	(691)	-	(1,164)	(936)	(2,100)	(2,791)
Unwinding of discount rate	21	-	282	303	-	380	377	757	1,060
Release of zeroisation/surrender value floor	(1)	-	(22)	(22)	-	(11)	(51)	(62)	(84)
Impact due to assumption changes									
Economic assumptions	-	-	-	-	-	-	-	-	-
Operating assumptions	2	-	73	76	-	-	59	59	135
Variance between actual and expected experience									
Economic assumptions	-	-	-	-	-	-	-	-	-
Operating assumptions	-	-	-	-	-	-	-	-	-
Change in Undistributed Participating Policyholders surplus									
Opening Balance	-	-	328	328	-	-	-	-	328
Amount utilised during the year	-	-	(344)	(344)	-	-	-	-	(344)
Amount Credited during the year	-	-	444	444	-	-	-	-	444
Closing Balance	-	-	427	427	-	-	-	-	427
Provisions in respect of new business	15	-	10	25	-	575	171	746	771
Other Movements									
Change in any global reserves	1	-	16	17	2	(3)	14	13	30
Change in benefit on account of bonus changes	-	-	-	-	-	-	-	-	-
Change due to policy alterations	-	-	-	-	-	-	-	-	-
Others	(9)	-	(200)	(208)	-	96	73	168	(40)
Gross Liability at the end of the year	421	-	5,085	5,506	26	5,672	7,321	13,020	18,526
Reinsurance asset at the end of the year	-	-	-	-	-	-	-	-	-
Net Liability	421	-	5,085	5,506	26	5,672	7,321	13,020	18,526

Notes to the consolidated financial statements for the year ended March 31, 2020

48 Going Concern

(a) The Parent Company has defaulted in repayment of obligation to the Lenders & Debenture holders and has incurred losses during the year which indicate material uncertainty exists that may cast a significant doubt on the Parent Company's ability to continue as a Going Concern. The Parent Company is in the process of meeting its obligations by way of time bound monetization of its assets subject to approval from regulators, court and lenders. Accordingly, the financial results of the Parent Company have been prepared on a "Going Concern" basis.

(b) The Group's subsidiary Reliance Commercial Finance Limited (RCFL) has incurred losses amounting to ₹ 1 441 crore (Previous year ₹ 1 892 crore) and as on March 31, 2020 it has accumulated losses of ₹ 3 333 crore (Previous year ₹ 1 892 crore). Pursuant to Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019 vide RBI circular dated June 7, 2019, the RCFL has entered into an Inter-Creditor Agreement (ICA) on July 6, 2019 for the resolution of its debt. The timeline of 180 days given in the Circular were expired on January 3, 2020. In the Lender's meeting held on January 16, 2020 all lenders had agreed to extend the ICA period till March 31, 2020 and it is further extended till June 30, 2020 in lenders meeting held on March 26, 2020. RCFL is confident of implementing its Resolution Plan within the said extended period. In view of the steps taken by RCFL as mentioned above, the accounts of RCFL have been prepared on "Going Concern" basis.

(c) The Group's associate Reliance Home Finance Limited (RHFL) has engaged with all its lenders for arriving at the debt resolution plan. In this regard, lenders of RHFL have entered into an Inter-Creditor Agreement (ICA) in accordance with the circular dated June 7, 2019 issued by the Reserve Bank of India (RBI) on Prudential Framework for Resolution of Stressed Assets. Majority of our lenders have already executed the ICA dated July 6, 2019 with Bank of Baroda acting as the lead lender. The RHFL's lenders at the steering committee meeting have appointed the resolution advisors, cashflow monitoring agency, forensic auditor, valuers and legal counsel. The period of 180 days as envisaged in the Circular expired on January 3, 2020 and the lenders have agreed to extend the ICA till June 30,2020 and have communicated with RBI for the same. RHFL is confident of implementing its Resolution Plan and in view of the steps taken by the RHFL, the accounts of RHFL have been prepared on Going Concern Basis.

(d) The Group's subsidiary Reliance Capital Pension Fund Limited (RCPFL) during the year, has voluntary withdrawal of the certificate of registration granted by the Pension Fund Regulatory and Development Authority (PFRDA) vide dated June 04, 2019. The PFRDA vide letter dated July 31, 2019 and November 15, 2019 approved the deregistration. Hence on account of this, the books of account of has not been prepared on basis of going concern basis. The assets and liabilities are accounted for at their realisable value.

(e) The Group's subsidiary Reliance Money Precious Metals Private Limited (RMPML), the accumulated losses as at March 31, 2020 exceed paid up capital resulting in an erosion of its capital. The accounts have been prepared on 'Going Concern' basis on the understanding that finance will continue to be available to the RMPML for working capital requirements.

(f) The Group's subsidiary Reliance Money Solutions Private Limited, the accumulated losses as at March 31, 2020 exceed paid up capital resulting in an erosion of its capital. The accounts have been prepared on 'Going Concern' basis on the understanding that finance will continue from the Associate Company i.e. Reliance Securities Limited.

(g) The Group's subsidiary Reliance Wealth Management Limited (RWML), has incurred net losses ₹ 22 crore (PBT) and ₹ 32 crore (PAT), resulted in erosion of the Net worth of RWML. Further, in has certain outstanding vendor and employee payable, RWML's ability to meet its obligations is significantly dependent on material uncertain events including retaining and growing its current Portfolio of PMS business and distribution of Mutual fund business. RWML is confident that such cash flows would enable it to service its debt and discharge its liabilities, including employee and vendor payables in the normal course of its business. RWML has also got confirmation from one of fellow subsidiary for continuous support for its working capital requirement for next one year. Accordingly, the financial statement of RWML has been prepared on a going concern basis.

(h) The subsidiary companies of Quant Capital Private Limited, i.e. Quant Securities Private Limited and Quant Investment Services Private Limited Companies are having negative net worth. However, having regard to continued financial support from the promoters, the financial statements have been prepared on going concern basis without any adjustment to the carrying value of assets and liabilities.

As stated in para (a) to (h) above, the Group is in the process of meeting all its obligations through time bound monetization of its assets, and accordingly the financial results of the Group have been prepared on a "Going Concern" basis.

49 a) The Parent Company, its subsidiary namely Reliance Commercial Finance Limited, and its associates namely Reliance Home Finance Limited, previous auditor's, after resigning from the office in June 2019 submitted a report under Section 143(12) of the Companies Act, 2013 with the Ministry of Corporate Affairs for matters relating to FY 2018-19. The Group 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) The Parent Company has given Inter corporate deposits to an entity aggregating to ₹ 390 crore which is fully secured by way of first charge on their assets and additionally secured by a corporate guarantee by a group company. 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 said exposures.

Notes to the consolidated financial statements for the year ended March 31, 2020

c) The Parent Company has entered into Binding Share Purchase Agreement on May 23, 2019 for sale of its shareholding in Nippon Life India Asset Management Limited (NLIAML) to Nippon Life Insurance Company, Japan. The same has been executed and accordingly NLIAML has ceased to be associate of the Company w.e.f September 27, 2019. On account of the transactions, the group has recognised net realised gain on fair value change of ₹ 4 901 crore.

d) The Parent Company had pledged its entire equity holding (25 15 49 920 shares) in Reliance General Insurance Company Limited (RGIC) in favour of IDBI Trusteeship Services Limited (Trustee) against dues of third party guaranteed by the Company. The Trustee on November 19, 2019 invoked the pledge and presently holds the shares of RGIC in their custody. vide orders dated December 4, 2019 and December 27, 2019 Insurance Regulatory and Development Authority of India (IRDAI) has informed the Company that the shares are being held by the Trustee in the capacity as Trustee and the shares have not been transferred. The said order was challenged in Securities Appellate Tribunal Mumbai (SAT) and SAT vide order dated February 27, 2020 also confirmed that the Trustee is also holding shares as Trustee / custodian and will not exercise any control over RGIC and cannot exercise any voting rights on shares of RGIC. Accordingly, RGIC continues to be a wholly owned subsidiary of the Company.

e) The Parent Company had pledged 3.35% equity shares (2 04 97 423 shares) of Nippon Life India Asset Management Limited in favour of IndusInd Bank Limited (IBL) against due of third party. IBL has illegally invoked the pledge which has been challenged by the Parent Company before the Hon'ble High Court of Bombay. The High Court has referred the matter to the arbitration wherein pursuant to an interim application by the Company a Status Quo order has been passed. Accordingly, the said shares continue to remain in a separate demat account and the matter is now pending for filing of Statement of Claim by the Parent Company. Accordingly the Parent Company continues to consider its rights on the above referred shares for the guarantee given on behalf of group company.

f) The Trustee to the Debenture holders of the Parent Company has initiated proceedings against the Parent Company before the Debt Recovery Tribunal Mumbai. The application of the trustee is listed for hearing on May 8 2020. The Parent Company is also considering to file an appeal before Debt Recovery Appellate Tribunal against such proceedings.

50 In case of Reliance Commercial Finance Limited (RCFL):

The Group's subsidiary Reliance Commercial Finance Limited (RCFL) had given general purpose corporate loan/working capital term loan to certain bodies corporate in the ordinary course of business, the terms of which are at arms' length basis. None of these loans constitute as transactions with related parties. However, in few cases, RCFL's borrowers had undertaken onward lending transactions to companies which are identified as Group Companies by the Parent Company in terms of the Core Investment Companies (Reserve Bank) Directions, 2016. These loans are secured and in few cases they are further guaranteed by the Group Companies.

