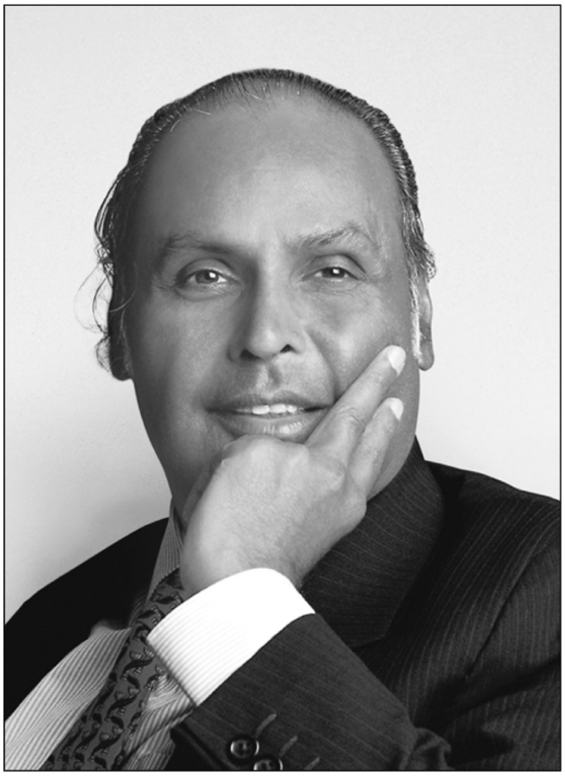
RELIANCE

CAPITAL

Annual Report 2020-21



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. Vijesh Thota – Chief Financial Officer
Mr. Atul Tandon – Company Secretary & Compliance Officer

Auditors

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

Registered Office

Kamala Mills Compound, Trade World
7th Floor, B Wing, S. B. Marg
Lower Parel, Mumbai 400 013
CIN : L65910MH1986PLC165645
Tel. : +91 22 4158 4000
Fax : +91 22 2490 5125
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 309 4001
Tel. : +91 40 6716 1500
Fax : +91 40 6716 1791
E-mail : rclinvestor@kfintech.com

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35th Annual General Meeting on Tuesday, September 14, 2021 at 11:00 a.m. (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 35th Annual General Meeting (AGM) of the Members of **Reliance Capital Limited** will be held on Tuesday, September 14, 2021 at 11:00 a.m. (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, 2021 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, 2021 and the reports of Auditors thereon.
2. To appoint a Director in place of Mr. A. N. Sethuraman (DIN: 01098398), who retires by rotation under the provisions of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this regard, to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made there under (hereinafter referred to as 'Act') (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to Guidelines dated April 27, 2021, issued by the Reserve Bank of India (RBI) for Appointment of Statutory Central Auditors (SCAs) / Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) (the 'RBI Circular'), M/s. Gokhale & Sathe, Chartered Accountants (Firm Registration No. 103264W), who have confirmed their eligibility for the appointment pursuant to Section 141 of the Act and RBI Circular, as Statutory Auditors of the Company, be and are hereby appointed as the Statutory Auditors of the Company for a term of three consecutive years, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 38th Annual General Meeting, subject to the firm satisfying the eligibility norms each year as per RBI Circular and on such remuneration as may be fixed by the Board of Directors.

   RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised 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:
Kamala Mills Compound, Trade World, B Wing
7th Floor, S. B. Marg
Lower Parel, Mumbai 400 013
CIN: L65910MH1986PLC165645
Website: www.reliancecapital.co.in
August 6, 2021

Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 (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 ('the Listing Regulations') and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Since the AGM is being held 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.**
3. In compliance with the aforesaid MCA Circulars and SEBI Circulars dated May 12, 2020 and January 15, 2021 (collectively referred to as "Circulars"), Notice for the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company or Central Depository Services (India) Limited (CDSL) / National Securities Depositories Limited (NSDL) ("Depositories"). Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website at 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 also on the website of M/s. KFin Technologies Private Limited (KFintech) at www.kfintech.com.
4. Members whose email address is not registered can register the same in the following manner so that they can receive all communications from the Company electronically:
   a. Members holding share(s) in physical mode - by registering their e-mail ID on the Company's website at http://www.reliancecapital.co.in/Registration-of-Shareholdersinformation.aspx.
   b. Members holding share(s) in electronic mode - by registering / updating their e-mail address with their respective Depository Participants ("DPs").
5. The Company has engaged the services of KFintech as the authorised agency for conducting of the AGM electronically and for providing e-voting facility.
6. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. Since the AGM is being held through VC / OAVM, the Route Map is not annexed in this Notice.
8. **Re-appointment of Director**

   At the ensuing Annual General Meeting, Mr. A. N. Sethuraman, Director of the Company retires by rotation under the provisions of the Companies Act, 2013 (the 'Act'), and being eligible, offers himself for re-appointment. The Nomination and Remuneration Committee and the Board of Directors of the Company have recommended the re-appointment.

Notice

Mr. A. N. Sethuraman, aged 69 years, holds Master's degree in economics. He was appointed on December 13, 2019. 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 Galaxy Multiventures and Trading Private Limited, Utility Powertech Limited, Risee Custodian Services Private Limited, Risee Infinity Private Limited, Risee Unlimit Private Limited, Risee Win Private Limited and Risee Apex Private Limited. He holds 2,204 shares in the Company as of March 31, 2021. He does not hold any relationship with other Directors and Key Managerial Personnel of the Company. This statement may also be regarded as a disclosure under Regulation 36 (3) of the Listing Regulations. Mr. A. N. Sethuraman attended five meeting out of five board meetings held during the financial year 2020-21. He was paid ₹ 2 lakh in the form of sitting fees. 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.

9. **Appointment of Auditors**

At the 30th Annual General Meeting (AGM) of the Company held on September 27, 2016, the members of the Company had appointed M/s. Pathak H. D. & Associates LLP, Chartered Accountants to hold office as Statutory Auditors for a period of five consecutive years till the conclusion of the 35th Annual General Meeting. At the ensuing AGM, the first term of five years of M/s. Pathak H.D. & Associates LLP, Chartered Accountants shall expire, and they are eligible for re-appointment for another term of 5 years under the provision of the Companies Act, 2013.

However, Reserve Bank of India (RBI) vide its circular no. RBI/2021- 22/25 Ref. No. DoS. CO. ARG / SEC.01 / 08.91.001 / 2021-22 dated April 27, 2021 has issued Guidelines for Appointment of Statutory Auditors (SAs) of Non-Banking Finance Companies (NBFCs) including Housing Finance Companies (HFC) ("RBI Circular"). Accordingly, NBFC's are required to appoint Statutory Auditor under the said RBI Circular, for a continuous period of three years, subject to the firms satisfying the eligibility norms each year. The term of the current Statutory Auditors M/s. Pathak H.D. & Associates LLP, Chartered Accountants shall end at the ensuing Annual General Meeting. Accordingly, the Company is required to appoint new Statutory Auditors taking into consideration inter-alia RBI Circular.

The Board of Directors at their meeting held on August 6, 2021, based on the recommendation of the Audit Committee, have recommended to the members appointment of M/s. Gokhale & Sathe, Chartered Accountants (Firm Registration No. 103264W), as Statutory Auditors of the Company, for a term of 3 (three) consecutive years i.e. from the conclusion of this AGM till the conclusion of 38th AGM at remuneration of ₹ 32 lakh p.a.

In accordance with the provisions of Sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI Circular, M/s. Gokhale & Sathe, Chartered Accountants, have provided their consent and eligibility certificate to that effect that, their appointment, if made, would be in compliance with the applicable laws and guidelines.

The profile of M/s. Gokhale & Sathe, Chartered Accountants as under:

- The firm is having 38 years of experience and having strength of 150 employees of which 20 are Qualified CAs and 75 articled trainees.
- The Firm is empanelled with various authorities like ICAI, C&AG, NHAI, CBI, IBA, etc.
- The Firm has rich clientele of conducting statutory audits of various Financial Institutions, Banks, NBFCs, Insurance Companies, alongwith other entities from other sectors.

The Board of Directors hereby propose to appoint M/s. Gokhale & Sathe, Chartered Accountants as Statutory Auditors of the Company for a period of 3 consecutive years i.e. from the conclusion of ensuing AGM till the conclusion of 38th AGM.

Additional information about Statutory Auditors pursuant to Regulation 36 of the Listing Regulations is provided below:

Particulars	Details
Proposed fees payable to the Statutory Auditor	₹ 32 lakh p.a.
Terms of appointment	For a term of three (3) consecutive years from the conclusion of 35th AGM till the conclusion of 38th AGM.
In case of new Auditor, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change	There is no change in the fees.
Basis of recommendation for appointment including the details in relation to and credentials of the Statutory Auditor(s) proposed to be appointed	The Firm complies with the ellgibility norms prescribed by Reserve Bank of India (RBI) vide its circular no. RBI/2021-22/25 Ref. No. DoS. CO. ARG / SEC.01 / 08.91.001 / 2021-22 dated April 27, 2021 has issued Guidelines for Appointment of Statutory Auditors (SAs) of Non-Banking Finance Companies (NBFCs) including Housing Finance Companies (HFC) and has relevant experience as mentioned above.

10. Relevant documents, if any, 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, securities of listed companies shall be transferred only in dematerialised form. In 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 at 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. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the 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. Tuesday, September 7, 2021 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, September 10, 2021 to 5:00 P.M. (IST) on Monday, September 13, 2021. At the end of remote e-voting period, the facility shall forthwith be blocked.
    b. Pursuant to SEBI circular No. SEBI/ HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies", which is effective from June 9, 2021, e-voting process has been enabled for all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.
    c. Individual demat account holders would be able to cast their vote without having to register again with the e-voting Service Provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.
    d. The voting rights of the Members shall be in proportion to the number of share(s) held by them in the equity share capital of the Company as on the cut-off date being Tuesday, September 7, 2021.

       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 will be entitled to vote at the AGM.
    e. Any person holding shares in physical form and non-individual shareholders, who become a member of the Company after sending of the Notice and hold shares as of the cut-off date, may obtain the login ID and password by sending a request to KFintech at praveendmr@kfintech.com. However, if he / she is already registered with KFintech for remote e-voting, then he / she can use his / her existing User ID and password for casting the e-vote.
    f. In case of Individual Shareholders holding securities in demat mode and who become a member of the Company after sending of the Notice and hold share(s) as of the cut-off date may follow steps mentioned below under "Login method for remote e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode."
    g. 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.
    h. The details of the process and manner for remote e-voting and e-AGM are explained herein below:

Part A - E-voting

1. Access to Depositories e-voting system in case of individual shareholders holding shares in demat mode.

Types of shareholder	Login Method
Securities held in demat mode with NSDL	**1. User already registered for IDeAS facility:** i. Visit URL: https://eservices.nsdl.com ii. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. iii. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-voting" iv. Click on company name or ESP and you will be re-directed to the ESP's website for casting the vote during the remote e-voting period.
	2. User not registered for IDeAS e-Services i. To register click on link : https://eservices.nsdl.com ii. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp iii. Proceed with completing the required fields. iv. Follow steps given in points 1

Types of shareholder	Login Method
	3. Alternatively by directly accessing the e-voting website of NSDL Open URL: https://www.evoting.nsdl.com/ i. Click on the icon "Login" which is available under 'Shareholder/Member' section. ii. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. iii. Post successful authentication, you will be requested to select the name of the Company and the ESP, i.e. KFintech. iv. On successful selection, you will be redirected to KFintech e-voting page for casting your vote during the remote e-voting period.
Securities held in demat mode with CDSL	**1. Existing user who have opted for Easi / Easiest** i. Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com ii. Click on New System Myeasi iii. Login with your registered user id and password. iv. The user will see the e-voting Menu. The Menu will have links of ESP i.e. KFintech e-voting portal. v. Click on e-voting service provider name to cast your vote.
	2. User not registered for Easi / Easiest i. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration ii. Proceed with completing the required fields. iii. Follow the steps given in point 1.
	3. Alternatively, by directly accessing the e-voting website of CDSL i. Visit URL: www.cdslindia.com ii. Provide your demat Account Number and PAN No. iii. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. iv. After successful authentication, user will be provided with the link for the respective ESP i.e. KFintech where the e- Voting is in progress.

Types of shareholder	Login Method
Login through Depository Participant Website where demat account is held	i) You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-voting facility. ii) Once logged-in, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-voting feature. iii) Click on options available against company name or ESP – KFintech and you will be redirected to e-voting website of KFintech for casting your vote during the remote e-voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at or call at toll free no.: evoting@nsdl.co.in 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at or contact helpdesk.evoting@cdslindia.com at 022- 23058738 or 022-23058542-43

2. **Access to KFintech e-voting system in case of shareholders holding shares in physical form and non-individual shareholders in demat mode.**

    (a) Members whose email IDs are registered with the Company/ DPs, will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

    i. Launch internet browser by typing the URL: https://emeetings.kfintech.com/

    ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.

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

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

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

vi. On successful login, the system will prompt you to select the "EVEN" i.e. 'Reliance Capital Limited- AGM" and click on "Submit"

vii. On the voting page, enter the number of share(s) (which represents the number of votes) as on the Cut-off Date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).

xii. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer's email id scrutinizeragl@gmail.com with a copy marked to praveendmr@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_ Even No."

b. Members whose email IDs are not registered with the Company / DPs, and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

i. Temporarily get their email address and mobile number provided with KFintech, by sending an e-mail to evoting@kfintech.com.

Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.

ii. Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.

iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Part B –

Access to join virtual meetings (e-AGM) of the Company on KFintech system to participate in e-AGM and vote thereat.

Instructions for all the shareholders for attending the AGM of the Company through VC / OAVM and e-voting during the meeting.

i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at https://emeetings.kfintech.com/ by using the e-voting login credentials provided in the email received from the Company / KFintech.

After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the 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 above.

ii. Facility for joining AGM though VC / OAVM shall open at least 15 minutes before the time scheduled for the Meeting.

iii. Members are encouraged to join the Meeting through Laptops / Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.

iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid difficulties.

v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at https://evoting.kfintech.com. Queries received by the Company till Monday, September 13, 2021 (5.00 P.M. IST) shall only be considered and responded during the AGM.

vi. The members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The members may click on the voting icon displayed on the screen to cast their votes.

vii. A member can opt for only single mode of voting i.e. through remote e-voting or voting at the AGM. Once the vote on a resolution(s) is cast by the member, the member shall not be allowed to change it subsequently.

viii. 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.

ix. The members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit and login through the user id and password provided by KFintech. On successful login, select 'Speaker Registration'. The Company reserves the right to restrict the speakers at the AGM to only those members who have registered themselves, depending on the availability of time for the AGM.

x. In case of any query and / or grievance, in respect of voting by electronic means, members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.kfintech.com (KFintech Website) or email at evoting@kfintech.com or call KFintech's toll free no. 1800 309 4001.

xi. In case a person has become a member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he / she may obtain the User ID and Password in the manner as mentioned below:

i. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399

1. Example for NSDL:

MYEPWD <SPACE> IN12345612345678

2. Example for CDSL:

MYEPWD <SPACE> 1402345612345678

3. Example for Physical:

MYEPWD <SPACE> XXXX1234567890

ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.kfintech.com/, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

xii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1800 309 4001 or write to them at evoting@kfintech.com.

15. 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 their 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.kfintech.com.

Directors' Report

Dear Shareowners,

Your Directors present the 35th Annual Report and the audited financial statement for the financial year ended March 31, 2021.

Financial Performance and State of Company's Affairs

The Financial performance of the Company for the financial year ended March 31, 2021 is summarised below:

Particulars	Standalone		Consolidated	
	March 31, 2021	March 31, 2020*	**March 31, 2021**	March 31, 2020*
	(₹ in crore)	(₹ in crore)	**(₹ in crore)**	(₹ in crore)
Total Revenue	**563**	1 393	**19 308**	18 359
Profit / (Loss) Before Tax	**(10 972)**	(5 465)	**(9 114)**	(1 223)
Tax Expense	**-**	-	**173**	(24)
Profit / (Loss) After Tax	**(10 972)**	(5 465)	**(9 287)**	(1 199)
Closing surplus / (deficit) in statement of profit and loss	**(18 733)**	(7 761)	**(22 737)**	(13 567)
Transfer to statutory reserve fund**	**-**	-	**-**	1
Transfer to debenture reserve fund	**-**	-	**-**	2

* 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 Master Direction – Core Investment Companies (Reserve Bank) Directions, 2016 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, 2021.

Resources and Liquidity

The Company has not borrowed any funds since August 2019.

Pursuant to the approval of Debenture Holders at their meeting held on January 30, 2020, a Committee of Debenture Holders (CoDH) was constituted. Steering Committee (SteerCo) constituted by CoDH are conducting an independent and transparent asset monetisation process and has appointed Process Advisors and Investment Bankers. The CoDH and Vistra ITCL (India) Limited, Debenture Trustee had issued an Expression of Interest for key assets of the Company. 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, there are no companies which have become / ceased to be Subsidiary / Associate company 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 https://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, 2021, are in accordance with the requirements of the Companies (Indian Accounting Standards) Rules, 2015, the ("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.

In terms of the provisions of the Companies Act, 2013, Mr. A N Sethuraman, Director of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing AGM.