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, 2020**

The liability for IBNR and IBNER as at March 31, 2020 has been estimated by Appointed Actuary as per the IRDA circular no. 11/IRDA/ACTL/IBNR/2005-06 dated June 8, 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.

c) **India Nuclear Insurance Pool**

In View of the passage of the civil liability for Nuclear Damage Act, 2010, GIC Re as Indian Reinsurer initiated the formation of the India Nuclear Insurance Pool (INIP) along with other domestic non-life insurance companies by pooling the capacity to provide insurance cover for nuclear risks. INIP is an unregistered reinsurance arrangement among its members i.e. capacity providers without any legal entity. GIC Re & 11 other non-life insurance companies are founder members with their collective capacity of ₹ 1 500 crore. GIC Re is also appointed as the pool manager of the INIP. The business underwritten by the INIP will be retroceded to all the member companies including GIC Re in proportion of their capacity collated. Out of the total capacity of ₹ 1 500 crore of the INIP the capacity provided by the company is ₹ 20 lakh.

In accordance with the terms of the agreement, GIC Re retrocede to the company to the extent of the company's share in the risk which is recorded as reinsurance accepted based on the half yearly statements received from GIC Re.

d) **Contribution to Environment Relief Fund**

For the year ended March 2020, the Company had collected ₹ 18 lakh (Previous year : ₹ 13 lakh) towards Environment Relief Fund (ERF) for public liability policies and an amount of ₹ 19 lakh (Previous year: ₹ 13 lakh) 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 ₹ 11 thousand (Previous year: ₹ 57 thousand) is shown under current liabilities.

e) **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 and as per letter no. HO/MTD/Solatium Fund/2010/482 dated July 26, 2010 from the New India Assurance Co. Ltd (Scheme administrator),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.

52 In case of Reliance Nippon Life Insurance Company Limited (RNLIC)

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 Company 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.

53 In case of Reliance Securities Limited (RSL)

Reliance Securities Limited (RSL) has been unable to obtain Bank Confirmation for the year ended March 31, 2020 for certain Fixed Deposit Receipts (FDRs) aggregating to ₹ 8 crore from a Scheduled Commercial Bank (Yes Bank Limited), which includes "Client Margin" FDRs amounting to ₹ 6 crore. The Bank has adjusted said FDRs against amounts due and payable by the Parent company to the Bank. RSL has obtained legal advice / opinion from a reputed law firm confirming that the action of the Bank to adjust "Client Margin" FDRs can be challenged as being illegal and untenable in law. The regulatory provisions from SEBI also support this position. RSL has initiated necessary actions against the Bank for said adjustments for Client Margin FDR RSL is confident that the said Client Margin FDRs of ₹ 6 crore will be recovered from the Bank over a period of time and no adjustments are required to be made in the carrying value of the FDRs. RSL has provided for the balance amount of FDRs of ₹ 2 crore.

54 In case of Reliance Commodities Limited (RCommodities)

Reliance Commodities Limited (RCommodities) has been unable to obtain Bank Confirmation for the year ended March 31, 2020 for certain Fixed Deposit Receipts (FDRs) amounting to ₹ 4 crore from a Scheduled Commercial Bank (Yes Bank), which includes "Client Margin" FDRs amounting to ₹ 4 crore. The Bank has adjusted said FDRs against amounts due and payable by the Parent company to the Bank. RCommodities has obtained legal advice / opinion from a reputed law firm confirming that the action of the Bank to adjust "Client Margin" FDRs can be challenged as being illegal and untenable in law. The regulatory provisions from SEBI also support this position. RCommodities has initiated necessary actions against the Bank for said adjustments for Client Margin FDR RCommodities is confident that the said Client Margin FDRs of ₹ 4 crore will be recovered from the Bank over a period of time and no adjustments are required to be made in the carrying value of the FDR.

55 In case of Quant Capital Private Limited (QCPL) and its subsidiaries

a) Quant Securities Private Limited (QSPL) has applied for surrender of its Broking license with Bombay Stock Exchange (BSE) as well as National Stock Exchange (NSE), however approval from BSE & NSE is still awaited.

b) The two subsidiaries of QCPL i.e. Quant Broking Private Limited (QBPL) and Quant Securities Private Limited (QSPL) has collected stamp duty on account of its statutory obligation towards transactions entered on various segments in the state of Tamilnadu. The subsidiaries 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 Honourable High Court, Tamilnadu. In the interim the amount so collected is reflected under Statutory Liability. The aggregate amount outstanding is ₹ 12 crore (previous year: ₹ 12 crore).

c) Quant Transactional Services Private Limited (Plaintiffs) has filed a Suit in Honourable High Court against the QCPL subsidiary Quant Broking Private Limited (QBPL) U/s 6 of Specific Relief Act, 1963 and has claimed that the QCPL and its subsidiaries has forcefully dispossessed the Plaintiffs from the Goregaon Premises and taken over the possession of the property, plant and equipment. The interim relief claimed in Notice of Motion was repossession of the premises and inventory of the property, plant and equipment. However, the Honourable High Court of Bombay has not granted any Interim Relief and Suit and Notice of Motion is pending hearing and for final disposal.

d) Mr. Adil Patrawala has filed a Petition u/s 397 and 398 of Companies Act, 1956 against the Quant Capital Private Limited (QCPL) 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. The matter is now pending with National Company Law Tribunal.

e) Quant Capital Private Limited (QCPL) has filed Summary Suit against Quant Transactional Services Private Limited (QTSPL) 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 QTSPL which High Court has denied. Both notice of motion and Suit are pending hearing and final disposal.

f) The management of Quant Securities Private Limited (QSPL) 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 March 17, 2018 has decided to discontinue 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.

g) The balances appearing in certain accounts of Quant Capital Private Limited (QCPL) 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.

h) Quant Capital Private Limited (QCPL) income from Interest is more than 50% of gross total income therefore as per Sec 45IA of Reserve bank of India Act 1934, company is required to register as NBFC but the company has temporarily fallen into this criteria due to unable to complete some trading activities in March 2020 because of lockdown due to COVID 19. Management is confident that in future it will not fall in the NBFC criteria considering the nature of activities in which company operates and is not required to register as NBFC.

56 In case of Reliance Exchangenext Limited (RNext)

As per share sale & purchase agreement dated October 13, 2010 between India Bulls Financial Services Limited ("IBFSL") and Reliance Exchangenext 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 crore 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 4, 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: -

(a) 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;

(b) 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 National Company Law Tribunal (NCLT).

57 In case of associate Reliance Home Finance Limited (RHFL)

a) Reliance Home Finance Limited (RHFL) had advanced loans under the 'General Purpose Corporate Loan' product to certain bodies corporate including some of the group companies. All the lending transactions undertaken by RHFL are in the ordinary course of business, the terms of which are at arms' length basis and the same do not constitute transactions with related parties. However, RHFL's borrowers in some cases have undertaken onward lending transactions and it is noticed that the end use of the borrowings from the Company included borrowings by or repayment of financial obligations to some of the group companies.

b) Reliance Home Finance Limited (RHFL) is mainly engaged in the housing finance business and all other activities revolve around the main business of RHFL. Further, all activities are conducted within India and as such there is no separate reportable segment, as per the Ind AS 108 - "Operating Segments" specified under Section 133 of the Act. The proportion of non-housing loan is more than the proportion of housing loan. RHFL is in the process of increasing the housing loan portfolio and is confident of the achieving the same in due course.

58 Segment Reporting

The Group is organised into following reportable segments referred to in Ind AS 108 'Operating Segment'

(₹ in crore)

Particular	Year	Finance & Investments	General Insurance	Life Insurance	Commercial Finance	Home Finance	Others	Elimination	Total
Revenue									
External	**2019-20**	**1 244**	**9 035**	**5 749**	**828**	**1 322**	**181**	**-**	**1 8 359**
	2018-19	3 019	7 292	6 095	1 810	2 003	306	-	20 525
Internal	**2019-20**	**238**	**22**	**6**	**-**	**-**	**28**	**294**	**-**
	2018-19	33	41	1	-	-	50	125	-
Total Revenue	**2019-20**	**1 482**	**9 057**	**5 755**	**828**	**1 322**	**209**	**-**	**18 359**
	2018-19	3 052	7 333	6 096	1 810	2 003	356	-	20 525
Results									
Segment Results - Profit / (Loss) before tax	**2019-20**	**553**	**47**	**(104)**	**(1 441)**	**(206)**	**(72)**	**-**	**(1 223)**
	2018-19	348	39	36	(1 854)	102	(3)	-	(1 332)
Unallocated Expenses	**2019-20**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2018-19	-	-	-	-	-	-	-	-
Profit / (Loss) before tax	**2019-20**	**553**	**47**	**(104)**	**(1 441)**	**(206)**	**(72)**	**-**	**(1 223)**
	2018-19	348	39	36	(1 854)	102	(3)	-	(1 332)
Other Information									
Segment Assets	**2019-20**	**16 963**	**17 484**	**21 371**	**10 989**	**-**	**756**	**2 778**	**64 785**
	2018-19	31 285	14 072	21 600	13 504	18 125	947	15 561	83 973
Unallocated Assets	**2019-20**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2018-19	-	-	-	-	-	-	-	-
Total Assets	**2019-20**	**16 963**	**17 484**	**21 371**	**10 989**	**-**	**756**	**2 778**	**64 785**
	2018-19	31 285	14 072	21 600	13 504	18 125	947	15 561	83 973
Segment Liabilities	**2019-20**	**21 085**	**15 520**	**20 200**	**12 024**	**-**	**581**	**2 955**	**66 455**
	2018-19	21 346	12 312	20 246	12 698	16 283	720	381	83 225
Unallocated Liabilities	**2019-20**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2018-19	-	-	-	-	-	-	-	-
Total Liabilities	**2019-20**	**21 085**	**15 520**	**20 200**	**12 024**	**-**	**581**	**2 955**	**66 455**
	2018-19	21 346	12 312	20 246	12 698	16 283	720	381	83 225
Capital Expenditure	**2019-20**	**-**	**44**	**36**	**-**	**-**	**1**	**-**	**81**
	2018-19	1	11	14	-	2	7	-	34
Depreciation	**2019-20**	**35**	**35**	**25**	**17**	**3**	**8**	**-**	**123**
	2018-19	53	21	17	20	3	9	-	123
Noncash Expenses other than Depreciation	**2019-20**	**3 741**	**229**	**1 510**	**845**	**377**	**13**	**-**	**6 715**
	2018-19	700	237	54	2 134	349	2	-	3 476

Note:-

(i) 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.

(ii) The reportable segments of the Reliance Capital Group are further described below

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

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

c) Life Insurance - This includes the life insurance business.

d) Commercial Finance - This includes the commercial finance business.

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

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

(iii) Since all the operations of the Group are largely conducted within India, as such there is no separate reportable geographical segment.

Notes to the consolidated financial statements for the year ended March 31, 2020

59 Related party transactions

A List of Related Parties and their relationship:

i) Entity having significant influence on the Company

Reliance Innoventures Private Limited (RIPL)

ii) Individual Promoter

Mr. Anil D Ambani, the person having significant influence during the year.

iii) Associates

Ammolite Holdings Limited (AHL)
Reliance Asset Reconstruction Company Limited (RARCL)
Global Wind Power Limited (GWPL) (w.e.f. June 18, 2019)
Reinplast Advanced Composites Private Limited (RACPL) (w.e.f. April 24, 2019)
Nippon Life India Asset Management Limited (formerly Reliance Nippon Life Asset Management Limited (RNLAML)) (ceased w.e.f. September 27, 2019)
Reliance Home Finance Limited (RHFL) (w.e.f. March 5, 2020)

iv) Key management personnel

Mr. Dhananjay Tiwari Director & Chief Executive Officer (appointed w.e.f. January 21, 2020)
Mr. Atul Tandon Company Secretary & Compliance Officer
Mr. Vaibhav Kabra Chief Financial Officer (appointed w.e.f. December 10, 2019)
Mr. Anmol Ambani Executive Director (ceased w.e.f. December 10 2019)
Mr. Amit Bapna Chief Financial Officer (ceased w.e.f. December 10, 2019)
Mr. Sachin Bora Chief Executive Officer (appointed w.e.f December 10, 2019 and ceased w.e.f. December 27, 2019)

B Other related parties with whom transactions have taken place during the year with enterprise over which individual described in clause A(ii) above has control:

Big Animation (India) Private Limited (BAPL)
Big Flicks Private Limited (BFPL)
BSES Kerala Power Limited
BSES Rajdhani Power Limited (BSES Rajdhani)
BSES Yamuna Power Limited
Campion Properties Limited (CPL)
Chitrangi Power Private Limited
Coastal Andhra Power Limited
DA Toll Road Private Limited
Dassault Reliance Aerospace Limited
DS Toll Road Limited
GF Toll Road Private Limited
Globalcom IDC Limited (GIDC)
Guruvas Commercials LLP (GCLLP)
HK Toll Road Private Limited
Independent TV Limited
JR Toll Road Private Limited
Kalai Power Private Limited
Metro One Operation Private Limited
Mumbai Metro One Private Limited
Nationwide Communication Private Limited (NCPL)
NK Toll Road Limited
North Karanpura Transmission Company Limited
Rajasthan Sun Technique Energy Private Limited
Reliance Big Broadcasting Private Limited (RBBPL)
Reliance CleanGen Limited (RCLEANGEN)
Reliance Big Entertainment Private Limited (RBEPL)
Reliance Communications Infrastructure Limited (RCIL)
Reliance Communications Limited (RCOM)
Reliance Energy Limited
Reliance Globalcom Limited (RGCL)
Reliance Infocomm Infrastructure Limited (RIIL)
Reliance Infrastructure Limited (RINFRA)
Reliance Infrastructure Management Private Limited (RIMPL)
Reliance Infratel Limited (RIL)
Reliance Natural Resources Limited
Reliance Naval and Engineering Limited
Reliance Power Limited (RPOWER)
Reliance Realty Limited (RRL)
Reliance Tech Services Limited
Reliance Telecom Limited (RTL)
Reliance Webstore Limited (RWL)
Rosa Power Supply Company Limited (ROSAPOWER)
Samalkot Power Limited
Sasan Power Limited (SASANPOWER)
Siyom Hydro Power Private Limited
SU Toll Road Private Limited
Tato Hydro Power Private Limited
TK Toll Road Private Limited
Unlimit IOT Private Limited
Utility Powertech Limited
Vidarbha Industries Power Limited (VIDARBHAIND)
Zapak Digital Entertainment Limited (ZDEL)
Zapak Mobile Games Private Limited (ZMGPL)

C. Transactions during the year with related parties:

(₹ in crore)

Particulars		2019-20 Associates	2019-20 Others (B above)	2019-20 Total	2018-19 Associates	2018-19 Others (B above)	2018-19 Total
	Investments						
a)	Subscribed / Purchased during the year	**-**	**26**	**26**	-	-	-
b)	Closing Balances	**737**	**0.41**	**737**	1 226	3	1 229
	Loans given						
a)	Given during the year	**-**	**469**	**469**	38	6	44
b)	Returned /Adjusted during the year	**10**	**10**	**20**	23	1 046	1 069
c)	Assignment of loan	**-**	**-**	**-**	-	877	877
d)	Closing Balances	**65**	**776**	**841**	30	-	30
e)	ECL provision on loan outstanding	**1**	**35**	**36**	1	-	1
f)	Interest accrued on Loans	**-**	**57**	**57**	3	-	3
g)	ECL provision on interest outstanding	**-**	**3**	**3**	-	-	-
	Loans taken						
a)	Taken during the year	**-**	**174**	**174**	-	-	-
b)	Closing Balances	**-**	**174**	**174**	-	-	-
c)	Interest accrued	**-**	**14**	**14**	-	-	-
	Trade Receivables	**-**	**1**	**1**	-	-	-
	Advances Receivables	**8**	**-**	**8**	1	-	1
	Trade Payables	**1**	**9**	**10**	-	-	-
	Deposits received	**-**	**0.31**	**0.31**	-	-	-
	Income						
a)	Interest & Finance Income	**7**	**57**	**63**	1	15	16
b)	Rent Income	**-**	**-**	**-**	-	0.09	0.09
c)	Dividend Income	**80**	**-**	**80**	106	-	106
d)	Premium Received	**6**	**57**	**64**	5	-	5
e)	Management Fees	**3**	**-**	**3**	6	-	6
f)	Other operating income	**-**	**0.22**	**0.22**	0.03	-	0.03
g)	Reimbursement of Expenditure	**1**	**1**	**2**	4	0.01	4
	Expenses						
a)	Finance cost	**-**	**24**	**24**	-	-	-
b)	Rent Expense	**-**	**22**	**22**	1	1	2
c)	Brokerage paid during the year	**0.02**	**-**	**0.02**	-	-	-
d)	Reimbursement of Expenditure	**-**	**5**	**5**	-	-	-
e)	Fair value change on Investments	**134**	**7**	**141**	-	62	62
f)	ECL provision on loan and interest (net)	**0.36**	**32**	**32**	1	(1 308)	(1 307)
g)	ECL on Guarantee issued	**61**	**21**	**82**	-	-	-
h)	Bad debts written off	**-**	**-**	**-**	-	1 313	1 313
	Contingent liability						
	Guarantees to banks and financial institutions on behalf of third parties	**411**	**658**	**1 069**	-	50	50
	Guarantees from third parties	**-**	**1 673**	**1 673**	-	1 388	1 388

Notes to the consolidated financial statements for the year ended March 31, 2020

D. The nature and volume of material transactions for the year with above related parties are as follows:

i) Investments

2019-20

Investments Subscribed / Purchased during the year include ₹ 26 crore NLIAML. Investment closing balance includes ₹ 647 crore in RHFL and ₹ 41 lakh in RPOWER .

2018-19

Investment closing balance includes ₹ 3 crore in RCL and ₹ 1,116 crore in NLIAML.

ii) Loans given

2019-20

Loans given during the year includes ₹ 447 crore to RBEPL. Loan Returned/Adjusted during the year include ₹ 10 crore from RARC, ₹ 5 crore from RINFRA and ₹ 5 crore from RCLEANGEN. Loan given closing balance include ₹ 447 crore to RBEPL, ₹ 150 crore for RPOWER and ₹ 162 crore for RINFRA. ECL provision on loan outstanding includes ₹ 35 crore for RBEPL. Accrued Interest on loans closing balance includes ₹ 35 crore of RBEPL. ECL provision on interest outstanding includes ₹ 3 crore of RBEPL.