Further, based on the written representations received from the directors as on March 31, 2021 taken on record by the Board of

Directors and the legal opinion obtained by the Company, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

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

During the year, Mr. Aman Gudral was appointed as the Chief Financial Officer (CFO) upon cessation of Mr. Vaibhav Kabra as CFO of the Company with effect from June 1, 2020.

Further, Mr. Vijesh Thota was appointed as CFO of the Company with effect from July 1, 2021 upon cessation of Mr. Aman Gudral as CFO with effect from June 30, 2021 who moved into another leadership role.

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, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Employees. The Committee has also formulated the criteria for determining qualifications, positive attributes and independence of Directors. The Policy has been put up on the Company's website at https://www.reliancecapital.co.in/Policies.aspx.

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, 2021, 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, 2021 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, 2021 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.

During the year, the Company has not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of Company on materiality of related party transactions or which is required to be reported in Form AOC – 2 in terms of section 134 (3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

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. 35 to the Standalone Financial Statement which sets out related party disclosures pursuant to Ind-AS and Schedule V of Listing Regulations.

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, five 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

At the 30th Annual General Meeting (AGM) of the Company held on September 27, 2016, the members of the Company had appointed M/s. Pathak H.D. & Associates LLP, Chartered Accountants to hold office as Statutory Auditors for a period of five consecutive years till the conclusion of the 35th Annual General Meeting. At the ensuing AGM, the first term of five years of M/s. Pathak H.D. & Associates LLP, Chartered Accountants shall expire, and they are eligible re-appointment for another term of 5 years under the provision of the Companies Act, 2013.

However, RBI vide its circular dated April 27, 2021, has issued Guidelines for Appointment of Statutory Central Auditors (SCAs) / Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) (the "RBI Circular"). In terms of requirement of RBI Circular, the Company is required to appoint another firm of Chartered Accountants as Statutory Auditors.

M/s. Gokhale & Sathe, Chartered Accountants (Firm Registration No. 103264W), Chartered Accountants, are proposed to be appointed as Auditors of the Company.

M/s. Gokhale & Sathe fulfil the eligibility criteria as prescribed in RBI Circular.

The Company has received letters from M/s. Gokhale & Sathe, Chartered Accountants, to the effect that they fulfils the eligibility criteria prescribed in RBI Circular and their appointment, if made, would be within the prescribed limits under Section 141(3) of the Act and that they are not disqualified from being appointed as Statutory Auditors of the Company.

Your Directors have therefore proposed to appoint M/s. Gokhale & Sathe, Chartered Accountants as Statutory Auditors of the Company, subject to the approval of the members at the ensuing AGM.

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.

No fraud has been reported by the Auditors to the Audit Committee or the Board.

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 Auditors of the Company and its material subsidiary for the financial year ended March 31, 2021 are attached hereto as Annexure A1 and A2.

Pursuant to Regulation 24A of the Listing Regulations, the Company has obtained Annual Secretarial Compliance Report from a Practicing Company Secretary on compliance of all applicable SEBI Regulations and circulars / guidelines issued there under and the same were submitted with the Stock Exchanges.

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 2020-21, 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 second 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 – B 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 Master Direction – Core Investment Companies (Reserve Bank) Directions, 2016 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 to identify the inherent risks, assess, evaluate and monitor these risks continuously and undertake effective steps to manage these risks.

The Group Risk Management Committee consisting of Mr. Rahul Sarin as Chairman, Ms. Chhaya Virani, Independent Directors, Mr. Dhananjay Tiwari, Director & Chief Executive Officer, Chief Financial Officer and Chief Risk Officer as members, periodically reviews Risk Management. 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, 2021, 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 - C.

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

The Company is prohibited from making any payment to secured or unsecured creditors and to dispose off, alienate, encumber either directly or indirectly or otherwise part with the possession, of any assets except in the ordinary course of business such as payment of salary and statutory dues, vide Orders dated December 3, 2019 and December 5, 2019 passed by the Hon'ble Debts Recovery Tribunal, Orders dated November 20, 2019 and March 15, 2021 passed by the Hon'ble Delhi High Court, and Orders dated November 28, 2019, November 4, 2020, and March 5, 2021 passed by the Hon'ble Bombay High Court.

Internal Financial Control Systems and their adequacy

The Company has in place adequate internal financial control systems across the organisation. 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.

General

During the year under review there were no reportable events in relation to issue of equity shares with differential rights as to dividend, voting or otherwise, issue of sweat equity shares to its Directors or Employees, proceedings pending under the Insolvency and Bankruptcy Code, 2016 and one-time settlement with any Bank or Financial Institution

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
August 6, 2021

Annexure - A1

Form No. MR-3
Secretarial Audit Report
For the financial year ended March 31, 2021
[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
Trade World, B-Wing, 7th Floor,
Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai - 400013.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance 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 the 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 audit period covering the financial year ended March 31, 2021 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, 2021, 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) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder for compliance in respect of Foreign Direct Investment. There were no Overseas Direct Investment and External Commercial borrowings;

(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, 2021 – 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) and Group Risk Management 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 except SEBI levied consolidated monetary penalty of ₹ 1 lakh which has been paid for violation of regulation 20AA, 42(2), 42(3) and 52 of SEBI (Depositories and Participants) Regulations, 1996 [Regulation 37, 59(2), 59(3) and 69 respectively of current SEBI (Depositories and Participants) Regulations, 2018] in previous years and the same does not pertain to current year.

   Further, based on the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors and the legal opinion obtained by the Company, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

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, I am 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 amended, from time to time as applicable to the Company except for Maintenance of leverage ratio and adjusted net worth of the Company as prescribed. The Company is currently engaged with Debenture Holders for resolution of debt by monetisation of its assets and unlocking the value of its underlying business, and thereby significantly reduce its overall leverage. The proceeds of asset monetisation will be used for payment of debts, which shall restore the said Ratios.
2. Prevention of Money-Laundering Act, 2002.

On account of pandemic "COVID 2019" and lockdown imposed by the State Government, the audit process has been modified, wherein the 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 Director, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the year under review.

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) Invitation of expression of interest (EOI) for submission of bids for asset monetization plan for certain investments of the Company;

(ii) Convening a Debenture holders meeting by the Debenture Trustees on January 5, 2021;

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

(iv) The Company has obtained the shareholder's approval at its 34th Annual General Meeting held on June 23, 2020 for the following special businesses;

  (a) Appointment of Mr. Angarai Natarajan Sethuraman (DIN: 01098398) as a Director of the Company liable to retire by rotation.

  (b) Appointment of Mr. Dhananjay Tiwari (DIN: 08382961) as a Director of the Company liable to retire by rotation.

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

Aashish Bhatt
Proprietor

UDIN: A019639C000259659
ACS No.: 19639
COP No.: 7023
Date : May 8, 2021
Place : Mumbai

This Report is to be read with my letter annexed as Appendix A, which forms integral part of this report.

APPENDIX A

To,

The Members,

Reliance Capital Limited

My report of even date is to be read along with this letter.

The responsibility of maintaining Secretarial record is of the management and based on my audit, I have expressed my opinion on these records.

2. I am of the opinion that the audit practices and process adopted to obtain assurance about the correctness of the secretarial records were reasonable for verification on test check basis.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The management is responsible for compliances with corporate and other applicable laws, rules, regulations, standards etc. My examination was limited to the verification of procedure on test basis and wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations etc.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Aashish K. Bhatt & Associates**
Company Secretaries

(ICSI Unique Code S2008MH100200)
Aashish Bhatt
Proprietor
ACS No.: 19639, COP No.: 7023
UDIN: A019639C000259659

Place : Mumbai
Date : May 8, 2021

Annexure - A2

Form No. MR-3
Secretarial Audit Report
For the financial year ended March 31, 2021
[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 Nippon Life Insurance Company Limited.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by Reliance Nippon Life Insurance Company 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 the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the financial year ended 31st March, 2021, 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:

1. 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 31st March, 2021, 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 - Not Applicable;
    iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder – Not Applicable;
    iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. Overseas Direct Investment and External Commercial Borrowings are not applicable;
    v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act,1992 ('SEBI Act') are not applicable:-
        a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
        b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
        c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
        d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
        e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
        f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client.
        g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
        h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
    vi. Further I report that, based on the compliance mechanism established by the Company, which has been verified on test check 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 provisions of the Insurance Act, 1938 and rules / regulations, guidelines and directions issued by IRDAI.

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

    I have examined compliances with applicable clauses of the following:
    i. Secretarial Standards issued by the Institute of the Company Secretaries of India,
    ii. Listing Agreements – Not Applicable.

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

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period 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 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 Meetings and Committee Meetings are carried out and recorded in the minutes of the Board of Directors and Committee 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 its size and operations of the Company to monitor and ensure compliance with applicable laws.

I further report that during the year under report, the Company has undertaken event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

(i) Resignation and Appointment of Key Managerial Personnels

(ii) Appointment and Resignation of Directors

(iii) Reconstitution of Board and its committees

(iv) Approval of Board for payment of annual Performance Bonus and Transformation bonus for the performance year 2019-2020 to Shri. Ashish Vohra, Executive Director & Chief Executive Officer

(v) Approval of Board for Redesigned approach towards 2019 phantom ESOPs

(vi) Shifting of registered and corporate office within the local limits

(vii) Board and Members approval of payment of remuneration to Shri Ashish Vohra, Executive Director & Chief Executive Officer w.e.f 1st April, 2020

(viii) Re-appointment of M/s Singhi & Co., Chartered Accountants as the Joint statutory auditors and fixing their remuneration

(ix) Re-appointment of Independent Director.

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

Aashish Bhatt
Proprietor

ACS No.: 19639, COP No.: 7023
UDIN: A019639C000216341
Place : Mumbai
Date : April 30, 2021

This Report is to be read with my letter annexed as Appendix A, which forms integral part of this report.

APPENDIX A

To,

The Members,

Reliance Nippon Life Insurance Company Limited

My report of even date is to be read along with this letter.

1. The responsibility of maintaining Secretarial record is of the management and based on my audit, I have expressed my opinion on these records.
2. I am of the opinion that the audit practices and process adopted to obtain assurance about the correctness of the secretarial records were reasonable for verification on test check basis.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The management is responsible for compliances with corporate and other applicable laws, rules, regulations, standards etc. My examination was limited to the verification of procedure on test basis and wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations etc.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Aashish Bhatt
Proprietor

ACS No.: 19639, COP No.: 7023
UDIN: A019639C000216341
Place : Mumbai
Date : April 30, 2021

Annexure – B

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

(c) Total foreign exchange earnings and outgo:

a.	Total Foreign Exchange earnings	:	Nil
b.	Total Foreign Exchange outgo	:	₹ 0.16 crore

Annexure – C

Annual Report on Corporate Social Responsibilities (CSR) Activities

1. Brief outline on CSR Policy of the Company:

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.

2. Composition of the CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
1	Ms. Chhaya Virani (Chairperson)	Independent Director	-	-
2	Mr. Rahul Sarin	Independent Director	-	-
3	Dr. Thomas Mathew	Independent Director	-	-

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company

Our CSR policy is placed on our website at the link https://www.reliancecapital.co.in/Committees.aspx and www.reliancecapital.co.in/pdf/Group_CSR_Policy_Document.pdf.

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
		Nil	

6. Average net profit of the company as per section 135(5)

Nil (Loss of ₹ 1790.88 crore)

7. **(a) Two percent of average net profit of the company as per section 135(5):** Not Applicable in view of the losses

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): Nil

8. **(a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
			Nil		

(b) Details of CSR amount spent against ongoing projects for the financial year:

(₹ in crore)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project Duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
						Nil						

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(₹ in crore)

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent in the current financial year (in ₹)	(7) Mode of Implementation – Direct (Yes/No)	(11) Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration number
					Nil				

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Nil

(g) Excess amount for set off, if any: N.A.

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	Not Applicable
(ii)	Total amount spent for the Financial year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2019-20	The Company in FY 2014-15 had committed to contribute by way of Corpus Donation an amount of ₹ 150 crore over a period of 7 financial years to the Hospital Project towards Company's CSR initiative in the area of Health Care. Further, the Company extended an interest free loan towards CSR. Any short fall in the CSR spent is to be fully appropriated from the said interest free loan. The unspent CSR amount of ₹ 3.76 crore for the financial year 2019-20 is to be accordingly dealt with. Further, the Company is restrained by various judicial orders from incurring expenses other than in the ordinary course of business.					
2.	2018-19	Not Applicable, as required CSR amount was spent.					
3.	2017-18	Not Applicable, as required CSR amount was spent.					

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

(1) Sr. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total amount allocated for the project (in ₹)	(7) Amount spent on the project in the reporting Financial Year (in ₹)	(8) Cumulative amount spent at the end of reporting Financial Year (in ₹)	(9) Status of the project – Completed / Ongoing

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): No capital asset has been created or acquired during the financial year.

(a) Date of creation or acquisition of the capital asset(s): N.A.

(b) Amount of CSR spent for creation or acquisition of capital asset: N.A.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: N.A.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): N.A.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

As there are no average net profits for the Company during the previous three financial years, no funds were set aside and spent by the Company towards Corporate Social Responsibility during the year under review.

August 6, 2021	**Dhananjay Tiwari** **Director & Chief Executive Officer**	**Chhaya Virani** **Chairperson, CSR Committee**

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

The Indian economy has gone through a rough phase in recent periods. Notably, domestic economy which was already grappling with a structural slowdown led by absence of revival in capex cycle and consumption slowdown making economy to record continuous decline from FY18 and led to six-year low GDP growth of 4.2% in FY20. Then havoc caused by COVID-19 through nationwide lockdown from March 25, 2020 severely impacted economic activities in Nation in 1QFY21, which led to a contraction of 23.9% in GDP during 1QFY21. However, stimulus measures announced by the government and the RBI aided economy to witness V-shaped recovery especially in 2HFY21. As per Economic Survey FY21, real GDP is likely to contract by 7.7% in FY21.

The Government of India (GoI) has provided huge economic stimulus to revive and support the economy during the peak of COVID-19 pandemic. The GoI and the RBI announced a series of fiscal and liquidity support to the tune of whopping ₹ 29.9 trillion during Mar'20-Oct'20, which is 14.6% of GDP. Even if we exclude the RBI's liquidity / monetary support of ₹ 12.7 trillion, the government's portion of fiscal stimulus translates to ~8.4% of GDP, which is substantially higher than the fiscal stimulus of ~1.8% of GDP announced during GFC (Global Financial Crisis).

A Snapshot of Stimulus / Monetary Support Announced by the Govt. and the RBI

Particulars	Liquidity Support (₹ bn)	Direct Cost to Govt (₹ bn)
Tranche 1	5 945	168
Tranche 2	3 100	73
Tranche 3	1 500	1 500
Tranche 4	81	81
Tranche 5	400	400
Earlier measures including PMGKP announced in Mar'20	1 928	1 479
PMGKP Anna Yojana – extension of 5 months from Jul - Nov	829	636
Additional Fiscal Package on 12th Oct'20	730	250
Aatmanirbhar Bharat 3.0	2,651	1,156
RBI Liquidity Measures till Oct'20	12,712	
Total Stimulus	**29 876**	**5 743**
Nominal GDP- FY20	2 04 422	2 04 422
% GDP	14.6%	2.8%

Source: Industry Report

Notably, stimulus programme and various reforms undertaken by the government to stimulate economic activities started paying off, which is evident from recently published high frequency key economic data. For instances, GST collection, property registration, railway freight and manufacturing PMI etc., have witnessed significant improvement in recent times and are expected to improve further with complete opening up of economic activities post pandemic.

Having seen a sharp 23.9% contraction in 1QFY21, the economy rebounded sharply from Jun'20 onwards with gradual opening-up of the economy. Undoubtedly, huge stimulus measures under "Aatmanirbhar Bharat" initiative supported the economic recovery by preventing double-digit de-growth in FY21E, which was widely anticipated in the beginning of FY21. However, recent high frequency key economic data suggest that rebound in economy has started witnessing a stronger momentum even compared to pre-COVID time in many areas. For instances, GST collection, property registration, railway freight and manufacturing PMI etc., witnessed substantial improvement in recent times and are expected to improve further with complete opening up of other industries like tours / travels, hospitality and entertainment etc. Hence, we can essentially say that the economic rebound is likely to be more structural in ensuing period.

Union Budget Offered Much-needed Impetus

The Union Budget 2021-2022 clearly focuses on growth momentum and job creation. The government tried to ensure all necessary measures in place to support developmental activities by sharp 26% increase in capital expenditure for FY22E along with higher allocation for infrastructure projects. Despite fiscal constraints, the government has hit the right cord by focusing on infrastructure development, which should essentially aid several ancillary industries and lead to job creation. Further, proposal to set up a bad bank to address bad loan issues and Development Financial Institution (DFI) can be considered as bold moves, which should essentially aid credit growth and infrastructure development. Undoubtedly, the Budget succeeded in offering clarity about the sustainability of rebound in economic activities, going forward.

Additionally, it was heartening to see the government's strong intent to revive economic growth and giving the least importance to global rating agencies by opting growth over sovereign rating. Notably, expected fiscal deficit of 9.5% for FY21E seems to be on higher side leading to higher government borrowing of ₹ 18.5 trillion and ₹ 12 trillion in FY22E.

About Reliance Capital

The Company's standalone performance has been provided 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, 2021 was at ₹ 19 308 crore (US$ 2.6 billion) as against ₹ 18 359 crore (US$ 2.5 billion). Staff costs for the year were ₹ 1 372 crore (US$ 188 million) as against ₹ 1 507 crore (US$ 206 million) in the previous year, a decrease of per cent. Selling, administrative and other expenses in the year were ₹ 23 440 crore (US$ 3.2 billion) as against ₹ 18 889 crore (US$ 2.6 billion) in the previous year, an increase of 24 per cent. Interest & finance charges for the year were ₹ 2 741 crore (US$ 375 million) as against ₹ 3 969 crore (US$ 529 million) in the previous year, a decrease of 30.9 per cent. Depreciation for the year stood flat at ₹ 105 crore (US$ 14 million). Tax expenses for the year was ₹ 173 crore (US$ 24 million) as against ₹ 24 crore (US$ 3 million) in the previous year. Total comprehensive income attributable to owners and excluding non-controlling interest for the year was (₹ 9 404 crore) (US$ (1,288 million)) as against (₹ 1 075 crore) (US$ (147 million)) in the previous year.

Earlier, RCL in its communication dated September 21, 2019 stated that, in a completely biased, unwarranted and unjustified rating action on September 20, 2019, CARE Ratings (CARE) had downgraded the Company's entire outstanding debt to default "CARE D" rating. This rating downgrade was made, even though there were no overdues on principal or interest payment to any lender. The cascading effect of the unwarranted and unjustified rating downgrade led to acceleration etc. of various facilities by certain lenders and consequential demands for immediate payment of amounts that were otherwise due and payable in a phased manner over the next 8 years till April 2028, as per original terms of lending.

Asset Monetization

1. First, informal meeting of debenture holders was convened and held by the Company on December 6, 2019.
2. Pursuant to approval by the Debenture Holders at their meeting held on January 30, 2020, a Committee of Debenture Holders (CoDH) was constituted.
3. On March 3, 2020 a 10 Member Steering Committee of Debenture Holders (SteerCo) was constituted by the CoDH - comprising of LIC, EPFO, Yes Bank, Axis Bank and other debenture holders, representing 54% majority of outstanding Debentures.
4. On September 9, 2020 SteerCo finalised appointments of Process Advisor and Investment Banker to run an independent and transparent asset monetization process.
5. The CoDH and the Debenture Trustee, Vistra ITCL (India) Limited (Vistra) issued an Expression of Interest (EOI) for 9 key assets of the Company on "As is where is and As is what is" basis, on October 31, 2020. The last date for submission of EOI was December 1, 2020, which was extended till December 17, 2020.

   Basis the enhancement of FDI cap on Insurance Companies to 74% from 49%, the last date for submission of EOI for RCAP's three insurance companies was further extended to May 15, 2021.
6. Over 90 EOIs were received in response to the EOI process for the 9 key assets of the Company on "As is where is and As is what is" basis.
7. EOI applicants would commence the due diligence for the respective assets and submit binding bids for the same.
8. Debenture Holders of the Company at their meeting held on January 5, 2021 with 100% majority approved Asset Monetization plan of the Company.
9. The Steering Committee of Debenture Holders and debenture trustee appointed Duff & Phelps India Advisory Services and RBSA Valuation Advisors LLP, valuation firms to undertake the valuation of the assets under monetization.

Legal matters

The Company is prohibited from making any payment to secured or unsecured creditors and to dispose off, alienate, encumber either directly or indirectly or otherwise part with the possession, of any assets except in the ordinary course of business such as payment of salary and statutory dues, vide Orders dated December 3, 2019 and December 5, 2019 passed by the Hon'ble Debts Recovery Tribunal, Orders dated November 20, 2019 and March 15, 2021 passed by the Hon'ble Delhi High Court, and Orders dated November 28, 2019, November 4, 2020, and March 5, 2021 passed by the Hon'ble Bombay High Court.

The Company is constantly and constructively engaged and working with the Debenture Trustees and SteerCo to resolve the legal issues and seek removal of the restraint placed on the Company by various courts / DRT to enable monetization of assets. 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.

Resources and Liquidity

As of March 31, 2021, the consolidated total assets stood at ₹ 64,878 crore (US$ 8.9 billion).

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 8.5 per cent. During 2020-21, gross direct premium of the total general insurance industry increased by 5.2 per cent to ₹ 1 98 735 crore (US$ 27.2 billion). During 2020-21, gross direct premium of the private Indian general insurance industry increased by 5.1 per cent to ₹ 98 014 crore (US$ 13.4 billion) (Source: IRDAI website). RGI's gross written premium for the year ended March 31, 2021 was ₹ 8 405 crore (US$ 1.2 billion), an increase of 12 per cent over the previous year.

Sectorwise Premium Contribution

Profit before tax for the year ended March 31, 2021, stood at ₹ 323 crore (US$ 44 million) as against ₹ 299 crore (US$ 41 million) in the corresponding period of the previous year, an increase of 8 per cent over the previous year. The distribution network comprised of 129 branches and approx. 50 700 agents and point of sales person (POSP) at the end of March 31, 2021. At the end of March 31, 2021, the investment book increased by 20 per cent to ₹ 13 033 crore (US$ 1.8 billion).

Reliance Nippon Life Insurance (RNLI)

Reliance Nippon Life Insurance currently offers a total of 24 products that fulfill the savings and protection needs of customers. Of these, 21 are targeted at individuals and 3 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 78 278 crore (US$ 38.1 billion) as against ₹ 2 58 896 crore (US$ 35.5 billion) in the previous year, an increase of 7.5 per cent. During the year, the Indian private sector life insurance industry recorded new business premium of ₹ 94 103 crore (US$ 12.9 billion) as against ₹ 80 919 crore (US$ 11.1 billion) in the previous year, an increase of 16.3 per cent (Source: Financial Year 2020-21 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 2020-21 data, Life Insurance Council website). The total net premium for the year stood at ₹ 4 712 crore (US$ 645 million) as against ₹4 418 crore (US$ 605 million). The new business premium income for the year ended March 31, 2021, was ₹ 1,135 crore (US$ 155 million) as against ₹ 1 006 crore (US$ 138 million) for the previous year. For the year ended March 31, 2021, the renewal premium was ₹ 3,601 crore (US$ 493 million) as against ₹ 3,435 crore (US$ 471 million). The new business achieved profit for the year ended March 31, 2021 was ₹ 356 crore (US$ million) as against ₹ 352 crore (US$ million) in the previous year.

The total funds under management were at ₹ 24 383 crore (US$ 3.3 billion) as on March 31, 2021, as against ₹ 19 837 crore (US$ 2.7 billion) as on March 31, 2020. The number of policies sold during the year was approximately 1.9 lakh. The distribution network stood at 713 branches and over 42,500 active advisors at the end of March 2021.

Reliance Asset Reconstruction

Reliance Asset Reconstruction Company Limited (Reliance ARC) is in the business of acquisition, management and resolution of distressed debt / assets. The focus of this business continues to be on the distressed assets in the SME and retail segments. The Assets Under Management as on March 31, 2021, rose to ₹ 2 213 crore (US$ 303 million) as against ₹ 2 020 crore (US$ 277 million) as on March 31, 2020. Its own investment in NPAs stood at ₹ 340 crore (US$ 47 million) as on March 31, 2021 as against ₹ 305 crore (US$ 42 million) as on March 31, 2020.

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, 2021, the business had over 9 93 800 equity broking accounts and achieved average daily turnover of ₹ 3 751 crore (US$ 514 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 ₹ 1 160 crore (US$ 159 million) as on March 31, 2021. 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, 2021, the business had over 1 15 400 commodity broking accounts and recorded average daily commodities broking turnover of ₹ 166 crore (US$ 23 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 112 branches and over 1 510 customer touch points across India. The business achieved revenues of ₹ 288 crore (US$ 39 million) for the year ended March 31, 2021. Broking & Distribution business reported a profit after tax of ₹ 13 crore (US$ 2 million) for the year ended March 31, 2021.

Reliance Commercial Finance (RCF) and Reliance Home Finance (RHF)

As of March 31, 2021, Reliance Commercial Finance Limited (RCF), a wholly owned subsidiary of RCL had Assets Under Management (including securitized portfolio) was ₹ 10 934 crore (US$ 1.5 billion) as against ₹ 11 398 crore (US$ 1.6 billion) as on March 31, 2020. During the year, the Company has not securitized loans as against ₹ 241 crore (US$ 33 million) securitized in the previous year. As on March 31, 2021, the outstanding loan book was ₹ 10 021 crore (US$ 1.4 billion) as against ₹ 10 441 crore (US$ 1.4 billion) at the end of March 31, 2020. RCF reported a loss of ₹ 2 665 crore (US$ 365 million) for the year ended March 31, 2021 as against a loss 1 441 crore (US$ 197 million) in the previous year.

As of March 31, 2021, Reliance Home Finance Limited (RHF) had Assets Under Management (including securitised portfolio) was ₹ 13 275 crore (US$ 1.8 billion) as against ₹ 14 713 crore (US$ 2.0 billion) as on March 31, 2020. The Total Income for the year ended March 31, 2021, was at ₹ 840 crore (US$ 115 million), as against ₹ 1 603 crore (US$ 220 million) for the previous year. As on March 31, 2021, the outstanding loan book was ₹ 13 325 crore (US$ 1.8 billion) as against ₹ 13 961 crore (US$ 1.9 billion). The business reported a loss of ₹ 2 303 crore (US$ 315 million) for the year ended March 31, 2021 as against loss of ₹ 567 crore (US$ 78 million) in the previous year.

Since FY2019, 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 liquidity mismatch RCF and RHF and leading to default.

Certain lenders (herein referred to as the "ICA Lenders") of RCF and RHF have separately 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 ("RBI Directions"), and have approved Resolution Plans in terms of RBI Directions.

ICA Lenders of RHF have selected Authum Investment and Infrastructure Limited's (Authum) resolution plans as successful resolutions plan to acquire RHF and / or all its' assets through a competitive bidding process after several rounds of negotiations between the bidders and the Lenders.

ICA Lenders of RCF have selected Authum Investment and Infrastructure Limited's (Authum) resolution plans as successful resolutions plan to acquire RCF and / or all its' assets through a competitive bidding process after several rounds of negotiations between the bidders and the Lenders.

The implementation of the resolution plans by the successful bidder is subject to approval of non-ICA Lenders, shareholders, regulatory authorities and, vacation of existing legal injunctions on the Company.

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 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 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 debit / 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. Necessary standards have been stipulated for evaluation of credit proposals. Appropriate delegation and deviation grids have been put in place. Proper security, industry norms and ceilings have been prescribed to ensure diversifying risks and to avoid concentration risk. Company has put in place monitoring mechanisms commensurate with nature and volume of activities.

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

The Company has adopted the IND-AS since the financial year 2018-19 for identification of Expected Credit Losses (ECL) and provision thereof.

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. Asset liability positions are managed 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, as per the original terms of debt, which has resulted in default in debt servicing obligations since October, 2019

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.

The Company has not complied with the regulatory requirements w.r.t. capital adequacy and leverage ratios. The Company drawn up an Asset Monetisation Plan and initiated necessary steps for implementation of the same to address this issue.

Macro-economic risk

Any slowdown in economic growth in India could cause the business of the Company to suffer. 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 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 in 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 commensurate budgetary control system to monitor all expenditures against approved budgets on an ongoing basis.

The Company uses information technology adequately 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, procedures, plans, regulatory and statutory requirements. Risk based approach is adopted while carrying out the internal 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

- Stress due to Covid -19 pandemic
- 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.

Management Discussion and Analysis

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

During the year, Reliance General Insurance (RGIC) has made various contributions to multiple Charitable Organizations which are *inter alia* working on below mentioned broad CSR objectives:

- **Promoting health and well-being -** Helping needy people mainly in education & medical terms to fulfil their living necessities. Provide medical treatment under good and ultra-modern hospital and dialysis, heart bypass, surgery, cancer, cataract operation, TB primary treatment as well as help during small based medical treatment. Activities like eye Testing and treatment, Food distribution for poor child in villages, Poor student's education support etc.
- **Covid 19 mask distribution -** To protect the health from ongoing Covid-19 pandemic, face masks were distributed to poor and needy people in the rural areas.
- **Education -** Running and managing educational Institution and Institutions like Nursery Schools, Primary School, Secondary Schools, Higher Secondary Schools, Technical Schools, Special Schools, Night Schools, Open Schools, Vocational Schools, Physical Training Schools, Art Schools, etc. to impact education and Knowledge of both formal and informal nature to the students of all kinds of Castes, creeds religion and mother tongues, and to conduct and run necessary periods, classes, practical, tutorials, lectures, and demonstration etc. for the benefits of the students community and educational fraternity at large.
- In giving Scholarship, prizes or awards to deserving students or for providing funds for pursuing studies by any deserving students either in India or abroad and to give all other help for advancement of education.
- **Educating rural India and helping dis-advantaged children -** Raising the level of education and literacy in rural India and helping disadvantaged children realize their full potential. The project seeks to ensure quality education for children in rural areas, opening the door for them to participate in and benefit from India's economic growth.
- Implementing programmes for **Child Development, Rural Development, Farmer Awareness Programs**. Organizing different programmes and activities mainly for women, OBC Women, Minority Women, Widow Women, youth, and other backward people.
- **Health and Sports -** Managing high performance Olympic Training Centre launched with the vision of propelling India's performance at the Olympic Games. Activities include training and mentoring India's talented young and established athletes across the discipline Athletics, Boxing, Judo and Wrestling on a fully funded 100% scholarship. The Institute provides the athletes world class infrastructure, top-notch coaching, sports science, medical support, nutrition, counselling, and a tailor-made academic curriculum. With these robust systems, processes and facilities ensuring India's sporting talent a unique platform to excel and achieve India's Olympic dreams.
- **Upliftment of Eco-Socio backward society -** Undertaking a Housing Project wherein it is proposed to provide affordable housing to about 1200 members of the Trust who are Blind, Handicapped, Deaf, Widow, Divorcee, Helpless women, mentally challenged, Orphans, Cancer, Dialysis, Kidney patients, Heart disease patients, HIV patients, Homosexual and the people below poverty line (BPL) etc. As the houses are proposed to be provided to such needy people, the same shall be provided free of cost.
- **Provision of Education, skills, health and wellbeing of under-privileged & differently-abled people -** With the aim of catering to the financial and medical needs of under-privileged and differently abled people, Reliance Asset Reconstruction Company Ltd., Reliance Securities Ltd. and Reliance Financial Ltd. have come across Omkar Trust (Omkar Andh-Apang Samajik Sanstha), which has 2,500 registered members to whom they provide monthly financial grants based on their income class and criticalness of their disability. During the COVID-19 pandemic, the trust has widened their scope of social responsibility and helped many more people affected by COVID 19 and distributed ration and medical assistance to 3500 families for amount more than ₹ 10 Crores. They also supported those who had lost their jobs in the pandemic and had gone back to their villages, as survival was the utmost need of the times.

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 concerns 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 Group 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. The Company has proposed the appointment of M/s. Gokhale & Sathe, Chartered Accountants as Statutory Auditors of the Company.

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

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

N. Compliance with the Listing Regulations

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

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

I. Board of Directors

1. Board composition – Board strength and representation

As on March 31, 2021, 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)
Independent Directors	Ms. Chhaya Virani (DIN:06953556) Mr. Rahul Sarin (DIN:02275722) Dr. Thomas Mathew (DIN:05203948)
Director & Chief Executive Officer	Mr. Dhananjay Tiwari (DIN:08382961)

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. Over seeing the process of disclosure and communications.

i. Monitoring and reviewing Board Evaluation Framework.

3. **Board meetings**

The Board held 5 meetings during the financial year 2020-21 on May 8, 2020, July 31, 2020, August 10, 2020, November 6, 2020 and February 1, 2021. The maximum time gap between any two meetings during the year under review was 88 days and the minimum gap was 10 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 2020–21 and the last Annual General Meeting (AGM) held on June 23, 2020 were as under:

Board and Committee meetings of the Company	Attendance at the last AGM held on June 23, 2020	Board Meeting attended / held	Audit Committee attended / held	Stakeholders Relationship Committee attended / held	Nomination and Remuneration Committee attended / held	Group Risk Management Committee attended / held
Total number of meetings held		5	4	1	1	4
Directors Attendance						
Mr. Anil D. Ambani	Yes	5 of 5	N.A.	N.A.	N.A.	N.A.
Ms. Chhaya Virani	Yes	5 of 5	4 of 4	1 of 1	1 of 1	4 of 4
Mr. Rahul Sarin	Yes	5 of 5	4 of 4	1 of 1	1 of 1	4 of 4
Dr. Thomas Mathew	Yes	5 of 5	4 of 4	1 of 1	1 of 1	N.A.
Mr. A N Sethuraman	Yes	5 of 5	N.A.	N.A.	N.A.	N.A.
Mr. Dhananjay Tiwari	Yes	5 of 5	4 of 4	N.A.	N.A.	1 of 1

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, 2021 were as under:

Name of Director	Number of directorship (including RCL)	Committee(s) Chairmanship / Membership (including RCL)	
		Membership	Chairmanship
Mr. Anil D. Ambani	7	-	-
Ms. Chhaya Virani	8	9	4
Mr. Rahul Sarin	3	2	-
Dr. Thomas Mathew	3	4	-
Mr. A N Sethuraman	8	2	-
Mr. Dhananjay Tiwari	3	4	-

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 director has been appointed as an Alternate Director for Independent Director.

e. 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.