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 NLIAML, ₹ 177 crore from RBEPL, ₹ 450 crore RCIL and ₹ 420 crore RIL. Assignment of loan ₹ 877 crore. Loan given closing balance includes ₹ 30 crore to RARCL. ECL provision on loan outstanding includes ₹ 1 crore to RARC. Accrued Interest on loans closing balance includes ₹ 1 crore to RARCL and ₹ 2 crore to NLIAML. ECL provision on interest outstanding includes ₹ 1 81 009 to RARCL

iii) Loans taken

2019-20

Loans taken during the year includes ₹ 174 crore from GCLLP. Loan outstanding closing balance include ₹ 174 crore to GCLLP. Accrued Interest on loans closing balance includes ₹ 14 crore to GCLLP.

2018-19

Loans taken during the year includes ₹ Nil . Loan outstanding closing balance include ₹ Nil .

iv) **Trade Receivables**

2019-20

Trade receivables includes ₹ 1 crore from UNLIMIT IOT and ₹ 32 lakhs from RAIFMCL.
2018-19

Trade receivables includes ₹ 1 lakh from UNLIMIT IOT

v) Advances Receivables

2019-20

Advances receivables includes ₹ 8 crore from RHFL.

2018-19

Nil

vi) Trade Payables

2019-20

Trade payables includes ₹ 4 crore from RCOM and ₹ 4 crore from BSES Rajdhani.
2018-19

Trade payables includes ₹ 3 crore from BSES Rajdhani.

vii) Deposits received

2019-20

Deposit received includes ₹ 30 lakhs from NLIAML.

2018-19

Nil

viii) Income

2019-20

Interest & Finance Income includes ₹ 35 crore from RBEPL,₹ 9 crore from RPOWER ,₹ 11 crore from RINFRA and ₹ 7 crore from RARCL. Rent income include ₹ 9 lakhs from RCIL. Dividend income includes ₹ 79 crore from NLIAML. Reimbursement of expenditure includes ₹ 1 crore from NLIAML and ₹ 1 crore from RHFL. Management fee includes ₹ 3 crore from NLIAML. Premium received includes ₹ 38 crore from SASANPOWER and ₹ 7 crore from ROSAPOWER. Other operating incomes includes ₹ 19 lakhs from NLIAML and ₹ 3.5 lakhs from RAIFMCL.

2018-19

Interest & Finance Income includes ₹ 15 crore from RBEPL. Rent income include ₹ 9 lakhs from RCIL. Dividend income includes ₹ 105 crore from NLIAML and ₹ 1 crore from RARCL. Reimbursement of Expenditure includes ₹ 4 crore from NLIAML. Management fee includes ₹ 6 crore from NLIAML Premium received includes ₹ 37 crore from SASANPOWER, ₹ 4 crore from RPOWER, ₹ 3 crore from ROSAPOWER, ₹ 2 crore from VIDHARBAIND and ₹ 1.3 crore from RCIL. Other operating incomes includes ₹ 3 crore from NLIAML and ₹ 3.4 lakhs from RARCL

ix) Expenses

2019-20

Rent paid includes ₹ 11 crore to RIMPL and ₹ 11 crore to RINFRA. Claims paid includes ₹ 17 crore for SASANPOWER and ₹ 3 crore for RGCL. Brokerage paid includes ₹ 2 28 814 crore to RARCL. Provision reversal for diminution in value includes ₹ 134 crore of RHFL. ECL provision on loan and interest (net) includes ₹ 37 crore of RBEPL. ECL on guarantees issued includes ₹ 61 crore for RHFL , ₹ 13 crore for RBEPL and ₹ 9 crore for RPOWER. ECL provision on corporate guarantees given includes ₹ 64 crore from RHFL, ₹ 14 crore from RBEPL and ₹ 9 crore from RPOWER Employee benefit expenses include ₹ 50 lakhs to Shri Vaibhav Kabra, ₹ 1 crore to Shri Atul Tandon, ₹ 4 crore to Shri Amit Bapna and ₹ 1 crore to Shri Jai Anmol Ambani.

2018-19

Rent paid includes ₹1 crore to NLIAML and ₹ 1 crore to RCL, ₹ 18.4 crore for SASANPOWER, Claims paid includes ₹ 3.4 crore to RCOM. Brokerage paid includes ₹ 1lakh to NLIAML. Provision reversal for diminution in value includes ₹ 62 crore of 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.

x) Contingent Liability

2019-20

Guarantees to Banks and Financial Institutions on behalf of third parties includes ₹ 400 crore for RHFL, ₹ 408 crore for RBEPL and ₹ 250 crore for RPOWER.

Guarantees from third parties include ₹ 1673 crore from RInfra.

2018-19

Guarantees to Banks and Financial Institutions on behalf of third parties includes ₹ 50 crore for RBEPL and ₹ 433 crore for RIL.

Guarantees from third parties include ₹ 1 388 crore from RInfra.

Notes:

i) Expenses incurred towards public utilities services such as communication and electricity charges have not been considered for related party transaction.

ii) 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

iii) In addition to the above Director Sitting Fees of ₹ 2 lakh (FY 2018-19 ₹ 2.4 lakhs) has been paid to Shri Anil D. Ambani, the person having significant influence during the year.

iv) The Parent Company has provided security amounting to ₹ 707 crore for the Listed Secured Non-Convertible Debentures of its associate 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 Parent Company (except security created / to be created towards securing term loans and cash credit limits). Business receivables includes current assets and investments. During the year the security has been terminated.

60 A The Parent Company has defaulted on principal and interest to certain lenders including debenture holders who have issued recall notices the details of which are as under:

Particulars	Due as of March 31, 2020			
	Amount of Default (₹ in crore)		Maximum days of Default	
Name of the lenders / ISIN	**Principal**	**Interest**	**Principal**	**Interest**
1. Loans from Bank and financial institutions				
Housing Development Finance Corporation Limited	24	23	91	122
Axis Bank Limited	10	4	128	152
2. Debenture Holders - Series				
INE013A074P0 *	1 000	130	165	169
INE013A075G6	50	4	169	169
INE013A07X10	1	0.38	168	168
INE013A07G11	15	1	167	167

Particulars	Due as of March 31, 2020			
	Amount of Default (₹ in crore)		Maximum days of Default	
Name of the lenders / ISIN	Principal	Interest	Principal	Interest
INE013A077G2	25	2	166	166
INE013A076G4	190	17	134	165
INE013A079G8	-	2	-	164
INE013A07X69	1	1	162	162
INE013A07Z42	6	6	162	162
INE013A07A33 *	1 070	102	138	161
INE013A08150	-	4	-	159
INE013A070S2	150	2	159	159
INE013A07Z59 *	7	6	159	159
INE013A076O8	-	33	-	155
INE013A078E5 *	5	1	160	160
INE013A077B3	1	0.28	152	152
INE013A073H9	-	88	-	150
INE013A074H7	-	44	-	150
INE013A075H4 *	50	28	134	150
INE013A076H2	-	17	-	150
INE013A07SK3	-	6	-	150
INE013A076P5	-	14	-	149
INE013A077P3	-	15	-	149
INE013A078P1	-	14	-	149
INE013A078H8	-	3	-	145
INE013A071I1	45	4	137	137
INE013A07I01	-	2	-	132
INE013A074I5	3	0.07	130	130
INE013A08317	-	1	-	127
INE013A070J1	3	0.14	127	127
INE013A079I4	3	0.15	126	126
INE013A078I6	5	0.1	125	125
INE013A07Z75	2	2	125	125
INE013A071J9	3	0.14	123	123
INE013A072J7	4	0.29	123	123
INE013A07NU3	15	1	122	122
INE013A075J0	3	0.09	116	116
INE013A08325	-	1	-	113
INE013A07S41	-	1	-	111
INE013A07TA2	-	1	-	109
INE013A071D2	20	6	103	103
INE013A08168	-	2	-	96
INE013A071B6	1	1	95	95
INE013A08176	-	1	-	94
INE013A08184	-	1	-	89
INE013A08333	-	1	-	89
INE013A08341	-	0.26	-	84
INE013A078R7	52	6	82	82
INE013A08358 *	18	6	126	126
INE013A07TN5	-	7	-	67
INE013A07TV8	-	1	-	60
INE013A072L3	20	2	53	53
INE013A070D4	-	1	-	48
INE013A073L1	-	29	-	46
INE013A074L9	-	12	-	46
INE013A07QX0 *	500	30	183	183

Notes to the consolidated financial statements for the year ended March 31, 2020

Particulars	Due as of March 31, 2020			
	Amount of Default (₹ in crore)		Maximum days of Default	
Name of the lenders / ISIN	Principal	Interest	Principal	Interest
INE013A075D3	-	1	-	36
INE013A073S6	11	2	33	33
INE013A08192	-	3	-	32
INE013A077L2	7	2	32	32
INE013A08200	-	5	-	26
INE013A070R4 *	900	86	183	183
INE013A072M1	-	2	-	22
INE013A074M7	2	-	22	-
INE013A073M9	-	4	-	21
INE013A08366	-	24	-	13
INE013A08275	-	2	-	12
INE013A07UY0	-	49	-	9
INE013A08218	-	0.32	-	8
INE013A08283	-	4	-	3
INE013A077S7	2	0.19	1	1
INE013A077M0 *	1 500	133	183	183
INE013A070H5 *	5	0.16	160	160
INE013A077H0 *	5	2	160	160
INE013A08135 *	1	0.07	126	126
INE013A071S0 *	13	-	125	-
INE013A074S4 *	22	1	68	68
INE013A071P6 *	7	1	64	64

* Recalled during the year.

Interest amount for recalled cases has been considered till March 31, 2020 and for others up to the date of default.

3. The Parent Company has also defaulted on repayment of inter corporate deposits taken from various parties aggregating to ₹ 562 crore and interest of ₹ 4 crore for which maximum days of default ranges from 145 days to 202 days.