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

g. 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. One meeting 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, 62 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, 2021.

Ms. Chhaya Virani, 67 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 Group Risk Management Committee of the Company. She is also a director on the board of Reliance Power Limited, Reliance Home Finance Limited, Reliance General Insurance Company Limited, Reliance Capital Pension Fund Limited, Reliance Corporate Advisory Services Limited, Sasan Power Limited and Rosa Power Supply Company Limited. She is the Chairperson of Audit Committee and Stakeholders Relationship Committee of Reliance Home Finance Limited. She is the member of Audit Committee of Reliance General Insurance Company Limited, Reliance Capital Pension Fund Limited, Reliance Power Limited, Sasan Power Limited and Rosa Power Supply Company Limited. She does not hold any share in the Company as of March 31, 2021.

Mr. Rahul Sarin, aged 71 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 Group 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. Mr. Sarin is also a Director on the board of Reliance General Insurance Company Limited and AFTHONIA Private Limited. He does not hold any share in the Company as of March 31, 2021.

Dr. Thomas Mathew, aged 65 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 forum 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 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, 2021.

Mr. A N Sethuraman, aged 69 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 Galaxy Multiventures and Trading Private Limited, Utility Powertech Limited, Risee Custodian Services Private

Limited, Risee Infinity Private Limited, Risee Unlimit Private Limited, Risee Win Private Limited and Risee Apex Private Limited. He holds 2, 204 shares in the Company as of March 31, 2021.

Mr. Dhananjay Tiwari, aged 52 years, holds bachelor's degree in Engineering (Mechanical) and is also an MBA. He has over 27 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 Nominee Director in BLR Logistiks (I) Limited. He is the member of Audit Committee and Group Risk Management Committee of the Company. He is also a member of the Audit Committee and Stakeholders Relationship Committee of Reliance Commercial Finance Limited and member of Audit Committee of BLR Logistiks (I) Limited. He does not hold any shares in the Company as on March 31, 2021

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:

Name of the Director	Area of Expertise
Mr. Anil D. Ambani	• Leadership / Operational experience • Strategic Planning • Sector / Industry Knowledge & Experience, Research & Development and Innovation • Technology • Financial, Regulatory / Legal & Risk Management • Corporate Governance
Ms. Chhaya Virani	• Leadership / Operational experience • Strategic Planning • Sector / Industry Knowledge & Experience, Research & Development and Innovation • Financial, Regulatory / Legal & Risk Management • Corporate Governance
Mr. Rahul Sarin	• Leadership / Operational experience • Strategic Planning • Sector / Industry Knowledge & Experience, Research & Development and Innovation • Financial, Regulatory / Legal & Risk Management • Corporate Governance
Dr. Thomas Mathew	• Leadership / Operational experience • Strategic Planning • Sector / Industry Knowledge & Experience, Research & Development and Innovation • Financial, Regulatory / Legal & Risk Management • Corporate Governance
Mr. A N Sethuraman	• Leadership / Operational experience • Strategic Planning • Sector / Industry Knowledge & Experience, Research & Development and Innovation • Financial, Regulatory / Legal & Risk Management • Corporate Governance
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, 2021 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
	Reliance General Insurance Company Limited	Non-Executive Director and Non-Independent Director
Mr. A N Sethuraman	-	-
Ms. Chhaya Virani	Reliance Home Finance Limited	Non - Executive and Independent Director
	Reliance Power Limited	Non-Executive and Independent Director

Name of Director	Names of listed entities	Category
	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, Master Direction – Core Investment Companies (Reserve Bank) Directions, 2016. and other applicable laws. The Committee 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. modified opinion(s) 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. Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
25. 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
26. 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 2020-21

The Audit Committee held its meetings on May 7, 2020, July 30, 2020, November 5, 2020 and February 1, 2021. The maximum and minimum time gap between any two meetings, during the year under review was 98 days and 84 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, Master Direction – Core Investment Companies (Reserve Bank) Directions, 2016, Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014, and other applicable laws. The Committee 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 on the website of the Company.

The Nomination and Remuneration Committee held its meeting on February 1, 2021 which was attended by all the Committee Members. The details of attendance of Committee members are given in this Report.

Corporate Governance 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.

The Company has not paid any remuneration to its Directors other than sitting fees for attending the meeting of the Board and Committee(s). 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). No remuneration by way of commission to the non-executive directors. The Company has so far not issued any stock options to its non-executive directors. There were no other pecuniary relationships or transactions of non-executive directors vis-à-vis the Company.

During the year, Mr. Dhananjay Tiwari, Chief Executive Officer of the Company was 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 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 meeting on November 5, 2020 which was attended by all the committee members. 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.

Shareholders Grievances Attended

Received from	Received during		Redressed during		Pending as on	
	2020-21	2019-20	2020-21	2019-20	31.03.2021	31.03.2020
SEBI	8	34	8	34	Nil	Nil
Stock Exchanges	4	13	4	13	Nil	Nil
NSDL / CDSL	1	4	1	4	Nil	Nil
Direct from shareholders	187	2	187	2	Nil	Nil
Total	200	53	200	53	Nil	Nil

Analysis of Grievances

	2020-21		2019-20	
	Numbers	%	Numbers	%
Non-receipt of dividend	82	41.00	12	22.64
Non-receipt of share certificates	78	39.00	-	-
Others	40	20.00	41	77.36
Total	200	100.00	53	100.00

There was no complaint pending as on March 31, 2021.

Notes :

1. The shareholder base was 7 48 379 as of March 31, 2021 and 7 72 614 as of March 31, 2020.
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.

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 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. Group Risk Management Committee

The Company has a Group Risk Management Committee. Pursuant to RBI Circulars the Committee was renamed from Risk Management Committee to Group Risk Management Committee (GRMC). Further, the GRMC was reconstituted and presently comprises of Mr. Rahul Sarin, act as Chairman and Ms. Chhaya Virani, Independent Directors, Mr. Dhananjay Tiwari, Director & Chief Executive Officer, Chief Financial Officer and Chief Risk Officer of the Company as Members. The composition and terms of reference are in compliance with the provisions of the Listing Regulations and Master Direction – Core Investment Companies (Reserve Bank) Directions, 2016, as amended.

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.
9. Formulating a detailed risk management policy which shall include:
   a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   b. Measures for risk mitigation including systems and processes for internal control of identified risks.
   c. Business continuity plan.
10. Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
11. Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems;
12. Periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
13. Keeping the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
14. Reviewing the appointment, removal and terms of remuneration of the Chief Risk Officer (if any).

During the year, the Group Risk Management Committee held its meetings on May 7, 2020, July 30, 2020, November 5, 2020 and February 1, 2021. 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
2019-20	June 23, 2020, 12:00 Noon	No
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")

The Annual General Meetings for the financial year 2019-20 was held through Video Conferencing (VC) / Other Audio

Visual Means (OAVM), for the financial year 2018-19 was held at Rama & Sundri Watumull Auditorium, Vidyasagar, Principal K. M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai 400 020 and for the financial year 2017-18 was held at Birla Matushri Sabhagar, 19, New Marine Lines, 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 Tuesday, January 5, 2021 at 3:00 p.m. through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

IX. Postal Ballot

The Company had not conducted any business through Postal Ballot during the financial year 2020-21. 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, if any, 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, 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, if any, 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, if any, 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 309 4001

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 Master Direction – Core Investment Companies (Reserve Bank) Directions, 2016.

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) are material subsidiaries.

Further, in terms of Regulation 24 of the Listing Regulations, Dr. Thomas Mathew is appointed on the Board of RNLICL.

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

a. Financial statements, in particular the investments made by unlisted subsidiary companies are reviewed quarterly by the Audit Committee of the Company.

b. Minutes of the meetings of the board of directors of all unlisted subsidiary companies are placed before the Company's Board regularly.

c. A statement containing all the significant transactions and arrangements entered into by the unlisted subsidiary companies are placed before the Company's Board / Audit Committee.

d. Review of Risk Management process by the Risk Management Committee / Audit Committee / Board.

The policy for determination of material subsidiary is put on the website of the Company at the link http://www.

reliancecapital.co.in/pdf/Policy-for-Determination-of-Material-Subsidiary.pdf.

The unlisted material subsidiary have undergone Secretarial Audit by a practicing Company Secretary and their Secretarial Audit Report are available on the website of the Company.

XIV. Disclosures

a. There has been no non-compliance by the Company, no penalties or strictures imposed on the Company by stock exchange(s) or the SEBI or any statutory authority, on any matter related to capital markets, except (a) SEBI levied consolidated monetary penalty of ₹ 1 lakh for violation of regulation 20 AA, 42 (2), 42 (3) and 52 of SEBI (Depositories and Participants) Regulations, 1996, [Regulation 37, 59(2), 59(3) and 69 respectively of current SEBI (Depositories and Participants) Regulations, 2018] in previous years and the same does not pertain to current year. Further, the Company has paid consolidated monetary penalty of ₹ 1 lakh as per the said adjudication order. (b) For the year 2019-20, 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 2020-21, 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, to identify the inherent risks, assess, evaluate and monitor these risks continuously and undertake effective steps to manage these risks. Mr. Rahul Sarin, act as Chairman and Ms. Chhaya Virani, Independent Directors, Mr. Dhananjay Tiwari, Director & Chief Executive Officer, Mr. Vijesh Thota, Chief Financial Officer and Mr. Rajib Gangopadhyay, Chief Risk Officer of the Company as Members of Group Risk Management Committee. The Committee periodically reviews the Risk Management. 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 2020-21."

Dhananjay Tiwari
Director & Chief Executive Officer

g. CEO / CFO certification

Director & Chief Executive Officer and 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, 2021 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, 2020	401	4 404
(ii)	Number of shareholders who approached listed entity for transfer of shares from suspense account during April 1, 2020 to March 31, 2021	-	-
(iii)	Number of shareholders to whom shares were transferred from suspense account during the April 1, 2020 to March 31, 2021	-	-
(iv)	Number of Shares Transfer to IEPF	189	1 002
(v)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at March 31, 2021	212	3402

The voting rights on the shares outstanding in the "Reliance Capital Limited – Unclaimed Suspense Account" as on March 31, 2021 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, 2021 are as follows:

(₹ in crore)

Sr. No	Particulars	2020-21
1.	Audit Fees*	0.82
2.	Certification and other eimbursement charges*	0.20
3.	**Total**	**1.02**

* 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 2020-21.

3. 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 and appointment of Directors • Meetings and Quorum • Review of compliance reports and 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 Directors • Recommendation of the Board for each item of Special Business
2.	Maximum number of Directorship	17A	Yes	• Directorship in listed entities
3.	Audit Committee	18	Yes	• Composition • Meeting and Quorum of the Committee • Chairperson present at the Annual General Meeting • Role of the Committee
4.	Nomination and Remuneration Committee	19	Yes	• Composition • Meeting and Quorum of the Committee • Chairperson present at the Annual General Meeting • Role of the Committee
5.	Stakeholders Relationship Committee	20	Yes	• Composition • Meetings and Quorum of the Committee • Chairperson present at the Annual General Meeting • Role of the Committee
6.	Risk Management Committee	21	Yes	• Composition • Meetings and Quorum of the Committee • Role of the Committee
7.	Vigil Mechanism	22	Yes	• Review of Vigil Mechanism for Directors and employees • Direct access to Chairperson 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 unlisted material subsidiary • Review of financial statements and investments 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 unlisted subsidiary are placed at the meeting of the Board of Directors of the Company
10.	Secretarial Audit	24A	Yes	• Secretarial Audit of the Company • Secretarial Audit of the Unlisted Material Subsidiaries • Annual Secretarial Compliance Report

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
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 and 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 • 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
Kamala Mills Compound,
Trade World, B Wing, 7th Floor,
S B Marg, Lower Parel,
Mumbai 400013

I have examined the compliance of conditions of Corporate Governance by Reliance Capital Limited ('the Company') for the year ended March 31, 2021, 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, 2020 to March 31, 2021.

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 Master Direction – Core Investment Companies (Reserve Bank) Directions, 2016.

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
UDIN: A019639C000744110
Mumbai, August 6, 2021

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
Kamala Mills Compound,
Trade World, B Wing, 7th Floor,
S B Marg, Lower Parel,
Mumbai 400013

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 Kamala Mills Compound, Trade World, B Wing, 7th Floor, S B Marg, Lower Parel, Mumbai 400 013 (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. Further, based on the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors and the legal opinion obtained by the Company, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

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, 2021 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: A019639C000744088
Mumbai, August 6, 2021

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 35th Annual General Meeting (AGM) will be held on Tuesday, September 14, 2021 at 11:00 A.M. (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.(IST) on September 10, 2021 to 5:00 P.M. (IST) on September 13, 2021. 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.

Pursuant to Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, effective from June 9, 2021, SEBI has revised the procedure for e-voting facilities to be provided by listed entities for individual shareholders holding security demat form. Members are requested to follow the procedure / instructions provided in the Notes to Notice for the Annual General Meeting pursuant to the aforesaid circular.

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 309 4001
Tel.: +91 40 6716 1500
Fax: +91 40 6716 1791
E-mail: rclinvestor@kfintech.com
Website: www.kfintech.com

Dividend

The Board of Directors of the Company has not recommended any dividend for the financial year 2020-21.

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 2012-13 remaining unclaimed for seven years from the date of declaration to IEPF.

During the year under review, the Company has transferred ₹ 2,46,68,984/- from the unclaimed dividend account 2012-13 pursuant to the provisions of the Companies Act, 2013. Unclaimed dividend amount of ₹ 4,98,128/- has been retained in the unpaid dividend account 2012-13 on account of pending legal cases.

During the year, the Company has transferred to the IEPF Authority 1,82,263 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. October 26, 2020. During the year, IEPF Authority have released 4,056 equity shares against various claims received from the shareholders.

Investor Information

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 ₹)
31-03-2014	8.50	30-09-2014	29-10-2021	2 60 91 223
31-03-2015	9.00	30-09-2015	29-10-2022	2 86 40 576
31-03-2016	10.00	27-09-2016	26-10-2023	3 36 55 116
31-03-2017	10.50	26-09-2017	25-10-2024	3 71 02 747
31-03-2018	11.00	18-09-2018	17-10-2025	2 73 18 148

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 June 23, 2020 (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.

Shareholding pattern

Category of shareholders		As on 31.03.2021		As on 31.03.2020	
		Number of Shares	**%**	Number of Shares	%
(A)	Shareholding of promoter and promoter group				
	(i) Indian	38 00 419	1.50	38 00 419	1.50
	(ii) Foreign	-	-	-	-
	Total shareholding of promoter and promoter group	**38 00 419**	**1.50**	38 00 419	1.50
(B)	Public shareholding				
	(i) Institutions	88 22 926	3.49	94 79 699	3.75
	(ii) Non-institutions	23 73 87 164	93.95	23 67 30 391	93.68
	Total public shareholding	**24 62 10 090**	**97.44**	24 62 10 090	97.43
(C)	Shares held by custodians and against which depository receipts have been issued	10 98 393	0.44	10 98 393	0.44
(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 31.03.2021		Total shares as on 31.03.2021		Number of shareholders as on 31.03.2020		Total shares as on 31.03.2020	
	Number	**%**	**Number**	**%**	Number	%	Number	%
Upto 500	6 99 983	93.53	3 18 30 767	12.60	7 31 586	94.69	3 08 32 262	12.20
501 to 5000	42 643	5.70	6 51 10 381	25.76	36 164	4.68	5 44 12 460	21.53
5001 to 100000	5 613	0.75	8 41 62 805	33.30	4 758	0.62	6 97 26 469	27.59
Above 100000	140	0.02	7 16 04 949	28.33	106	0.01	9 77 37 711	38.68
Total	7 48 379	100.00	25 27 08 902	100.00	7 72 614	100.00	25 27 08 902	100.00

Dematerialisation of shares and Liquidity

The Company was among the first few companies to admit its shares to the depository system of NSDL for dematerialisation of shares. The International Securities Identification Number (ISIN) allotted to the Company is 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.

Investor Information

Status of dematerialisation of shares

As on March 31, 2021, 98.94 per cent of the Company's shares are held in dematerialised form.

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
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

Investor Information

Credit Rating & Details of Revision

Rating Agency	Type of Instrument	Rating as on April 1, 2020	Rating as on March 31, 2021
CARE Ratings Limited	Long Term Debt Programme	CARE D; Issuer not cooperating (Single D; Issuer not cooperating)	CARE D; Issuer not cooperating (Single D; Issuer not cooperating)
	Principal Protected Market Linked Debentures	CARE PP-MLD D; Issuer not cooperating (PP-MLD Single D; Issuer not cooperating)	CARE PP-MLD D; Issuer not cooperating (PP-MLD Single D; Issuer not cooperating)
	Subordinated Debt	CARE D; Issuer not cooperating (Single D; Issuer not cooperating)	CARE D; Issuer not cooperating (Single D; Issuer not cooperating)
Brickwork Ratings India Private Limited[1]	Principal Protected Market Linked Debentures	BWR PP MLD D (BWR Principal Protected Market Linked Debentures D)	BWR PP MLD D; Issuer not cooperating (BWR Principal Protected Market Linked Debentures D)
	Subordinated Tier II NCD	BWR D (BWR Single D)	BWR D; Issuer not cooperating (BWR Single D)
	Secured NCDs	BWR D (BWR Single D)	BWR D; Issuer not cooperating (BWR Single D)

Note:

1. BWR Rating from D to D issuer not cooperating.

Stock Price and Volume

2020-21	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Volume Nos.	High (₹)	Low (₹)	Volume Nos.
April 2020	8.57	4.34	4 53 57 784	8.25	4.25	18 67 94 623
May 2020	10.39	5.96	2 29 30 588	9.95	5.95	4 42 70 744
June 2020	12.72	6.68	1 42 24 836	12.45	6.65	3 75 92 405
July 2020	14.71	9.32	2 37 65 811	14.35	9.30	4 91 98 619
August 2020	11.53	9.02	1 23 10 384	11.55	9.00	4 44 30 016
September 2020	9.79	7.67	58 97 652	9.80	7.65	2 50 54 998
October 2020	9.99	7.16	87 52 311	9.80	7.10	2 81 69 092
November 2020	11.06	8.09	1 31 44 863	11.05	8.20	5 00 64 654
December 2020	13.97	8.82	2 51 16 962	13.85	8.85	6 77 98 432
January 2021	12.5	9.34	57 95 019	12.50	9.35	1 69 27 698
February 2021	11.36	9.59	92 52 097	11.40	9.55	2 93 87 284
March 2021	13.95	10.02	2 45 27 101	14.00	9.90	9 82 97 514

[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

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 and likely impact on equity

Outstanding GDRs as on March 31, 2021 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

Payment of listing fees

Annual listing fee for the financial year 2020-21 and 2021-22 has been paid by the Company to the Stock Exchanges.

Payment of depository fees

Annual custody / issuer fee for the year 2020-21 and 2021-22 has been paid 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. 2020-21	138.89	68.01	70.87
2 years	(94.74)	28.02	26.38
3 years	(97.46)	50.17	45.26

Key financial reporting dates for the financial year 2021-22

Unaudited results for the first quarter ending June 30, 2021	:	On or before August 14, 2021
Unaudited results for the second quarter / half year ending September 30, 2021	:	On or before November 14, 2021
Unaudited results for the third quarter / nine months ending December 31, 2021	:	On or before February 14, 2022
Audited results for the financial year 2021-22	:	On or before May 30, 2022

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, N M 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
Kamala Mills Compound, Trade World
B Wing, 7th Floor, S. B. Marg
Lower Parel, Mumbai 400 013
Tel : +91 22 4158 4000
Fax: +91 22 2490 5125
Email: rcl.investor@relianceada.com

Correspondence on investor services may be addressed to:

Company Secretary & Compliance Officer

Reliance Capital Limited
Kamala Mills Compound, Trade World
B Wing, 7th Floor, S. B. Marg
Lower Parel, Mumbai 400 013
Tel : +91 22 4158 4000
Fax: +91 22 2490 5125
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, 2021, 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, 2021, 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. 40(g) 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, 2021 and the Company also has incurred losses during the current year and previous 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 standalone 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

We draw attention to Note No. 40(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.

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

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 year. 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 No. 7 and 18 of the standalone financial statements)	
Ind AS 109 "Financial Instruments" 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 standalone 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 ₹ 10,831 Crore and associate companies amounting to ₹ 136 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 80% of the total assets as at March 31, 2021 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). The outstanding balance of MLD as on March 31, 2021 is ₹ 496 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 standalone financial statements and the degree of management's judgement involved in the estimate, any error in the estimate could lead to material misstatement in the standalone 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.

Independent Auditors' Report on the Standalone financial statements

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 Act, 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) The Company has defaulted in repayment of the obligations to its lenders and debenture holders which is outstanding as on March 31, 2021. Based on the legal opinion obtained by the Company and based on the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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) In our opinion and according to the information and explanation given to us, the Company has not paid / provided for any managerial remuneration as per section 197(16) 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 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. 38 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. 51 to the standalone financial statements;

   c. Other than for dividend amounting to ₹ 0.17 Crore pertaining to financial year 2010-11 to financial year 2012-13 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: 21119303AAAAJY1864

Place: Mumbai
Date : May 8, 2021

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 standalone financial statements of Reliance Capital Limited for year ended March 31, 2021.

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 standalone financial statements of Reliance Capital Limited ('the Company') as of March 31, 2021 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 standalone 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 standalone 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 with reference to standalone 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 standalone financial

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

statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone 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 standalone 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 standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

6. A company's internal financial control with reference to standalone 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 with reference to standalone financial statements 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 standalone financial statements

7. Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone 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. During the previous year, based on our audit, information and explanation provided by the management, following weakness were observed by us 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.

   During the current year the Company has not given any loans / guarantee to any entity.

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 standalone financial statements as at March 31, 2021 based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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 standalone financial statements were operating effectively as at March 31, 2021.

   A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to standalone financial statements, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim standalone 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, 2021 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
Firms Registration No: 107783W / W100593

Vishal D. Shah
Partner
Membership No: 119303
UDIN: 21119303AAAAJY1864

Place: Mumbai
Date : May 8, 2021

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, 2021

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) According to the information and explanation given to us and records examined by us, 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 finance and investment activity, 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. In our opinion and according to the information and explanation given to us, 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. In our opinion and according to the information and explanation given to us, 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 of the Act are not applicable to the Company.

The Company is registered as Core Investment Company with Reserve Bank of India. 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. In our opinion and according to the information and explanation given to us, 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. In our opinion and according to the information and explanation given to us, 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, profession tax, 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, 2021 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, goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax and value added tax as at March 31, 2021, which have not been deposited on account of a dispute is as under:

Name of the statute	Nature of dues	Amount (₹ in crore)	Period to which the amount relates	Forum where the dispute is pending
Income tax Act, 1961	Income Tax	12	A.Y. 2017-2018	Commissioner of Income Tax Appeals, Mumbai
Maharashtra Value Added Tax Act, 2002	Value Added Tax	1.38	F.Y 2015-2016	Joint Commissioner of State Tax, Maharashtra
Maharashtra Value Added Tax Act, 2002	Value Added Tax	0.31	F.Y 2016-2017	Joint Commissioner of State Tax, Maharashtra

viii. According to the records of the Company examined by us and the information and explanation given to us , the Company has defaulted in repayment of loans and borrowings obtained from financial institutions , banks and debenture holders, details of which are as follows:

Particulars	Amount of Default as at the Balance Sheet Date (₹ in crore)		Period of Default (Days)	
Name of the lenders	Principal	Interest	Principal	Interest
1. Loans from Banks and Financial Institutions				
Housing Development Finance Corporation Limited	524	79	456	487
Axis Bank Limited	100	13	493	517
2. Debenture Holders	16,260	3,127	365-548	365-548
			Your attention is drawn to Note No. 41 of standalone financial statements.	

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

ix. In our opinion, and according to the information and explanations given to us, during the year the Company has not raised any term loans and any moneys by way of initial public offer or further public offer (including debt instruments) accordingly, the provisions of clause 3(xi) of the Order are not applicable to the Company.

x. Attention is invited to Note No. 40(f) of the standalone financial statements and emphasis of matter paragraph of our main audit report, in addition thereto during the course of

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

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. In our opinion and according to the information and explanations given to us, the Company has not paid/ provided for managerial remuneration accordingly, the provisions of clause 3(xi) of the Order are not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, in our opinion, transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act. The details of related party transactions as required under Ind AS 24 "Related Party Disclosures" specified under Section 133 of the Act have been disclosed in the standalone financial statements. (Refer Note No. 35 of the standalone financial statements)

xiv. During the year, 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. In our opinion and according to the information and explanations given to us, during the year, 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: 21119303AAAAJY1864

Place: Mumbai
Date : May 8, 2021

Standalone Balance Sheet as at March 31, 2021

(₹ in crore)

Particulars	Note No,	As at March 31, 2021	As at March 31, 2020
ASSETS			
Financial Assets			
Cash and cash equivalents	4	**2**	6
Bank balance other than cash and cash equivalents above	5	**16**	18
Receivables			
(I) Trade receivables	6	**1**	1
(II) Other receivables		**-**	-
Loans	7	**977**	6 369
Investments	8	**11 897**	15 177
Other financial assets	9	**215**	689
Total Financial Assets		**13 108**	22 260
Non-Financial Assets			
Current tax assets (Net)	10	**7**	4
Investment property	11	**77**	79
Property, plant and equipment	12	**46**	52
Other intangible assets	13	**-**	-
Other non-financial assets	14	**400**	333
Total Non - Financial Assets		**530**	468
Total Assets		**13 638**	22 728
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Derivative financial instrument	47	**18**	10
Debt securities	15	**16 260**	16 160
Borrowings (Other than Debt securities)	16	**1 186**	1 184
Payables			
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		**-**	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**-**	-
(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		**-**	-
Other financial liabilities	17	**3 358**	1 690
Total Financial Liabilities		**20 822**	19 044
Non-financial Liabilities			
Provisions	18	**405**	263
Other non-financial liabilities	19	**21**	47
Total Non - Financial Liabilities		**426**	310
EQUITY			
Equity share capital	20	**253**	253
Other equity	21	**(7 863)**	3 121
Total Equity		**(7 610)**	3 374
Total Liabilities and Equity		**13 638**	22 728
Significant Accounting Policies	2		

The accompanying notes (1-52) 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, 2021

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	**Aman Gudral**
Company Secretary & Compliance Officer	**Atul Tandon**

Mumbai
Dated: May 8, 2021

Standalone Statement of Profit and Loss for the year ended March 31, 2021

(₹ in crore)

Particulars	Note No,	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations			
Interest income	22	**542**	1 258
Dividend income		**4**	94
Rental income		**2**	4
Fees income	23	**15**	33
Other operating income [₹ 10 27 278 (Previous Year ₹ 11 79 990)]	24	**-**	-
Total revenue from operations		**563**	1 389
Other income (* ₹ 11 26 594)	25	*****	4
Total income		**563**	1 393
Expenses			
Finance costs	26	**1 712**	1 764
Net loss / (gain) on fair value changes (net)	27	**3 276**	445
Impairment on financial instruments (net)	28	**6 502**	4 519
Employee benefits expense	29	**11**	50
Depreciation, amortisation and impairment	11,12 &13	**9**	35
Others expenses	30	**25**	45
Total expenses		**11 535**	6 858
Profit/(loss) before tax		**(10 972)**	(5 465)
Tax expense:	31		
- Current tax		**-**	-
- Deferred tax		**-**	-
- Taxation of earlier years		**-**	-
Total tax expense		**-**	-
Profit/(loss) after tax for the year		**(10 972)**	(5 465)
Other Comprehensive Income / (Loss)			
Items that will not be reclassified to profit or loss			
- Change in FVOCI on equity instrument		**(10)**	(31)
- Remeasurements of post-employment benefit obligations [₹ 15 94 549, (Previous Year ₹ 27 33 100)]		**-**	-
- Income tax relating to these items		**-**	-
Other Comprehensive Income / (Loss) for the year		**(10)**	(31)
Total Comprehensive Income / (Loss) for the year		**(10 982)**	(5 496)
Earnings per equity share (face value of ₹ 10 per share)			
- Basic (₹)	37	**(436.92)**	(217.63)
- Diluted (₹)	37	**(436.92)**	(217.63)
Significant Accounting Policies	2		

The accompanying notes (1-52) 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, 2021

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	**Aman Gudral**
Company Secretary & Compliance Officer	**Atul Tandon**

Mumbai
Dated: May 8, 2021

Standalone Statement of Changes in Equity for the year ended March 31, 2021

A. Equity share capital

(₹ in crore)

Particulars	Note No.	Number	Amount
As at March 31, 2020	20	25 27 08 902	253
As at March 31, 2021		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, 2019	21	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) for the year		-	-	-	-	-	-	-	-	(31)	(31)
Total Comprehensive Income / (Loss) for the year		3 659	10	779	1 875	4 817	(7 761)	2	7	(269)	3 119
Transactions with owners in their capacity as owners:											
- Issue of equity share and debentures, 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)	3 122
Profit / (loss) for the year		-	-	-	-	-	(10 972)	-	-	-	(10 972)
Other Comprehensive Income / (Loss) for the year		-	-	-	-	-	-	-	-	(10)	(10)
Total Comprehensive Income / (Loss) for the year		3 659	10	779	1 875	4 817	(18 733)	2	10	(279)	(7 860)

Standalone statement of changes in equity for the year ended March 31, 2021

(₹ 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:											
- Stock option expense for the year		-	-	-	-	-	-	-	(3)	-	(3)
- Remeasurements of post-employment benefit obligations (* ₹ 15 94 549)		-	-	-	-	-	-	-	-	*	*
As at March 31, 2021		**3 659**	**10**	**779**	**1 875**	**4 817**	**(18 733)**	**2**	**7**	**(279)**	**(7 863)**

Significant Accounting Policies

The accompanying notes (1-52) 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, 2021

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 — **Aman Gudral**

Company Secretary & Compliance Officer — **Atul Tandon**

Mumbai
Dated: May 8, 2021

Standalone Cash Flow Statement for the year ended March 31, 2021

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES :		
Profit/(Loss) before tax:	**(10 972)**	(5 465)
Adjustments :		
Depreciation, amortisation and impairment	**9**	35
Net Impairment on financial instruments and balances written off	**6 502**	4 519
Provision for gratuity / leave encashment	**-**	1
(Profit) / loss on sale of property, plant and equipment	**-**	2
Interest income on investments [* ₹ (2 71 254)]	**-**	*
Dividend income on investments	**(4)**	(94)
Net loss on fair value of investment	**3 276**	445
Share based payment / (reversal) to employees	**(3)**	3
Amortised brokerage on borrowings	**101**	36
Discount on commercial papers	**-**	18
Interest income	**(542)**	(1 257)
Interest expenses (net)	**1 610**	1 710
Operating profit before working capital changes	**(23)**	(47)
Adjustments for (increase)/ decrease in operating assets:		
Unamortised expenses incurred	**-**	(2)
Interest received	**12**	1 407
Interest paid	**-**	(1 008)
Financial assets and non financial assets	**34**	(4 452)
Financial liabilities and non financial liabilities	**(39)**	(12)
Cash used in operations	**(16)**	(4 114)
Less : Income taxes paid (net of refunds)	**(3)**	21
Net cash used in operating activities	**(19)**	(4 093)
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of property, plant and equipments (including capital advances)	**-**	(1)
Sale of property, plant and equipment	**-**	9
Proceeds from sale of investments (net)	**11**	5 573
Interest received on investments	**-**	584
Dividend received	**4**	94
Net cash from investing activities	**15**	6 259
CASH FLOW FROM FINANCING ACTIVITIES :		
Debt securities issued / (repaid) (net)	**-**	(1 592)
Borrowing other than debt securities issued / (repaid) (net)	**-**	(570)
Net cash used in financing activities	**-**	(2 162)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(4)**	4
Add : Cash and cash equivalents at beginning of the year	**6**	2
Cash and cash equivalents at end of the year	**2**	6

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, 2021

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	**Aman Gudral**
Company Secretary & Compliance Officer	**Atul Tandon**

Mumbai
Dated: May 8, 2021

Notes to the Standalone Financial Statement for the year ended March 31, 2021

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 exchange in India. The registered office of the Company is located at Reliance Centre, Ground floor 19, Walchand Hirachand Marg, Ballard Estate, Mumbai 400001.

These standalone financial statement of the Company for the year ended March 31, 2021 were authorised for issue by the board of directors on May 08, 2021. 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 standalone financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a Basis of Preparation of Standalone 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 standalone 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 "First-time Adoption of Indian Accounting Standards" and 109 "Financial Instruments" 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 and associate 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 standalone financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The standalone 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 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 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 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 in Satement 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 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 "Financial Instruments" and classifies its financial assets in the following measurement categories:

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

Fair value through profit and loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit and loss. A gain or loss on a debt investment that is subsequently measured at fair value through 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 Company may also irrevocably designate financial assets at fair value through profit and 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, 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 and loss following the derecognition of the investment.

Changes in the fair value of financial assets at fair value through profit and 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 outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses).

(iii) Write-off policy

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Company's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

(iv) Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Company transfers substantially all the risks and rewards of ownership, or (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control. The Company directly reduces the gross carrying amount of a financial asset when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

g Financial liabilities

(i) Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost, except for:

Financial liabilities at fair value through profit and 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 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 and 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.

(vii) 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.

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 Leases

(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 is classified as operating lease.

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

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.

Notes to the Standalone Financial Statement for the year ended March 31, 2021

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 and 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 standalone 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 standalone 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.

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 and 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 other equity and no gain or loss is recognised on the purchase, sale, issue or cancellation of such shares.

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 standalone 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 standalone financial statements, and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the standalone 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 with in 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 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.