60 B The subsidiary company Reliance Commercial Finance Limited (RCFL) has defaulted on principal and interest to certain lenders including lenders who have issued recall notices, the details of which are as under:

(₹ in crore)

Period of default	Term Loans		Cash Credit		NCDs/MLDs		Commercial Papers		ICDs	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Apr-19	30	-	-	-	-	-	-	-	-	-
May-19	33	-	-	-	-	-	-	-	-	-
Jun-19	201	-	-	-	-	-	-	-	-	-
Jul-19	405	44	-	4	-	-	-	-	-	-
Aug-19	18	38	-	12	-	-	-	-	-	-
Sep-19	119	37	270	12	200	13	630	-		-
Oct-19	316	38	90	12	-	98	-	-	-	-
Nov-19	118	37	-	12	-	3	-	-	-	-
Dec-19	605	38	-	12	27	-	-	-	-	-
Jan-20	310	89	610	12	-	3	-	-	-	-
Feb-20	348	36	100	12	-	2	-	-	-	-
Mar-20	255	39	135	12	-	6	-	-	347	102
	2 757	**398**	**1 205**	**99**	**227**	**126**	**630**	**-**	**347**	**102**

61 Interests in other entities

a. Subsidiaries

The Group's subsidiaries at March 31, 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly either by Parent Company or its subsidiaries and the proportion of ownership interests held equals the voting rights held by the Group either through equity shares, management agreement or structure of the entity. The country of incorporation or registration is also their principal place of business.

Name of the entity	Principal Activities	Place of business / Country of incorporation	Controlling interest held by the group		Non-controlling interest	
			March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
			%	%	%	%
Reliance General Insurance Company Limited	General Insurance	India	**100.00**	100.00	**-**	-
Reliance Nippon Life Insurance Company Limited	Life Insurance	India	**51.00**	51.00	**49.00**	49.00
Reliance Health Insurance Limited*	Health Insurance	India	**100.00**	100.00	**-**	-
Reliance Commercial Finance Limited	NBFC	India	**100.00**	100.00	**-**	-
Reliance Financial Limited	NBFC	India	**100.00**	100.00	**-**	-
Reliance Capital Pension Fund Limited	Pension Fund	India	**51.00**	51.00	**49.00**	49.00
Reliance Money Precious Metals Private Limited	Others	India	**100.00**	100.00	**-**	-
Reliance Securities Limited	Others	India	**100.00**	100.00	**-**	-
Reliance Commodities Limited	Others	India	**100.00**	100.00	**-**	-
Reliance Wealth Management Limited	Others	India	**100.00**	100.00	**-**	-
Reliance Money Solutions Private Limited	Others	India	**100.00**	100.00	**-**	-
Reliance Exchangenext Limited	Others	India	**100.00**	100.00	**-**	-
Reliance Corporate Advisory Services Limited	Others	India	**100.00**	100.00	**-**	-
Reliance Capital Trustee Company Limited	Others	India	**-**	100.00	**-**	-
Reliance Capital AIF Trustee Company Limited	Others	India	**-**	100.00	**-**	-
Reliance Home Finance Limited	Home Finance	India	**-**	** 48.24	**-**	51.76
Quant Capital Private Limited	Others	India	**74.00**	74.00	**26.00**	26.00
Quant Broking Private Limited	Others	India	**74.00**	74.00	**26.00**	26.00
Quant Securities Private Limited	Others	India	**74.00**	74.00	**26.00**	26.00
Quant Investment Services Private Limited	Others	India	**74.00**	74.00	**26.00**	26.00
Reliance ARC - SBI Maan Sarovar Trust	Trust	India	**90.00**	90.00	**10.00**	10.00
Gullfoss Enterprises Private Limited*	Others	India	**100.00**	100.00	**-**	-
Reliance Underwater Systems Private Limited	Others	India	****49.00**	-	**-**	-

* The unaudited financial statement for March 31, 2020, have been certified by the management

** Subsidiary in terms of Section 2(87) of the Companies Act, 2013

b Non-controlling interest (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations and after policy difference adjustments

i) Summarised balance sheet

(₹ in crore)

Entities	Financial Assets	Non-financial Assets	Financial Liabilities	Non-financial Liabilities	Net Assets	Accumulated NCI (after elimination)
Reliance Nippon Life Insurance Company Limited						
March 31, 2020	**21 283**	**87**	**20 086**	**113**	**1 171**	**574**
March 31, 2019	21 544	81	20 113	158	1 354	664
Reliance Home Finance Limited (ceased w.e.f March 5, 2020)						
March 31, 2020	**-**	**-**	**-**	**-**	**-**	**-**
March 31, 2019	17 524	601	16,185	98	1 842	953
Reliance Capital Pension Fund Limited						
March 31, 2020	**27**	**0.01**	**0.00**	**1**	**27**	**13**
March 31, 2019	29	0.05	-	2	28	14
Quant Capital Private Limited						
March 31, 2020	**131**	**-**	**0.20**	**-**	**131**	**34**
March 31, 2019	144	1	3	-	143	37

Notes to the consolidated financial statements for the year ended March 31, 2020

(₹ in crore)

Entities	Financial Assets	Non-financial Assets	Financial Liabilities	Non-financial Liabilities	Net Assets	Accumulated NCI (after elimination)
Quant Broking Private Limited						
March 31, 2020	**72**	**8**	**9**	**6**	**65**	**17**
March 31, 2019	66	8	1	6	67	17
Quant Securities Private Limited						
March 31, 2020	**4**	**2**	**0.05**	**7**	**(1)**	**(0.30)**
March 31, 2019	4	2	0.05	7	(1)	(0.29)
Quant Investment Services Private Limited						
March 31, 2020	**0.20**		**1**		**(1)**	**(0.33)**
March 31, 2019	0.24		1	-	(1)	(0.28)
Reliance ARC - SBI Maan Sarovar Trust						
March 31, 2020	**9**	**-**	**0.23**	**-**	**8**	**1**
March 31, 2019	9	-	0.21	-	8	1

ii) **Summarised statement of profit and loss**

(₹ in crore)

Entities	Revenue	Profit / (Loss) for the year	Other Comprehensive Income / (loss)	Total Comprehensive Income / (loss)	Profit / (Loss) allocated to NCI	Dividends paid to NCI
Reliance Nippon Life Insurance Company Limited						
March 31, 2020	**4 463**	**(104)**	**(80)**	**(184)**	**(90)**	**-**
March 31, 2019	6 074	36	(16)	20	10	-
Reliance Home Finance Limited (ceased w.e.f March 5, 2020)						
March 31, 2020	**1 322**	**(136)**	**-**	**(136)**	**(66)**	**-**
March 31, 2019	2 003	67	(1)	67	33	-
Reliance Capital Pension Fund Limited						
March 31, 2020	**0.10**	**(1)**	**0.02**	**(1)**	**(1)**	**-**
March 31, 2019	3	-	(0.01)	0.07	0.03	-
Quant Capital Private Limited						
March 31, 2020	**1**	**(12)**	**-**	**(12)**	**(3)**	**-**
March 31, 2019	35	(66)	-	(66)	(17)	-
Quant Broking Private Limited						
March 31, 2020	**5**	**(2)**	**-**	**(2)**	**(1)**	**-**
March 31, 2019	3	(4)	0.08	(4)	(1)	-
Quant Securities Private Limited						
March 31, 2020	**0.12**	**(0.04)**	**-**	**(0.04)**	**(0.01)**	**-**
March 31, 2019	3	(0.22)	-	(0.22)	(0.06)	-
Quant Investment Services Private Limited						
March 31, 2020	**-**	**(0.20)**	**-**	**(0.20)**	**(0.05)**	**-**
March 31, 2019	0.47	(0.47)	-	(0.47)	(0.12)	-
Reliance ARC - SBI Maan Sarovar Trust						
March 31, 2020	**-**	**(0.02)**	**-**	**(0.02)**	**-**	**-**
March 31, 2019	-	(0.02)	-	(0.02)	-	-

iii) **Summarised statement of Cash flows**

(₹ in crore)

Entities	Cash flow from / (Used in) Operating activities	Cash flow from / (Used in) Investing activities	Cash flow from / (Used in) financing activities	Net Increase/ (decrease) in cash and cash equivalents
Reliance Nippon Life Insurance Company Limited				
March 31, 2020	**20**	**(70)**	**-**	**(51)**
March 31, 2019	(539)	556	-	16
Reliance Home Finance Limited (ceased w.e.f March 5, 2020)				
March 31, 2020	**-**	**-**	**-**	**-**
March 31, 2019	**(1 189)**	**(55)**	**1 291**	**47**
Reliance Capital Pension Fund Limited				
March 31, 2020	**(1)**	**1**	**-**	**-**
March 31, 2019	**(3)**	**3**	**-**	**-**
Quant Capital Private Limited				
March 31, 2020	**(4)**	**4**	**-**	**-**
March 31, 2019	**(3)**	**3**	**-**	**-**
Quant Broking Private Limited				
March 31, 2020	**(2)**	**(7)**	**8**	**-**
March 31, 2019	**28**	**(4)**	**(25)**	**(2)**
Quant Securities Private Limited				
March 31, 2020	**(0.21)**	**0.13**	**-**	**(0.08)**
March 31, 2019	**(0.61)**	**0.64**	**-**	**0.02**
Quant Investment Services Private Limited				
March 31, 2020	**(0.08)**	**-**	**0.05**	**(0.04)**
March 31, 2019	**2.29**	**-**	**(2.68)**	**(0.39)**
Reliance ARC - SBI Maan Sarovar Trust				
March 31, 2020	**-**	**-**	**-**	**-**
March 31, 2019	-	-	-	-

C **Associates**

i) **Details of carrying value of Associates**

(₹ in crore)

Name of the entity	Place of business / Country of incorporation	% of ownership interest as at		Quoted fair value	Carrying amount
Reliance Home Finance Limited (w.e.f March 5, 2020)	**India**	**March 31, 2020**	**48.24**	**18**	**647**
		March 31, 2019	-	-	-
Reliance Asset Reconstruction Company Limited	**India**	**March 31, 2020**	**49.00**	*	**93**
		March 31, 2019	49.00	*	85
Nippon Life Asset Management Limited (ceased w.e.f September 27, 2019)	**India**	**March 31, 2020**	**-**	**-**	**-**
		March 31, 2019	42.88	5,502	1,012
Global Wind Power Limited (GWPL))** (w.e.f. June 18, 2019)	**India**	**March 31, 2020**	**21.83**	*	**2**
		March 31, 2019	-	*	281
Ammolite Holdings Limited**	**Jersey**	**March 31, 2020**	**50.00**	*	**21**
		March 31, 2019	50.00	*	21

*Note: Unlisted entity- no quoted price available

** The unaudited financial statement have been certified by the management

ii) Summarised financial information for Associates

The tables below provide summarised financial information for those associates and joint venture that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not Reliance Capital Limited's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

a) Summarised Balance Sheet (Material Associates) (₹ in crore)

Entities	Financial Assets	Non-financial Assets	Financial Liabilities	Non-financial Liabilities	Net Assets
Reliance Home Finance Limited (w.e.f March 5, 2020)					
March 31, 2020	**14 901**	**828**	**14 215**	**47**	**1 467**
March 31, 2019	-	-	-	-	-
Reliance Asset Reconstruction Company Limited					
March 31, 2020	**355**	**4**	**141**	**26**	**192**
March 31, 2019	374	3	173	24	180
Nippon Life Asset Management Limited					
March 31, 2020	**-**	**-**	**-**	**-**	**-**
March 31, 2019	2 360	415	108	98	2 570

Reconciliation to carrying amounts (₹ in crore)

Particulars	Reliance Home Finance Limited		Reliance Asset Reconstruction Company Limited		Nippon Life Asset Management Limited	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Opening carrying value	-	-	**85**	75	**1 012**	848
Profit / (Loss) for the year	**(116)**	-	**8**	10	**112**	165
Other comprehensive income / (loss)	**0.04**	-	**(0.01)**	(0.02)	**-**	(0.93)
Carrying cost adjustments	**897**	-	**-**	-	**(1 125)**	-
Impairment provision	**(134)**	-	**-**	-	**-**	-
Closing carrying value	**647**	-	**93**	85	**-**	1 012
Group's share in %	**48.24**	-	**49.00**	49.00	**-**	42.88
Group's share	**647**	-	**93**	85	**-**	1 012
Includes Goodwill	**32**	-	**-**	-	**-**	-
Carrying value	**647**	-	**93**	85	**-**	1 012

b) Summarised statement of profit and loss (Material Associates) (₹ in crore)

Entities	Revenue	Profit / (Loss) for the year	Other Comprehensive Income / (loss)	Total Comprehensive Income / (loss)	Dividends received
Reliance Home Finance Limited (w.e.f March 5, 2020)					
March 31, 2020	**281**	**(240)**	**0.08**	**(240)**	**-**
March 31, 2019	-	-	-	-	-
Reliance Asset Reconstruction Company Limited					
March 31, 2020	**69**	**16**	**(0.03)**	**16**	**(1)**
March 31, 2019	66	21	(0.04)	21	(1)
Nippon Life Asset Management Limited					
March 31, 2020	**-**	**-**	**-**	**-**	**-**
March 31, 2019	1 650	487	(2)	485	105

c. **Summarised Balance Sheet (Immaterial Associates)**

(₹ in crore)

Entities	Current Assets	Non-current Assets	Current Liabilities	Non-current Liabilities	Net Assets
Ammolite Holdings Limited					
March 31, 2020	**145**	**140**	**10**	**226**	**49**
March 31, 2019	133	128	9	20	45
Global Wind Power Limited					
March 31, 2020	**151**	**108**	**253**	**563**	**(557)**
March 31, 2019	-	-	-	-	-

d. **Summarised statement of profit and loss (Immaterial Associates)**

(₹ in crore)

Entities	Revenue	Profit / (Loss) for the year	Other Comprehensive Income / (loss)	Total Comprehensive Income / (loss)	Dividends received
Ammolite Holdings Limited					
March 31, 2020	**-**	**(0.13)**	**-**	**(0.13)**	**-**
March 31, 2019	-	(0.30)	-	(0.30)	-
Global Wind Power Limited					
March 31, 2020	**72**	**(135)**	**-**	**(135)**	**-**
March 31, 2019	-	-	-	-	-

62 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiaries and associates.

A For the year ended March 31, 2020

(₹ in crore)

Sr. No.	Entities	As % of consolidated net assets	Net Amount	As % of consolidated profit / (loss)	Profit / (loss) after tax
A	**Parent**				
1	Reliance Capital Limited	**278.18**	**(4,655)**	**(67.19)**	**806**
B	**Subsidiaries**				
(i)	**Indian**				
1	Reliance Capital Pension Fund Limited	**(1.60)**	**27**	**0.09**	**(1)**
2	Reliance General Insurance Company Limited	**(115.16)**	**1,927**	**(5.51)**	**66**
3	Reliance Commercial Finance Limited	**61.86**	**(1,035)**	**120.18**	**(1,441)**
4	Reliance Money Precious Metals Private Limited	**1.07**	**(18)**	**(0.11)**	**1**
5	Reliance Home Finance Limited (ceased w.e.f. March 5, 2020)	**-**	**-**	**11.31**	**(136)**
6	Reliance Securities Limited	**(5.54)**	**93**	**3.23**	**(39)**
7	Reliance Commodities Limited	**(0.63)**	**10**	**(0.03)**	**0.35**
8	Reliance Financial Limited	**(6.25)**	**105**	**(0.54)**	**6**
9	Reliance Wealth Management Limited	**0.72**	**(12)**	**2.69**	**(32)**
10	Reliance Money Solutions Private Limited	**3.68**	**(62)**	**0.04**	**(0)**
11	Reliance Exchangenext Limited	**(4.60)**	**77**	**1.85**	**(22)**
12	Reliance Corporate Advisory Services Limited	**(27.51)**	**460**	**19.52**	**(234)**
13	Reliance Nippon Life Insurance Company Limited	**(69.97)**	**1,171**	**8.64**	**(104)**

Notes to the consolidated financial statements for the year ended March 31, 2020

(₹ in crore)

Sr. No.	Entities	As % of consolidated net assets	Net Amount	As % of consolidated profit / (loss)	Profit / (loss) after tax
14	Reliance Health Insurance Limited	(2.21)	37	4.68	(56)
15	Quant Capital Private Limited	(7.83)	131	0.97	(12)
16	Quant Broking Private Limited	(3.86)	65	0.18	(2)
17	Quant Securities Private Limited	0.07	(1)	-	(0.04)
18	Quant Investment Services Private Limited	0.08	(1)	0.02	(0.20)
19	Reliance ARC - SBI Maan Sarovar Trust	(0.50)	8	-	(0.02)
20	Gullfoss Enterprises Private Limited	-	(0.03)	-	(0.04)
21	Reliance Underwater Systems Private Limited (w.e.f. August 16, 2019)	-	0.05	-	(0.01)
22	Reliance Capital Trustee Co. Limited (ceased w.e.f. September 27, 2019)	-	-	(0.02)	0.2
23	Reliance Capital AIF Trustee Company Private Limited (ceased w.e.f. September 27, 2019)	-	-	-	-
	Total	100	(1 673)	100	(1 199)

C. Minority interest

(₹ in crore)

Entities	Net Amount	Profit / (loss) after tax
Reliance Capital Pension Fund Limited	13	(1)
Reliance Home Finance Limited (ceased w.e.f. March 5, 2020)	-	(70)
Reliance Nippon Life Insurance Company Limited	574	(51)
Reliance ARC - SBI Maan Sarovar Trust	1	-
Quant Capital Private Limited	33	(3)
Total Minority Interest	621	(125)

D Associates

(₹ in crore)

Entities	Net Amount	Profit / (loss) after tax
Indian		
Reliance Asset Reconstruction Company Limited	92	8
Reinplast Advanced Composites Private Limited (w.e.f. April 24, 2019)	-	-
Global Wind Power Limited (w.e.f. June 18, 2019)	(122)	(30)
Reliance Home Finance Limited (w.e.f. March 5, 2020)	708	(116)
Nippon Life India Asset Management Limited (ceased w.e.f September 27, 2019)	-	112
Foreign		
Ammolite Holdings Limited	24	(0.06)
Total Associates	702	(25)

Notes to the consolidated financial statements for the year ended March 31, 2020

B **For the year ended March 31, 2019**

(₹ in crore)