Notes to the Standalone Financial Statement for the year ended March 31, 2021

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
4	**Cash and cash equivalents**		
	Balances with banks:		
	In current accounts	**2**	6
	Total	**2**	6
5	**Bank balance other than cash and cash equivalents above**		
	Balances with banks:		
	In earmarked accounts		
	– unclaimed dividend	**16**	18
	In fixed deposits (*₹ 20 00 000)	*****	*
	Total	**16**	18

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

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

	Particulars	As at March 31, 2021	As at March 31, 2020
6	**Trade receivables**		
	Receivables considered good – Unsecured	**1**	1
	Total	**1**	1

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.

	Particulars	As at March 31, 2021	As at March 31, 2020
7	**Loans**		
	At amortised cost		
	Loans and advances (unsecured)	**312**	312
	Loans and advances to related parties (unsecured)	**2 453**	2 486
	Others (secured)	**6 184**	6 185
	Total (A) – Gross	**8 949**	8 983
	(Less): Impairment loss allowance	**(7 972)**	(2 614)
	Total (A) – Net	**977**	6 369
	Secured by property, plant and equipment, other receivables and guarantee	**6 184**	6 185
	Unsecured	**2 765**	2 798
	Total (B) – Gross	**8 949**	8 983
	(Less): Impairment loss allowance	**(7 972)**	(2 614)
	Total (B) – Net	**977**	6 369
	Loans in India		
	– Public sector	**-**	-
	– Others	**8 949**	8 983
	Total (C) – Gross	**8 949**	8 983
	(Less): Impairment loss allowance	**(7 972)**	(2 614)
	Total (C) – Net	**977**	6 369

Notes to the Standalone Financial Statement for the year ended March 31, 2021

a) Summary of loans by stage distribution

(₹ in crore)

Particulars	As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	**37**	**-**	**8 912**	**8 949**
Less: Impairment loss allowance	**(2)**	**-**	**(7 970)**	**(7 972)**
Net carrying amount	**35**	**-**	**942**	**977**

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

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

(₹ in crore)

Particulars	Year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Opening balance	**2 915**	**6 068**	**-**	**8 983**
Changes in opening credit exposures (additional disbursement, net of repayments)	**(33)**	**(1)**	**-**	**(34)**
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	**(2 845)**	**(6 067)**	**8 912**	-
Amounts written off	-	-	-	-
Closing balance	**37**	**-**	**8 912**	**8 949**

Particulars	Year ended 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/ loss on sale of assignment	-	-	(4 158)	(4 158)
Closing balance	2 915	6 068	-	8 983

c) Reconciliation of ECL balance

(₹ in crore)

Particulars	Year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Opening balance	**181**	**2 433**	**-**	**2 614**
Changes in credit exposures / change in ECL rate (additional disbursement, net of repayments)	**(1)**	**1 852**	**3 506**	**5 357**
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	**(178)**	**(4 285)**	**4 463**	-
Amounts written off	-	-	-	-
Closing balance	**2**	**-**	**7 970**	**7 972**

Notes to the Standalone Financial Statement for the year ended March 31, 2021

(₹ in crore)

Particulars	Year ended 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/ loss on sale of assignment	-		(1 744)	(1 744)
Closing balance	181	2 433	-	2 614

(₹ in crore)

Particulars	Face Value	Quantity		Value	
		As at March 31, 2021	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020
8 Investments					
Investments in Equity Instruments					
Subsidiary Companies *					
At Deemed cost					
Unquoted, fully paid-up					
Reliance Health Insurance Limited	10	**19 39 00 000**	19 39 00 000	**30**	194
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**	102
Reliance General Insurance Company Limited (Refer note no 40(b))	10	**25 15 49 920**	25 15 49 920	**5 029**	5 029
Reliance Commercial Finance Limited (Refer note no 40(a))	10	**13 53 25 700**	13 53 25 700	**-**	2 214
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**	62
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**	459
Reliance Wealth Management Limited	10	**4 27 50 000**	4 27 50 000	**-**	21
Reliance Money Precious Metals Private Limited	10	**80 00 000**	80 00 000	**-**	-
Quant Capital Private Limited	10	**74 01 423**	74 01 423	**5**	105
				10 808	13 307
Less : Provision for impairment				**-**	(332)
				10 808	12 975
Associate Companies *					
At Deemed cost					
Quoted, fully paid-up					
Reliance Home Finance Limited (Refer note no 40(a))	10	**23 39 69 188**	23 39 69 188	**56**	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
				136	977
Less : Provision for impairment				**-**	(134)
				136	843

Notes to the Standalone Financial Statement for the year ended March 31, 2021

(₹ in crore)

Particulars	Face Value	Quantity		Value	
		As at March 31, 2021	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020
Other companies					
Quoted, fully paid-up					
At FVTPL					
Nippon Life India Asset Management Limited (Formerly Reliance Nippon Life Asset Management Limited) (Refer note no 40(c))	10	**2 61 76 019**	2 61 76 019	**886**	885
At FVOCI *					
Reliance Communications Limited	5	**2 96 95 295**	2 96 95 295	**-**	-
Reliance Power Limited (* ₹ 41 17 823)	10	**41 17 823**	41 17 823	**-**	*
Unquoted, fully paid-up					
At FVOCI					
Azalia Media Services Private Limited	10	**19 38 000**	19 38 000	**-**	2
Reliance Broadcast Network Limited	5	**1 57 27 957**	1 57 27 957	**-**	6
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
				886	895
Sub-Total (A)				**11 830**	14 713
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
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	**-**	-

(₹ in crore)

Particulars	Face Value	Quantity		Value	
		As at March 31, 2021	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020
12% Non-Convertible Cumulative Redeemable Preference Shares of Reliance Financial Limited	10	**11 000**	11 000	**-**	-
				16	416
Less : Provision for impairment				**-**	(60)
				16	356
Sub-Total (B)				**16**	356
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	1000	**73 031**	79 357	**7**	8
Sub-Total (C)				**7**	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	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	**-**	-
11% Compulsory Convertible Debentures of Reliance Unicorn Enterprises 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	**-**	-
				-	-
Sub-Total (D)				**-**	-
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)	0.01	**46 20 72 909**	46 20 72 909	**-**	*
Class A Units of Reliance Alternative Investments Fund	10	**6 41 03 944**	6 78 81 850	**-**	68
				-	68

Notes to the Standalone Financial Statement for the year ended March 31, 2021

(₹ in crore)

Particulars	Face Value	Quantity As at March 31, 2021	Quantity As at March 31, 2020	Value As at March 31, 2021	Value As at March 31, 2020
Investment in Mutual fund- quoted, fully paid-up					
At FVTPL					
Franklin India Short Term Income plan - Retail Plan -Direct - Growth	1,000	**12 768**	12 768	**5**	5
Franklin India Short Term Income plan - Retail SG2 10.9% VI 2SP23 DR GWT	1,000	**11 755**	-	**-**	-
Nippon India Mutual Fund Strategic Debt Fund Seg Por1 Direct Growth (* ₹ 3 03 947)	1,000	**69 55 315**	-	*****	-
Nippon India Mutual Fund Classic Bond Fund Direct Growth	10	**-**	69 55 314	**-**	8
Nippon India Overnight Fund-Direct Growth Plan	10	**64 060**	10 34 485	**1**	11
Nippon India Liquid Fund-Direct Plan Growth Plan - Growth Option	1,000	**71 667**	15 832	**36**	8
BNP Paribas Liquid Fund Direct Growth	1,000	**6 330**	-	**2**	-
				44	32
Sub-Total (E)				**44**	100
Total investments (A+B+C+D+E)				**11 897**	15 177
Total Investment at Deemed cost/ Cost				**10 951**	14 292
Total Investment at FVTPL				**930**	985
Total Investment at Amortised cost				**16**	416
Total Investment at FVOCI				**-**	10
Aggregrate amount of provision in deemed cost / amortised cost				**-**	(526)
Investments in India				**11 897**	15 177
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 and 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, 2021	As at March 31, 2020
9	**Other financial assets**		
	(Considered good otherwise stated)		
	Interest accrued on loans (net of provision)	**157**	629
	Receivables from related parties	**31**	33
	Other deposits	**27**	27
	Total	**215**	689
10	**Current tax assets (net)**		
	Income tax paid in advance (net of provision)	**7**	4
	Total	**7**	4

(₹ in crore)

Notes to the Standalone Financial Statement for the year ended March 31, 2021

Particulars		As at March 31, 2021		As at March 31, 2020	
		Land	**Buildings**	Land	Buildings
11	**Investment property**				
	Gross carrying amount				
	Deemed cost	**29**	**123**	29	143
	Additions	**-**	**-**	-	-
	Disposals and transfers	**-**	**-**	-	(20)
	Closing gross carrying amount	**29**	**123**	29	123
	Accumulated amortisation	**26**	**47**	25	22
	Amortisation during the year	**-**	**2**	-	3
	Impairment during the year	**-**	**-**	1	24
	Disposals and transfers	**-**	**-**	-	(2)
	Closing accumulated amortisation	**26**	**49**	26	47
	Net carrying amount as at March 31, 2021	**3**	**74**	3	76

Notes:

i) The Company has carried out the valuation activity to assess fair value of its Investment in land and property which is ₹ 146 crore (Previous Year ₹ 79 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	2020-21	2019-20
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)
Impairment during the year	**-**	(25)
Amortisation for the year	**(2)**	(3)
Profit / (Loss) arising from investment property before indirect expenses	**(2)**	(33)

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, 2019	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 (* ₹ 43 660)	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**
Gross carrying amount										
Opening gross carrying amount	49.81	1.18	0.41	22.13	7.75	0.27	38.00	24.02	1.27	144.84
Additions	-	-	-	0.12	-	-	-	-	-	0.12
Disposals and transfers	-	-	-	-	-	-	-	-	-	-
Closing gross carrying amount	**49.81**	**1.18**	**0.41**	**22.25**	**7.75**	**0.27**	**38.00**	**24.02**	**1.27**	**144.96**
Accumulated depreciation										
Opening accumulated depreciation	8.79	1.15	0.35	21.82	5.68	0.27	29.27	24.02	1.27	92.62
Depreciation charge during the year	0.83	0.02	0.03	0.21	0.53	-	5.14	-	-	6.76
Disposals and transfers	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	**9.61**	**1.17**	**0.38**	**22.03**	**6.21**	**0.27**	**34.41**	**24.02**	**1.27**	**99.38**
Net carrying amount as at March 31, 2021 (* ₹ 88 441)	**40.20**	*****	**0.02**	**0.22**	**1.54**	**-**	**3.60**	**-**	**-**	**45.58**

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, 2021

(₹ in crore)

Particulars		Computer software's/ Licensing cost	
		As at March 31, 2021	As at March 31, 2020
13	**Other intangible asset**		
	Gross carrying amount		
	Opening Deemed cost	55	55
	Additions	-	-
	Disposals and transfers	-	-
	Closing gross carrying amount	**55**	**55**
	Accumulated amortisation		
	Opening accumulated amortisation	55	55
	Amortisation during the year (* ₹ 24 77 373)	-	*
	Disposals and transfers	-	-
	Closing accumulated amortisation	**55**	**55**
	Net carrying amount	**-**	**-**

Notes:

i) In respect of Other 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, 2021**	As at March 31, 2020
14	**Other non-financial asset**		
	(Unsecured good otherwise stated)		
	Capital advances	**300**	300
	Balance with VAT and GST authorities	**6**	6
	Advances	**94**	25
	Prepaid expenses	**-**	2
	Total	**400**	333
15	**Debt securities**		
	At amortised cost		
	Debentures and bonds		
	- Secured		
	Others	**14 281**	14 207
	Related Party	**78**	78
	- Unsecured		
	Others	**1 355**	1 336
	Related Party	**50**	49
	Subtotal	**15 764**	**15 670**
	At fair value through profit and loss		
	Debentures and bonds		
	- Secured		
	Others	**481**	476
	Related Party	**15**	14
	Subtotal	**496**	**490**
	Total	**16 260**	16 160
	Debt securities in India	**16 260**	16 160
	Debt securities outside India	**-**	-
	Total	**16 260**	16 160

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

(b) With respect to Non-Convertible Debentures aggregating to ₹ 16 260 crore as at March 31, 2021, the Trustee has issued notices stating that all monies due in respect of Non-Convertible Debenture are recalled and due and payable forthwith.

Notes to the Standalone Financial Statement for the year ended March 31, 2021

(c) Maturity profile and rate of interest of Non Convertible Debentures are shown on the basis of original schedule maturity payment dates. Refer note 41 on default on repayment of dues to lenders.

(₹ in crore)

Rate of Interest	Overdue	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%	370	-	-	-	-	-	-	-	-	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	302	92	86	-	-	-	-	-	16	496
TOTAL	**2 697**	**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 ₹ 14 855 crore) as on March 31, 2021 are secured by way of first *pari-passu* mortgage/charge on the Company's immovable property and on present and future book debts/business receivables of the Company as specifically mentioned in the respective Trust Deeds. The asset cover has fallen below hundred percent of the Oustanding Debentures and adequate steps are being taken by the Company as explained in Note no 40(g).

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

(₹ in crore)

Particulars		As at March 31, 2021	As at March 31, 2020
16	**Borrowings (other than Debt securities)**		
	At amortised cost		
	Term loan from banks / financial institutions		
	– Secured	**624**	622
	Inter corporate deposit		
	– Secured	**73**	73
	– Unsecured	**315**	315
	– Unsecured from Related party	**174**	174
	Total (A)	**1 186**	1 184
	Borrowings in India	**1 186**	1 184
	Borrowings outside India	**-**	–
	Total (B)	**1 186**	1 184

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

(₹ in crore)

Rate of Interest	Overdue	2021-22	2022-23	2023-24	2024-25	Total
8.80%	29	19	19	19	14	100
10.60%	100	100	100	100	100	500
13.00%	24	–	–	–	–	24
TOTAL	**153**	**119**	**119**	**119**	**114**	**624**

Note:

The maturity profile has been shown on the basis of original scheduled maturity payment. Refer note 41 on default on repayment of dues to lenders.

b) Details about the nature of the security

(i) Term Loans from banks / financial institution includes ₹ 624 crore (Previous year ₹ 624 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 ₹ 73 crore) 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, 2021	As at March 31, 2020
17	**Other financial liabilities**		
	Interest accrued and due on borrowings	**3 338**	1 018
	Interest accrued but not due on borrowings	**-**	650
	Security deposits	**4**	4
	Unclaimed dividend *	**16**	18
	Total	**3 358**	1 690

* 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, 2021	As at March 31, 2020
18	**Provisions**		
	Provision for Employee benefits		
	Gratuity (* ₹ 1 13 995)	*****	1
	Provision others		
	Financial Guarantee Obligation	**380**	243
	Assets and advances	**25**	19
	Total	**405**	263

Notes to the Standalone Financial Statement for the year ended March 31, 2021

Summary of ECL on Financial Guarantee Obligation by stage distribution

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
March 31, 2021	**366**	**-**	**14**	**380**
March 31, 2020	**217**	**-**	**26**	**243**

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
19 Other non-financial liabilities		
Advance receipts from customers (* ₹ 47 26 536)	**1**	*
Other Payables	**20**	47
Total	**21**	47

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	**₹ in crore**	Number	₹ in crore
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.

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	**₹ in crore**	Number	₹ in crore
Outstanding at the beginning of the year	**25 27 08 902**	**253**	25 27 08 902	253
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 regrading options issued, exercised and lapsed during the year and options outstanding at the end of the reporting period is set out in Note No. 32.

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

Equity shareholders	As at March 31, 2021		As at March 31, 2020	
	Number	**%**	Number	%
Housing Development Finance Corporation Limited	**1 62 45 000**	**6.43**	1 62 45 000	6.43
Axis Securities Limited	**-**	**-**	3 55 62 396	14.07

e) As on March 31, 2021 10 98 393 equity shares (Previous year 10 98 393 equity shares) are held by custodian against which depository receipts have been issued.

Notes to the Standalone Financial Statement for the year ended March 31, 2021

(₹ in crore)

Particulars		As at March 31, 2021	As at March 31, 2020
21	**Other Equity**		
	Securities premium		
	Opening balance	**3 659**	3 659
	Add/(Less) : Changes during the year (* ₹ 3 10 000)	**-**	*
	Closing balance	**3 659**	3 659
	Capital redemption reserve	**10**	10
	Capital reserve	**779**	779
	Statutory reserve fund	**1 875**	1 875
	General reserve	**4 817**	4 817
	Retained earnings		
	Opening balance	**(7 761)**	(2 296)
	Net profit / (loss) for the year	**(10 972)**	(5 465)
	Closing balance	**(18 733)**	(7 761)
	Treasury Shares	**2**	2
	Other comprehensive Income		
	Opening balance	**(269)**	(238)
	Add/(Less) : Changes during the year	**(10)**	(31)
	Closing balance	**(279)**	(269)
	RCAP ESOP Trust Reserve		
	Opening balance	**10**	7
	Add/(Less) : Changes during the year	**(3)**	3
	Closing balance	**7**	10
	Total	**(7 863)**	**3 121**

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.

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.

Notes to the Standalone Financial Statement for the year ended March 31, 2021

(₹ in crore)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
22	**Interest income**		
	On financial assets measured at amortised costs:		
	– Loans	**542**	1 257
	– Fixed Deposits and others (* ₹ 1 61 881)	*****	1
	On financial assets measured at FVTPL:		
	Interest income from investments (* ₹ 2 71 254)	**-**	*
	Total	**542**	1 258
23	**Fees Income**		
	Management Fee	**15**	33
	Total	**15**	33
24	**Other operating income**		
	Bad debt recovered (* ₹ 7 52 792)	*****	-
	Other operating income [₹ 2 74 486 (Previous Year ₹ 11 79 990)]	**-**	-
	Total [₹ 10 27 278 (Previous Year ₹ 11 79 990)]	**-**	-
25	**Other income**		
	Miscellaneous income (* ₹ 11 26 594)	*****	4
	Total (* ₹ 11 26 594)	*****	4
26	**Finance cost**		
	On financial liabilities measured at amortised cost:		
	Interest and finance charges		
	Debentures	**1 455**	1 518
	Bank / Financial institutions	**65**	74
	Inter corporate deposits	**77**	90
	Commercial Papers	**-**	18
	Others [₹ 16 40 912, (Previous Year ₹ 8 18 741)]	**-**	-
	Amortised Brokerage	**101**	36
	On financial liabilities measured at FVTPL:		
	Debentures	**14**	28
	Total	**1 712**	1 764
27	**Net loss / (gain) on fair value changes (net)**		
	Realised	**2**	(868)
	Unrealised	**3 274**	1 313
	Total	**3 276**	445
28	**Impairment on financial instruments (net)**		
	On financial instruments measured at amortised cost:		
	Loans and interest	**6 359**	11
	Financial guarantee obligation	**137**	(103)
	Assets and Advances	**6**	*
	Bad debts written off * [(* ₹ (17 98 621)]	**-**	4 611
	Total	**6 502**	4 519

Notes to the Standalone Financial Statement for the year ended March 31, 2021

(₹ in crore)

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
29	**Employee benefits expenses**		
	Salaries and wages	**9**	46
	Contribution to provident and other funds	**1**	2
	Staff welfare expenses	**1**	2
	Total	**11**	50
30	**Other expenses**		
	Bank charges [₹ 53 006, (Previous Year ₹ 7 03 514)]	**-**	-
	Rental charges (* ₹ 12 98 015)	*****	1
	Rates and taxes	**1**	1
	Repairs and maintenance		
	– Buildings [₹ 31 88 266, (Previous Year ₹ 11 76 204)]	**-**	-
	– Others	**3**	6
	Electricity [₹ 21 70 342, (Previous Year 25 04 758)]	**-**	-
	Insurance	**1**	1
	Travel and conveyance (* ₹ 35 63 206)	*****	1
	Postage, telegram and telephones([* ₹ 24 68 990)	*****	1
	Legal & Professional fees	**17**	27
	Payments to auditors [refer note (a) below] [* ₹ 32 00 000]	*****	1
	Sales and marketing expenses (* ₹ 4 97 788)	*****	2
	Employee seminar and training (* ₹ 2 32 177)	**-**	*
	Donation (* ₹ 1 00 000)	**-**	*
	Corporate social responsibility (CSR) expenditure	**-**	-
	Directors' sitting fees [₹ 22 23 600, (Previous Year ₹ 33 13 600)]	**-**	-
	Loss on retirement of property, plant and equipment (net)	**-**	2
	Miscellaneous expenses	**2**	2
	Total	**25**	45
	a) Breakup of Auditors' remuneration		
	Audit fees (* ₹ 32 00 000)	*****	*
	Certification charges and other reimbursement (* ₹ 20 08 071)	-	*
	Total [₹ 32 00 000 (Previous Year ₹ 52 08 071)]	*****	*

b) Contribution for corporate social responsibility (CSR)

The Company is not required to spend towards Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013, since there is no average profit in the last 3 years calculated as per the provisions of the Act.

The Company in financial year 2014-15 has committed to contribute by way of corpus donation an amount of ₹ 150 crore over a period of 7 financial year, to the Hospital Project towards Company's CSR initiative in the area of Health Care. Further, The Company extended an interest free loan towards CSR. Any short fall in the CSR spent is to be fully appropriated from the said interest free loan. The unspent CSR amount is ₹ 3.76 crore for the financial year 2019-20 is to be accordingly dealt with. Further , the Company is restrained by various judicial orders from incurring expenses other than in the ordinary course of business.

Notes to the Standalone Financial Statement for the year ended March 31, 2021

31 Income tax

a) The components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
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, 2021	As at March 31, 2020
Deferred tax liability :		
Related to property plant and equipment	**6**	7
Deferred expenses -DSA & Brokerage	-	34
	6	41
Deferred tax asset :		
Carry forward losses	**3 251**	1 602
Provision for gratuity [₹ 39 834, (Previous Year ₹ 17 28 080)]	-	-
Provision for expected credit loss	**3 382**	1 099
	6 633	2 701
Net deferred tax liability \ (asset)	**(6 627)**	(2 660)

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

c) Reconciliation of tax expenses and profit before tax multiplied by corporate tax rate

(₹ in crore)

Particulars	2020-21	2019-20
Reconciliation of Profit Before Tax to Taxable Profit	**(10 972)**	(5 465)
Tax at the Indian Tax rate 34.944%	**(3 834)**	(1 910)
Tax Losses on which No deffered tax has been created	**131**	1 766
Expenses / (receipts) not allowable/ (offered) for tax purpose on which No deffered tax has been created	**3 702**	177
Effect of Income which are exempt from tax	-	(33)
Income tax expense charged to Statement of Profit and Loss	-	-

d) Tax Losses and Tax Credits

(₹ in crore)

Particulars	2020-21	2019-20
Unused Brought Forward Loss for which no deferred tax asset has been recognised (Refer Note)	**9 304**	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 till Assessment Year 2020 - 21. The losses fo the Assessment Year 2021 - 22 has not been included since Income Tax Return has not been filed yet.

32 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 Scheme 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 2021**		As at March 31 2020	
	Average exercise price	**Number of options**	Average exercise price	Number of options
Outstanding at the beginning of the year	**296**	**1 14 378**	296	2 11 590
Granted during the year	**-**	**-**	-	-
Exercised during the year	**-**	**-**	-	-
Forfeited / lapsed / expired during the year	**-**	**41 408**	-	97 212
Outstanding at the end of the year	**296**	**72 970**	296	1 14 378
Vested and exercisable	**296**	**72 970**	296	87 268

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2021 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, 2021**	Outstanding as at March 31, 2020
October 15, 2015	October 15, 2023	296	**72 970**	1 14 378
Total			**72 970**	1 14 378

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 28, 2017	**February 8, 2018**	**March 28, 2018**	**October 05, 2018**	**February 13, 2019**
Price of Underlying Stock (₹)	556	442	429	270	137
Exercise / Strike Price (₹)	556	442	429	270	137

Notes to the Standalone Financial Statement for the year ended March 31, 2021

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 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

	No. of stock options as at March 31 2021				
Outstanding at the beginning of the year	**-**	**-**	**-**	**14 80 290**	**8 200**
Granted during the year	**-**	**-**	**-**	**-**	**-**
Exercised during the year	**-**	**-**	**-**	**-**	**-**
Forfeited / Lapsed / Expired during the year	**-**	**-**	**-**	**5 33 280**	**-**
Outstanding at the end of the year	**-**	**-**	**-**	**9 47 010**	**8 200**
Vested and exercisable	**-**	**-**	**-**	**3 78 804**	**3 280**

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, 2021**
October 05, 2018	October 05, 2022	270	**9 47 010**
February 13, 2019	February 13, 2023	137	**8 200**
Total			**9 55 210**

c) 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.

33 Employee benefits

a) Defined contribution plans

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

(₹ in crore)

Particulars	**2020-21**	2019-20
Employer's contribution to provident fund	**1**	1
Employer's contribution to superannuation fund [₹ 4 23 892 (Previous year ₹ 5 89 055)]	**-**	-
Employer's contribution to pension scheme (* ₹ 25 96 538)	*****	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, 2019	4.35	3.54	0.81
Current service cost	0.42	-	0.42
Interest expense/(income)	0.33	0.27	0.06
Liability transferred in / Acquistion	0.10	-	0.10
Liability transferred in / Divestments	(0.63)	(0.63)	(0.01)
Return on plan assets excluding interest income	-	(0.19)	0.19
Acturial loss / (gain) arising from change in financial assumptions	0.20	-	0.20
Acturial loss / (gain) arising from change in demographic assumptions	0.12	-	0.12
Acturial 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	3.03	0.50
Current service cost	0.27	-	0.27
Interest expense/(income)	0.23	0.19	0.03
Liability transferred in / Acquisition	0.03	0.03	-
Liability transferred in / Divestments	-	(0.48)	0.48
Return on plan assets excluding interest income	-	0.15	(0.15)
Actuarial loss / (gain) arising from change in financial assumptions	0.02	-	0.02
Actuarial loss / (gain) arising from change in demographic assumptions	-	-	-
Actuarial loss / (gain) arising on account of experience changes	(0.03)	-	(0.03)
Employer contributions	-	1.11	(1.11)
Benefit payments	(1.43)	(1.43)	-
As at March 31, 2021	2.61	2.60	0.01

(₹ in crore)

Particulars	**As at March 31, 2021**	As at March 31, 2020
Present value of plan liabilities	**2.61**	3.53
Fair value of plan assets	**2.60**	3.03
Plan liability net of plan assets	**0.01**	0.50

ii) Expenses recognised in Statement of Profit and Loss

(₹ in crore)

Particulars	**Year ended March 31, 2021**	Year ended March 31, 2020
Employee Benefit Expenses	**-**	-
Current service cost	**0.27**	0.42
Total	**0.27**	0.42
Net interest cost	**0.03**	0.06
Net impact on the profit before tax	**0.30**	0.48
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in interest expense/ income	**(0.15)**	0.19
Actuarial gains/(losses) arising from changes in demographic assumptions	**-**	0.12
Actuarial gains/(losses) arising from changes in financial assumptions	**0.02**	0.20
Actuarial gains/(losses) arising from changes in experience	**(0.03)**	(0.24)
Net impact on the other comprehensive income before tax	**(0.16)**	0.27

Notes to the Standalone Financial Statement for the year ended March 31, 2021

iii) Expenses recognised in Other Comprehensive Income

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Actuarial loss / (gain) on obligation for the year	**(0.01)**	0.08
Return on plan assets, excluding interest income	**(0.15)**	0.19
Change in asset ceiling	**-**	-
Net expenses recognised in Other Comprehensive Income	**(0.16)**	0.27

iv) Defined benefit plans assets

Category of assets (% allocation)	As at March 31, 2021	As at March 31, 2020
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, 2021	As at March 31, 2020
Expected return on plan assets	**6.26%**	6.43%
Discount rate	**6.26%**	6.43%
Salary escalation rate*	**6.00%**	6.00%
Rate of employee turnover	**For service 4 years and below 20.00% p.a.. For service 5 years and above 10.00% p.a.**	For service 4 years and below 20.00% p.a.. For service 5 years and above 10.00% p.a.
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, 2021	As at March 31, 2020
Projected benefit obligation on current assumption	**2.61**	3.53
Delta effect of +1% change in rate of discounting	**(0.11)**	(0.17)
Delta effect of -1% change in rate of discounting	**0.12**	0.19
Delta effect of +1% change in rate of salary increase	**0.12**	0.19
Delta effect of -1% change in rate of salary increase	**(0.11)**	(0.17)
Delta effect of +1% change in rate of employee turnover [₹ (8 480), (Previous Year ₹ (8 286)]	**-**	-
Delta effect of -1% change in rate of employee turnover [₹ 7 512, (Previous Year ₹ (11 314)]	**-**	-

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding aa other assumptions constant.

The 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, 2021	As at March 31, 2020
1st Following Year	**0.27**	0.41
2nd Following Year	**0.55**	0.61
3rd Following Year	**0.38**	0.30
4th Following Year	**0.29**	0.40
5th Following Year	**0.35**	0.34
Sum of 6 to 10	**0.99**	1.36
Sum of Years 11 and above	**0.74**	1.80

The average duration of the defined benefit obligation is 6 years (previous year - 7 years)

34 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".

35 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 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 ARC-SBI-Maan Sarovar Trust Security Receipt (RASMST)
Reliance Underwater Systems Private Limited (RUSPL)

iv) Associates

Ammolite Holdings Limited (AHL)
Reliance Asset Reconstruction Company Limited (RARCL)
Global Wind Power Limited (GWPL)
Reinplast Advanced Composites Private Limited (RACPL)
Reliance Home Finance Limited (RHFL)

Notes to the Standalone Financial Statement for the year ended March 31, 2021

v) **Key management personnel**

Mr. Dhananjay Tiwari (Director & Chief Executive Officer)
Mr. Atul Tandon Company Secretary & Compliance Officer
Mr. Aman Gudral (Chief Financial Officer (Appointed w.e.f. June 01, 2020))
Mr. Vaibhav Kabra Chief Financial Officer (Ceased w.e.f. June 01, 2020)

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**

RBEP Entertainment Private Limited (formerly known as Reliance Big Entertainment Private Limited) (RBE)
Reliance Power Limited (RPower)
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)	2020-21	-	-	-	-
	2019-20	*	-	-	*
Investments					
a) Subscribed / Purchased during the year	2020-21	-	-	-	-
	2019-20	18	-	-	18
b) Redeemed / Sold during the year	2020-21	1	-	-	1
	2019-20	-	-	-	-
c) Closing Balances (* ₹ 41 17 823)	2020-21	10 831	-	136	10 967
	2019-20	13 339	*	843	14 182
Loans Given					
a) Given during the year	2020-21	-	-	-	-
	2019-20	2 137	469	-	2 606
b) Returned /Adjusted during the year	2020-21	22	-	11	33
	2019-20	215	10	10	235
c) Closing Balances	2020-21	1 980	464	9	2 453
	2019-20	2 002	464	20	2 486
d) ECL provision on loan outstanding	2020-21	1 756	464	1	2 221
	2019-20	130	35	1	166
e) Interest accrued on Loans	2020-21	277	67	-	344
	2019-20	163	37	-	200
f) ECL provision on interest outstanding	2020-21	251	67	-	318
	2019-20	11	3	-	14
Advances / Margin Money					
a) Closing Balances	2020-21	113	-	9	113
	2019-20	36	-	8	44
Debentures					
a) Redeemed during the year	2020-21	-	-	-	-
	2019-20	66	-	-	66
b) Closing Balances	2020-21	143	-	-	143
	2019-20	143	-	-	143

(₹ in crore)

Particulars		Year	Subsidiaries	Others (B above)	Associates	Total
c)	Accrued interest on debentures	2020-21	23	-	-	23
		2019-20	12	-	-	12
Borrowings other than debt securities						
a)	Borrowings during the year	2020-21	-	-	-	-
		2019-20	-	174	-	174
b)	Closing Balances	2020-21	-	174	-	174
		2019-20	-	174	-	174
c)	Accrued interest on borrowings	2020-21	-	40	-	40
		2019-20	-	14	-	14
Income						
a)	Interest Income	2020-21	125	30	2	157
		2019-20	165	37	4	205
b)	Dividend Income	2020-21	-	-	1	1
		2019-20	13	-	80	93
c)	Reimbursement of Expenditure	2020-21	7	-	1	8
		2019-20	11	-	1	12
d)	Management Fees	2020-21	12	-	2	14
		2019-20	29	-	4	33
e)	Other operating income	2020-21	-	-	*	*
	[* ₹ 3 60 000 (** ₹ 3 90 000)]	2019-20	-	-	**	**
Expenditure						
a)	Finance cost / paid	2020-21	11	26	-	37
		2019-20	41	24	-	65
b)	Insurance	2020-21	1	-	-	1
		2019-20	1	-	-	1
c)	Brokerage paid during the year	2020-21	1	-	-	1
		2019-20	1	-	-	1
d)	Reimbursement of Expenditure	2020-21	-	-	-	-
		2019-20	3	-	-	3
e)	Professional Fees	2020-21	10	-	-	10
		2019-20	8	-	-	8
f)	Provision/Fair value change in the value of investments (* ₹ 41 17 823)	2020-21	2 508	*	706	3 214
		2019-20	1 404	7	134	1 545
g)	ECL provision on loan and interest (net)	2020-21	1 865	493	*	2 358
	[* ₹ (9 21958), ** ₹ (35 90 976)]	2019-20	139	32	**	171
Contingent liability						
a)	Guarantees to banks and financial institutions on behalf of third parties.	2020-21	450	408	400	1 258
		2019-20	450	658	411	1 519
b)	Guarantees from third parties.	2020-21	-	1 673	-	1 673
		2019-20	-	1 673	-	1 673

Employee Benefit expenses ₹ 2 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.

Investments

2020-21

Investments Redeemed / Sold during the year during the year include ₹ 1 crore from RASMST. Investments Balance as at March 31, 2021 includes ₹ 5 029 crore of RGICL, and ₹ 5 078 crore to RNLICL, ₹ 80 crore to RARCL ₹ 56 crore to RHFL.

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.

Loans Given

2020-21

Loan Returned/Adjusted during the year include ₹ 22 crore from RSL and ₹ 11 crore from RARCL,. Loan given Balance as at March 31, 2021 include ₹ 1 420 crore to RCASL, ₹ 527 crore to RCFL, ₹ 447 crore to RBE and ₹ 9 crore to RARCL. ECL provision on loan outstanding includes ₹ 1 224 crore to RCASL, ₹ 527 crore to RCFL, ₹ 447 crore to RBE and ₹ 1 crore to RARCL. Accrued Interest on loans as at March 31, 2021 includes ₹ 193 crore to RCASL, ₹ 83 crore to RCFL and ₹ 64 crore to RBE. ECL provision on interest outstanding includes ₹ 167 crore to RCASL, ₹ 83 crore to RCFL and ₹ 64 crore to RBE.