Sr. No.	Entities	As % of consolidated net assets	Net Amount	As % of consolidated profit / (loss)	Profit / (loss) after tax
A	**Parent**				
1	Reliance Capital Limited	(821.92)%	(6 150)	(23.23)%	338
B	**Subsidiaries**				
(i)	**Indian**				
1	Reliance Capital Pension Fund Limited	3.71%	28	0.01%	0.08
2	Reliance Capital Trustee Co. Limited	0.23%	2	(0.01)%	0.15
3	Reliance General Insurance Company Limited	223.62%	1 673	(4.75)%	69
4	Reliance Commercial Finance Limited	107.69%	806	130.13%	(1 892)
5	Reliance Money Precious Metals Private Limited	(2.55)%	(19)	0.05%	(1)
6	Reliance Home Finance Limited	246.16%	1 842	(4.64)%	67
7	Reliance Securities Limited	17.65%	132	(1.57)%	23
8	Reliance Commodities Limited	1.35%	10	0.06%	(1)
9	Reliance Financial Limited	14.49%	108	(0.57)%	8
10	Reliance Wealth Management Limited	1.34%	10	1.13%	(16)
11	Reliance Money Solutions Private Limited	(10.33)%	(77)	0.02%	(0.28)
12	Reliance Exchangenext Limited	13.24%	99	0.07%	(1)
13	Reliance Corporate Advisory Services Limited	92.79%	694	(0.45)%	7
14	Reliance Capital AIF Trustee Company Private Limited	0.02%	0.13	-	0.05
15	Reliance Nippon Life Insurance Company Limited	180.97%	1 354	(2.46)%	36
16	Reliance Health Insurance Limited	11.63%	87	5.78%	(84)
17	Quant Capital Private Limited	10.13%	76	0.14%	(2)
18	Quant Broking Private Limited	8.93%	67	0.26%	(4)
19	Quant Securities Private Limited	(0.15)%	(1)	0.02%	(0.22)
20	Quant Investment Services Private Limited	(0.15)%	(1)	0.03%	(0.47)
21	Reliance ARC - SBI Maan Sarovar Trust	1.12%	8	-	(0.02)
22	Gullfoss Enterprises Private Limited	-	-	-	-
	Total	**100%**	**748**	**100%**	**(1 454)**

C **Minority interest**

	Net Amount	Profit / (loss) after tax
Reliance Capital Pension Fund Limited	14	0.04
Reliance Home Finance Limited	953	36
Reliance Nippon Life Insurance Company Limited	663	18
Quant Capital Private Limited	37	(2)
Reliance ARC - SBI Maan Sarovar Trust	1	-
Total	**1 668**	**52**

D **Associates**

	Net Amount	Profit / (loss) after tax
Indian		
Reliance Nippon Life Asset Management Limited	1 102	165
Reliance Asset Reconstruction Company Limited	88	8
Indian Commodity Exchange Limited (ceased w.e.f September 25, 2018)	-	(4)
Foreign		
Ammolite Holdings Limited	22	(0.15)
Total	**1 213**	**168**

63 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.

64 Fair value measurement

a) Fair value hierarchy

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

(₹ in crore)

As at March 31, 2020	Level 1	Level 2	Level 3	Amortised cost	Total
Financial assets					
At FVTPL/DC					
Investment	9 028	-	1 224	-	10 252
At FVOCI					
Investment	10 354	-	183	-	10 537
At Amortised cost					
Investment	13 190	-	374	242	13 806
Cash and cash equivalents	-	-	-	479	479
Bank balance other than cash and cash equivalents above	-	-	-	459	459
Receivables	-	-	-	1 123	1 123
Loans	-	-	-	14 774	14 774
Other financial assets & derivative instruments	-	-	-	6 614	6 614
Total financial assets	**32 571**	**-**	**1 826**	**23 646**	**58 043**
Financial liabilities					
At FVTPL					
Derivative financial instruments	-	-	36	-	36
Debt Securities	-	-	719	-	719
At Amortised cost					
Debt Securities	-	-	-	17 363	17 363
Borrowings	-	-	-	8 666	8 666
Subordinated liabilities	-	-	-	158	158
Trade and other payables	-	-	-	2 405	2 405
Other financial liabilities	-	-	-	35 295	35 295
Total financial liabilities	**-**	**-**	**755**	**63 887**	**64 642**

(₹ in crore)

As at March 31, 2019	Level 1	Level 2	Level 3	Amortised cost	Total
Financial assets					
At FVTPL/DC					
Investment	8 736	-	3 264	-	12 000
At FVOCI					
Investment	8 997	-	35	-	9 032

(₹ in crore)

As at March 31, 2019	Level 1	Level 2	Level 3	Amortised cost	Total
At Amortised cost					
Investment	-	-	-	11 641	11 641
Cash and cash equivalents	-	-	-	688	688
Bank balance other than cash and cash equivalents above	-	-	-	1 308	1 308
Receivables	-	-	-	817	817
Loans	-	-	-	35 448	35 448
Other financial assets & derivative instruments	-	-	-	6 106	6 106
Total financial assets	**17 733**	**-**	**3 299**	**56 008**	**77 040**
Financial liabilities					
At FVTPL					
Derivative financial instruments	-	-	63	-	63
Debt Securities	-	-	986	-	986
At Amortised cost					
Debt Securities	-	-	-	25 654	25 654
Borrowings	-	-	-	18 547	18 547
Subordinated liabilities	-	-	-	969	969
Trade and other payables	-	-	-	2 796	2 796
other financial liabilities	-	-	-	31 982	31 982
Total financial liabilities	**-**	**-**	**1 049**	**79 948**	**80 997**

65 Financial risk management

The Parent 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 Parent 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 group is exposed to market risk, credit risk, liquidity & interest rate risk and capital management risk. The group'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 group. The Risk Management Committee provides assurance to the Board that the group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the group'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 group has quoted investments which are exposed to fluctuations in stock prices. Similarly, the group has also raised funds through issue of Market Linked Debentures, whose returns are linked to relevant underlying market instruments or indices. The group 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. The Parent Company 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. The group identifies and provides 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 group 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.

Notes to the consolidated financial statements for the year ended March 31, 2020

The group 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 group 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 group 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.

As at March 31, 2020 (₹ in crore)

Particulars	Less than 12 months	More than 12 months	Total
ASSETS			
Financial assets			
Cash and cash equivalents	479	-	479
Bank balance other than cash and cash equivalents above	337	122	459
Derivative financial instruments	-	9	9
Receivables	-	-	
(I) Trade receivables	1 095	2	1 097
(II) Other receivables	17	9	26
Loans	8 724	6,050	14 774
Investments	15 721	18,874	34 595
Other financial assets	6 424	180	6 604
Total assets	**32 797**	**25 246**	**58 043**
LIABILITIES			
Financial liabilities			
Derivative financial instruments	36	-	36
Payables	-	-	
(I) Trade payables	-	-	-
(i) total outstanding dues of micro enterprises and small enterprises	1	-	1
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1 645	-	1 645
(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	280	479	759
Debt securities	3 579	14,503	18 082
Borrowings (Other than debt securities)	7 022	1,644	8 666
Deposits	-	4	4
Subordinated liabilities	-	158	158
Other financial liabilities	17 223	18,068	35 291
Total Financial Liabilities	**29 786**	**34 856**	**64 642**

Note: Eliminations have been adjusted as per the estimate of management.

Capital Management Risk

The Reserve Bank of India (RBI) sets and monitors capital adequacy requirements for the Parent 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 Group 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 group's longer-term strategic objectives. The Group policies in respect of capital management and allocation are reviewed regularly by the Board of Directors. The Group 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 group.

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 group 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 behaviour 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 group 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 Group'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 group since the prior period.

The Group closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Group 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 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 group'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 group may write-off financial assets that are still subject to enforcement activity. The group 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.

Notes to the consolidated financial statements for the year ended March 31, 2020

66 The Coronavirus (COVID-19) outbreak is an unprecedented global situation that has severely impacted many local economies around the globe. Due to lockdown, there has been significant disruptions to businesses, resulting in an economic slowdown, which will have impact on the business of the Group. The duration and impact of the COVID-19 pandemic remains unclear as at May 8, 2020. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Group. However, the Group will continue to closely monitor any material changes to future economic conditions.

The Group has made additional life policy liabilities of ₹ 33 crore as at the March 31, 2020, this provision is over and above the policy level liabilities calculated based on the prescribed IRDAI regulations for life Insurance. General Insurance companies have been directed by IRDAI via order no. IRDAI/NL/CIR/MOT/079/04/2020 and IRDAI/HLT/CIR/MISC/078/04/2020 dated April 2, 2020 based on notification from Central Government that policyholders whose motor vehicle third party and health insurance policies due for renewal during the lockdown period and who are unable to make payment of their renewal premium on time in view of the prevailing situation in the country as a result of COVID 19 are allowed to make premium payment for renewal of policies on or before May 15, 2020

The Group has complied with above direction and has allowed to make premium payment for renewal of policies on or before May 15, 2020 with date of commencement of renewal from actual due date.

For General Insurance the Group has accounted in March 2020, all the renewal of motor vehicle third party and health insurance due for renewal from March 25, 2020 to March 31, 2020, where premium are received on or before March 31, 2020 and cases, where premium has not received till March 31, 2020 will be accounted in next financial year.

67 Events after the reporting period

There were no events that occurred after the reporting period i.e. March 31, 2020 up to the date of approval of financial statements that require any adjustment to the carrying value of assets and Liabilities.

68 Previous year figures have been regrouped and rearranged wherever necessary.

69 Approval of financial statements

The audited consolidated financial statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On May 8, 2020, the Board of Directors approved and recommended the audited consolidated financial statements for consideration and adoption by the shareholders in its annual general meeting.

As per our report of even date attached
For **Pathak H.D. & Associates LLP**
Chartered Accountants
Firm Registration No.: 107783W/W100593

Vishal D. Shah
Partner
Membership No.: 119303

Mumbai
Dated: May 8, 2020

For and on behalf of the Board

Chairman	**Anil D. Ambani**
Directors	**Chhaya Virani** **Rahul Sarin** **Dr. Thomas Mathew** **A N Sethuraman**
Director & Chief Executive Officer	**Dhananjay Tiwari**
Chief Financial Officer	**Vaibhav Kabra**
Company Secretary & Compliance Officer	**Atul Tandon**

Mumbai
Dated: May 8, 2020

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, 2020
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

i	Sl. No.	Particulars	Audited Figures (₹ in crore) (as reported before adjusting for qualifications)	Adjusted Figures (₹ in crore) (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	18 359	18 359
	2.	Total Expenditure	24 489	24 489
	3.	Net Profit/(Loss) after tax	(1 199)	(1199)
	4.	Earnings Per Share	(47.79)	(47.79)
	5.	Total Assets	64 782	64 782
	6.	Total Liabilities	66 455	66 455
	7.	Net Worth	(1 673)	(1 673)
	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 Parent Company's subsidiary viz. Reliance Commercial Finance Limited (RCFL):** With regards to the Corporate Loan book of RCFL for the loans advanced with significant deviations to certain bodies corporates including group companies, and outstanding as at March 31, 2020 aggregating to ₹ 5 172 crore and secured by charge on current assets of borrowers. RCFL has state that, in certain cases the corporate borrowers of the Company, have undertaken onward lending transactions and the end-use of the borrowings from the Company included borrowings by or for repayment of financial obligation to some of the group companies. These exposures to borrowers are secured against charge on current assets including in certain cases it's further guaranteed by the Group Companies. The recovery against those loan is dependent on the recovery of onward lending of the borrowers which further depends on external factors not wholly within control of the RCFL/borrower. We were unable to obtain sufficient audit evidence about the recoverability of the aforesaid loans. Accordingly, we were unable to determine the consequential implications arising therefrom and it may have implications of adjustments, disclosures or compliances on certain elements in the accompanying standalone financial results of the 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 Estimated
		(ii) If management is unable to estimate the impact, reasons for the same RCFL'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 further depends on external factors not wholly within control of RCFL/ borrower. **(iii) Auditors comments on (i) or (ii) above** RCFL'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 further depends on external factors not wholly within control of the RCFL / borrower. Hence, we agree with the Management's estimation in (i) above that the impact of our audit qualification is not quantifiable for the reasons stated in (ii) above.	

Notes to the consolidated financial statements for the year ended March 31, 2020

iii		**Audit Qualification (each audit qualification separately):**	
	a)	**Details of Audit Qualifications of Parent Company's associate viz. Reliance Home Finance Limited (RHFL):** With regards to the 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, 2020 aggregating to ₹ 7 965 crore (including ₹ 216 crore sanctioned during the FY 2019-20) and secured by charge on current assets of borrowers. RHFL states that the majority of the Company's borrowers have undertaken onward lending transaction and the end-use of the borrowings from the Company included borrowings by or for repayment of financial obligation to some of the group companies. There has been overdue of ₹ 7 815 crore (including NPA of ₹ 4 778 crore) of these loans as on March 31, 2020. In view of substantial overdues, we are unable to substantiate the management assertion on the recoverability of principal and interest including time frame of recovery of aforesaid loans outstanding as on March 31, 2020. 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**	Since March 2019
	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 estimated
		(ii) If management is unable to estimate the impact, reasons for the same 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 further depends on external factors not wholly within control of RHFL /borrower.	
		(iii) Auditors comments on (i) or (ii) above 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 further depends on external factors not wholly within control of the RHFL / borrower. Hence, we agree with the Management's estimation in (i) above that the impact of our audit qualification is not quantifiable for the reasons stated in (ii) above.	

Signatories:

Chhaya Virani
Audit Committee Chairperson

Dhananjay Tiwari
Director & Chief Executive Officer

Vaibhav Kabra
Chief Financial Officer

Statutory Auditor
For Pathak H.D. & Associates LLP
Chartered Accountants
Firm Registration No.: 107783W/W100593

Vishal D Shah
Partner
Membership No: 119303
UDIN:20119303AAAABJ3538
Place: Mumbai
Date: May 8, 2020

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

(₹ in crore)

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 General Insurance Company Ltd.	15-Jan-02	256.86	1,670.29	17,424.43	15,497.29	11,043.16	9,049.97	103.38	37.28	66.10	-	100.00
2	Reliance Commercial Finance Ltd.	15-Jan-02	535.33	(1,170.59)	10,988.94	11,624.20	989.32	864.63	(1,440.80)	-	(1,440.80)	-	100.00
3	Reliance Money Precious Metals Pvt. Ltd.	20-Feb-07	8.00	(25.83)	1.01	18.84	-	0.00	1.43	0.17	1.26	-	100.00
4	Reliance Health Insurance Limited	04-May-17	193.90	(156.85)	59.47	22.42	-	9.64	(56.08)	(0.00)	(56.08)	-	100.00
5	Reliance Money Solutions Private Limited	02-Dec-13	0.01	(61.57)	0.76	62.31	-	0.26	(0.45)	0.02	(0.47)	-	100.00
6	Reliance Capital Pension Fund Limited	31-Mar-09	25.00	1.76	27.39	0.63	27.17	0.01	(1.32)	(0.26)	(1.06)	-	51.00
7	Reliance Securities Limited	28-Aug-08	210.00	(117.30)	531.00	438.30	0.31	208.33	(38.89)	(0.12)	(38.77)	-	100.00
8	Reliance Commodities Limited	28-Aug-08	3.00	7.57	42.93	32.36	0.00	1.88	0.50	0.15	0.35	-	100.00
9	Reliance Financial Limited	28-Aug-08	24.16	80.45	265.95	161.33	73.49	29.81	3.88	(2.62)	6.50	-	100.00
10	Reliance Wealth Management Limited	15-Dec-10	42.75	(54.83)	3.31	15.39	-	9.79	(22.24)	10.14	(32.23)	-	100.00
11	Reliance Exchangenext Limited	31-May-10	42.26	34.66	101.81	24.89	101.60	-	(22.15)	-	(22.15)	-	100.00
12	Reliance Corporate Advisory Services Limited	31-May-10	1,235.65	(775.34)	2,005.73	1,545.42	994.31	66.43	(234.03)	-	(234.03)	-	100.00
13	Reliance Nippon Life Insurance Company Limited	30-Mar-16	1,196.32	(25.42)	21,370.51	20,199.61	19,875.57	4,463.28	(103.63)	-	(103.63)	-	51.00
14	Quant Capital Private Limited	01-Jul-10	10.00	121.10	131.30	0.20	117.61	1.23	(11.02)	0.59	(11.61)	-	74.00
15	Quant Broking Private Limited	01-Jul-10	18.00	46.64	79.71	15.08	9.00	4.74	(1.53)	0.68	(2.22)	-	74.00
16	Quant Securities Private Limited	01-Jul-10	1.54	(2.68)	5.45	6.60	-	0.12	(0.04)	-	(0.04)	-	74.00
17	Quant Investment Services Private Limited	18-Mar-11	0.74	(2.03)	0.20	1.49	-	-	(0.20)	-	(0.20)	-	74.00
18	Gullfoss Enterprises Private Limited	20-Feb-19	0.01	(0.04)	0.34	0.37	-	-	(0.04)	-	(0.04)	-	100.00
19	Reliance Underwater Systems Private Limited	16-Aug-19	0.28	(0.23)	0.16	(0.10)	-	0.00	(0.01)	-	(0.01)		100.00

Notes:

1. The Financial Year of the Subsidiaries is for 12 months i.e. from April 1, 2019 to March 31, 2020.
2. Investment exclude investment in Subsidiaries.
3. Name of Subsidiaries which are yet to commence operations – Nil.

Statement containing salient features of the financial statement of subsidiaries / associate companies

Part "B": Associates

(₹ in crore)

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	Networth attributable to shareholding as per latest audited Balance Sheet	Profit / (loss) for the year	
			No.	Amount of Investment in Associate / Joint Venture	Extend of Holding %	Refer Note 1 below			i. Considered in Consolidation	i. Not Considered in Consolidation
1	Reliance Home Finance Limited (w.e.f March 5, 2020)	31.03.2020	23 39 69 188	896.00	48.24	-	-	1,466.75	(115.67)	-
2	Reliance Asset Reconstruction Company Limited	31.03.2020	4 90 00 000	49.00	49.00	-	-	192.31	7.95	-
3	Nippon Life Asset Management Limited (ceased w.e.f September 27, 2019)	31.03.2019	2 62 39 000	216.46	42.88	-	-	2,570.02	112.44	-
4	Ammolite Holdings Limited*	31.03.2019	1 000	29.00	50.00	-	-	44.84	(0.06)	-
5	Global Wind Power Limited*	31.03.2019	1 24 61 745	2.18	21.83	-	-	(557.45)	(29.57)	-

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, 2020, 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.

For and on behalf of the Board

Chairman	**Anil D. Ambani**
Directors	**Chhaya Virani** **Rahul Sarin** **Dr. Thomas Mathew** **A N Sethuraman**
Director & Chief Executive Officer	**Dhananjay Tiwari**
Chief Financial Officer	**Vaibhav Kabra**
Company Secretary & Compliance Officer	**Atul Tandon**

Mumbai
Dated: May 8, 2020

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