2019-20

Loans given during the year includes ₹ 1 542 crore to RCASL, ₹ 550 crore to RCFL, ₹ 32 crore to RSL and ₹ 447 crore RBE. Loan Returned/Adjusted during the year include ₹ 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 RCFL, ₹ 447 crore to RBE and ₹ 20 crore to RARCL. ECL provision on loan outstanding includes ₹ 48 crore to RCASL, ₹ 80 crore to RCFL, ₹ 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 RCFL and ₹ 35 crore to RBE. ECL provision on interest outstanding includes ₹ 4 crore to RCASL, ₹ 7 crore to RCFL and ₹ 3 crore to RBE.

Advances/Margin Money

2020-21

Advance balance as at March 31, 2021 includes ₹ 3 crore to RGICL, ₹ 10 crore to RCFL, ₹ 6 crore to RNLICL, ₹ 2 crore to RSL and ₹ 9 crore to RHFL. Margin Money Receivable includes ₹ 92 crore from RSL.

2019-20

Advance balance as at March 31, 2020 includes ₹ 10 crore to RGICL, ₹ 7 crore to RCFL, ₹ 5 crore to RNLICL, and ₹ 8 crore to RHFL. Margin Money Receivable includes ₹ 11 crore from RSL.

Debentures (Borrowings)

2020-21

Debentures balance as at March 31 2021 includes ₹ 127 crore to RGICL. Accrued Interest on debentures as at March 31, 2021 include ₹ 23 crore to RGICL.

2019-20

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

Income

2020-21

Interest & Finance Income includes ₹ 85 crore from RCASL, ₹ 34 crore from RCFL, ₹ 29 crore from RBE, and ₹ 2 crore from RARCL. Dividend Income includes ₹ 1 crore from RARCL. Reimbursement of Expenditure include ₹ 2 crore from RGICL, ₹ 1 crore from RSL, ₹ 3 crore from RNLICL, ₹ 1 crore from RCFL and ₹ 1 crore from RHFL. Management Fees include ₹ 6 crore from RGICL, ₹ 2 crore from RHFL, ₹ 3 crore from RCFL and ₹ 3 crore from RNLICL. Other operating incomes includes ₹ 3,60,000 from RARCL.

2019-20

Interest & Finance Income includes ₹ 108 crore from RCASL, ₹ 49 crore from RCFL, ₹ 35 crore from RBE, 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 ₹ 6 crore from RNLAM. Other operating incomes includes ₹ 3 90 000 from RARCL.

Expenditure

2020-21

Finance cost paid include ₹ 11 crore to RGICL and ₹ 26 crore to GCLLP. Insurance include ₹ 1 crore to RGICL and ₹ 6 96 063 to RNLICL. Brokerage paid during the year ₹ 1 crore to RSL. Professional Fees include ₹ 10 crore to RSL. Provision / Reversal for diminution in value of investments include provision of ₹ 186 crore of RHIL, ₹ 2 221 crore of RCFL, ₹ 41 17 823 crore of RPower and ₹ 706 crore of RHFL. ECL provision on loan and interest (net) ₹ 1 339 crore to RCASL, ₹ 522 crore to RCFL, ₹ 474 crore to RBE and ₹ (9 22 958) to RARC. Employee benefit expenses include, ₹ 1 crore to Shri Atul Tandon, ₹ 1 crore to Shri Aman Gudral and ₹ 15 24 672 to Shri Vaibhav Kabra.

2019-20

Finance cost paid include ₹ 17 crore to RGICL, ₹ 20 crore to RFL and ₹ 24 crore to GCLLP. Insurance include ₹ 1 crore to

Notes to the Standalone Financial Statement for the year ended March 31, 2021

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. Provision / Reversal for diminution in value of investments include provision of ₹ 644 crore of RSL, ₹ 332 crore of RCFL, ₹ 230 crore of RCASL, ₹ 4 crore of RCL, ₹ 3 crore of RPower and ₹ 134 crore of RHFL. ECL provision on loan and interest (net) ₹ 52 crore to RCASL, ₹ 87 crore to RCFL, ₹ 37 crore to RBE, ₹ (6 crore) to RCGL and ₹ (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.

Contingent Liability

2020-21

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

2019-20

Guarantees to Banks and Financial Institutions on behalf of third parties include ₹ 450 crore for RCFL, ₹ 408 crore for RBE, ₹ 250 crore for RPower and ₹ 400 crore for RHFL. Guarantees to from third parties include ₹ 1 673 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 00 000 (FY 2019-20 ₹ 2 00 000) has been paid to Shri Anil D. Ambani, the person having significant influence during the year.

iv) Reliance Communications Limited, Reliance Communications Infrastructure Limited, Reliance Infratel Limited, Reliance Globalcom Limited and Reliance Webstore Limited have been included for previous year transactions.

(₹ in crore)

Particulars	**As at March 31, 2021**	As at March 31, 2020
36 Operating lease commitments		
Company as lessor		
The Company have given assets on operating lease, which expire upto FY 2021-22 (Previous Year: FY 2020-21).		
Within one year of the balance sheet date (* ₹ 37 88 318)	*	2
Due in a period between one year and five years (* ₹ 37 88 318)	-	*
Due after five years	-	-
Company as lessee		
The Company has no 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 ₹ Nil (₹ 1 crore).		

Particulars	**2020-21**	2019-20
37 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 (₹ in crore)	**(10 972)**	(5 465)
Weighted average number of equity shares	**25 11 08 902**	25 11 08 902
b) The reconciliation between the basic and the diluted earnings per share is as follows:		
Basic earnings per share	**(436.92)**	(217.63)
Effect of outstanding stock options	-	-
Diluted earnings per share	**(436.92)**	(217.63)
c) Weighted average number of equity shares is computed for the purpose of calculating diluted earning per share, after giving the dilutive impact of the outstanding stock options for the respective years.		
Weighted average number of shares for computation of Basic EPS	**25 11 08 902**	25 11 08 902
Dilutive effect of outstanding stock options	-	-
Weighted average number of shares for computation of Diluted EPS	**25 11 08 902**	25 11 08 902

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
38 Contingent liabilities		
- Guarantees to Banks and Financial Institutions on behalf of third parties	**3 094**	3 452
- Claims against the Company not acknowledge as debt (Refer Note Below)	**216**	214
Total	**3 310**	3 666

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.

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
39 Capital commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances)	**59**	59
Total	**59**	59

40 a) The Company has exposure by way of loans (including interest thereon), investment and Guarantees in Reliance Commercial Finance Limited (RCFL) and Reliance Home Finance Limited (RHFL) aggregating to ₹ 4 970 crore outstanding as on March 31, 2021. The lenders of these companies have entered into Inter-Creditor Agreement (ICA) for the resolution of their debt in accordance with the circular 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. Though the Company is confident of implementation of the resolution plans however the Company has carried an impairment assessment in respect of the said entities and accordingly has recognised loss on fair valuation in the value of investments of ₹ 4 165 crore on the above exposure in the books of account.

b) The Company had pledged its entire equity holding (No of shares 25 15 49 920) in Reliance General Insurance Company Limited (RGIC) in favour of IDBI Trusteeship Services Limited (Trustee) against dues guaranteed by the Company. The Trustee, on November 19, 2019, invoked the pledge and presently holds the shares of RGIC in their custody. Vide orders dated December 4, 2019 and December 27, 2019, Insurance Regulatory and Development Authority of India (IRDAI), has informed the Company that the shares are being held by the Trustee in the capacity as Trustee and the shares have not been transferred. The said order was challenged in Securities Appellate Tribunal, Mumbai (SAT) and SAT vide its Order dated February 27, 2020 also confirmed that the Trustee is also holding shares as Trustee / custodian and will not exercise any control over RGIC and cannot exercise any voting rights on shares of RGIC. Accordingly, RGIC continues to be a wholly owned subsidiary of the Company.

c) The Company had pledged 3.35% comprising of 2,04,97,423 equity shares of Nippon Life India Asset Management Limited (NLIAML) in favour of IndusInd Bank Limited (IBL). IBL has illegally invoked the pledge, which has been challenged by the Company before the Hon'ble High Court of Bombay. The High Court has referred the matter to the arbitration who upon hearing the Interim Applications filed by the Company. Sole Arbitrator passed an interim order on April 23, 2020 wherein it stated that a status quo (as ordered by Bombay High Court vide Order dated December 11, 2019) will continue and the NLAML shares, whose pledge was invoked by IndusInd Bank, will remain in a separate demat account, where they are lying currently. Accordingly, the Company continues to consider its rights on the above referred shares.

d) The Company vide various orders of Court and Debt Recovery Tribunal is restricted to dispose off, alienate, encumber either directly or indirectly or otherwise part with the possession, of any assets except in the ordinary course of business such as payment of salary and statutory dues.

e) The Company had entered in to binding agreement on October 11 2019 with the existing management team of Reliance Securities Limited and Reliance Financial Limited for buying out the business from Company, subject to regulatory and other customary approvals.These assets also form part of Expression of Interest issued on October 31, 2020. Accordingly, the investment in Reliance Securities Limited and Reliance Financial Limited are not classified as assets held for sale in accordance with the Ind AS 105 "Non Current Assets held for Sale and Discontinued operations".

f) One of previous auditor of the Company'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 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 defaulted in repayment of obligation to the Lenders and Debenture holders against which various lenders have filed litigations and the company has incurred losses during the current & previous 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 in cognizance with Debenture Trustee (Vistra) & Debenture holders. Committee of Debenture holders have sought Expression of Interest for submission of Asset Monetization Plans for certain subsidiaries/investments of the Company. The invitation for this Expression of Interest has been issued on October 31, 2020 and accordingly the standalone financial statement of the Company have been prepared on a "Going Concern" basis.

Notes to the Standalone Financial Statement for the year ended March 31, 2021

41 The Company is prohibited from making any payment to secured or unsecured creditors and to dispose off, alienate, encumber either directly or indirectly or otherwise part with the possession, of any assets except in the ordinary course of business such as payment of salary and statutory dues, vide Orders dated December 3, 2019 and December 5, 2019 passed by the Hon'ble Debts Recovery Tribunal, Orders dated November 20, 2019 and March 15, 2021 passed by the Hon'ble Delhi High Court, and Orders dated November 28, 2019, November 4, 2020, and March 5, 2021 passed by the Hon'ble Bombay High Court. Consequently, the interest and principal amounts in relation to certain lenders including lenders who have issued recall notices have remained unpaid, the details of which are as under:

(₹ in crore)

Nature of borrowings	Nature of default	Amount of default	Period of default	
			From	to
Debentures and bonds				
Debentures and bonds	Principal	16 260	365 Days	548 Days
Debentures and bonds	Interest	3 127	365 Days	548 Days
Loans from Banks / Financial Institutions				
Housing Development Finance Corporation Limited	Principal	524	365 Days	456 Days
Housing Development Finance Corporation Limited	Interest	79	487 Days	487 Days
Axis Bank Limited	Principal	100	493 Days	493 Days
Axis Bank Limited	Interest	13	517 Days	517 Days

a. Interest amount has been considered till March 31 2021.

b. The company has also defaulted on repayment of Inter corporated deposits taken from various parties aggregating to ₹ 562 crore and interest ₹ 120 crore for which maximum days of default ranges from 510 days to 567 days.

42 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 2021	March 31 2020	**2020-21**	2019-20
i) Loans and advances in the nature of loans to subsidiaries (Excluding provision of ECL)				
a) Reliance Securities Limited	**28**	51	**51**	89
b) Reliance ExchangeNext Limited	**5**	5	**5**	5
c) Reliance Corporate Advisory Services Limited	**1 420**	1 420	**1 420**	1 430
d) Reliance Commercial Finance Limited	**527**	527	**527**	527
ii) Loans and advances in the nature of loans to associates (Excluding provision of ECL)				
a) Reliance Asset Reconstruction Limited	**9**	20	**20**	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.	**-**	-	**-**	-

43 Additional Information as required by Reserve Bank of India, Master Direction - Core Investment Companies (Reserve Bank) Directions, RBI/DNBR/2016-17/39, Master Direction DNBR. PD. 003/03.10.119/2016- 17, August 25, 2016, DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 & DoR (NBFC) (PD) CC. No. 117/03.10.001/2020-21 dated August 13, 2020.

Notes to the Standalone Financial Statement for the year ended March 31, 2021

43.1 Disclosure required as by para 19 of Core Investment Companies

(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 ₹ 10,582 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, 2021, Commercial Paper outstanding: Nil

(b) As of March 31, 2021, 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 Group Risk Management Committee which advises on financial risks and the appropriate governance framework for the Company.

43.2 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 7 days	8 day to 14 days	15 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	**2020-21**	**153**	**-**	**-**	**5**	**-**	**105**	**9**	**238**	**114**	**-**	**624**
	2019-20	34	-	-	5	-	105	9	238	233	-	624
Market Borrowings	**2020-21**	**3 259**	**-**	**-**	**-**	**30**	**1 136**	**885**	**4 707**	**1 388**	**5 416**	**16 821**
	2019-20	1 590	-	-	482	50	676	460	4 587	3 552	5 424	16 821
Other financial liabilities	**2020-21**	**3 376**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3 376**
	2019-20	1 058	-	-	262	18	184	172	6	-	-	1 700
Assets												
Cash & Cash Equivalent	**2020-21**	**2**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2**
	2019-20	6	-	-	-	-	-	-	-	-	-	6
Bank balance other than cash and cash equivalents above	**2020-21**	**16**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**16**
	2019-20	18	-	-	-	-	-	-	-	-	-	18
Trade receivables	**2020-21**	**1**	**-**	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**1**
	2019-20	1	-	-		-	-	-	-	-	-	1
Loans	**2020-21**	**303**	**-**	**-**	**-**	**-**	**281**	**33**	**360**	**-**	**-**	**977**
	2019-20	-	-	-	-	102	778	764	4 725	-	-	6 369
Investments	**2020-21**	**44**	**-**	**-**	**-**	**-**	**1 129**	**10 108**	**-**	**-**	**616**	**11 897**
	2019-20	32	-	-	-	5 914	5 078	-	-	-	4 153	15 177
Other financial assets	**2020-21**	**188**	**-**	**-**	**-**	**-**	**-**	**27**	**-**	**-**	**215**	**215**
	2019-20	33	-	-	617	3	-	36	-	-	689	689

Notes:

(a) All quoted investments have been included in 1 day to 7 days bucket considering its liquidity. 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) The Company has defaulted in repayment of its borrowings, hence lenders have recalled the balance loan outstanding. Accordingly, the entire dues payable to lenders are due and payable forthwith. The Company expects to repay debts through asset monetization during the financial year 2021-22 subject to approvals from regulators, courts and lenders. The management has presented the maturity pattern based on the original scheduled maturity payment dates.

43.3 Exposure to Real Estate

(₹ in crore)

Category	2020-21	2019-20
a) Direct Exposure		
i) Residential Mortgage	-	-
ii) Commercial Real Estate	-	-
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
Residential	-	-
Commercial	-	-
iv) Investment in Properties	**77**	79
b) Indirect Exposure		
Fund Based and Non Fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	**456**	1 163
Total Exposure to real estate sector	**533**	1 242

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) The Company's Investment in Investment Property amounting to ₹ 77 crore (Previous year ₹ 79 crore) has been considered as an indirect exposure to real estate sector.

43.4 Loans and advances availed by CIC inclusive of interest accrued thereon but not paid

(₹ in crore)

Particulars	Amount Outstanding		Amount Overdue	
	March 31, 2021	March 31, 2020	**March 31, 2021**	March 31, 2020
a) Debentures (Other than falling within the meaning of public deposits)				
i) Secured [inclusive of ₹ 2 866 crore (Previous year ₹ 1481 crore) interest accrued thereon]	**17 721**	16 336	**17 721**	6 652
ii) Unsecured [inclusive of ₹ 260 crore (Previous year ₹ 115 crore) interest accrued thereon]	**1 665**	1 520	**1 665**	76
b) Deferred Credits	-	-	-	-
c) Term Loans [inclusive of ₹ 92 crore (Previous year ₹ 28 crore) interest accrued thereon]	**717**	652	**717**	61
d) Inter-corporate Loans and Borrowing [inclusive of ₹ 120 crore (Previous year ₹ 43 crore) interest accrued thereon]	**682**	605	**682**	566
e) Commercial Paper	-	-	-	-
f) Other Loans	-	-	-	-

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

43.5 Break up of loans and advances including bills receivable other than those included in (43.6) below (Gross Amount) (Refer Note (b) below)

(₹ in crore)

Particulars	Amount Outstanding March 31, 2021	Amount Outstanding March 31, 2020
i) Secured	**6 184**	6 185
ii) Unsecured	**2 889**	2 856
	9 073	9 041

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 (43.5) above Impairment loss allowance changes of ₹ 7 972 crore (Previous Year ₹ 2 614 crore)

Particulars	March 31, 2021	March 31, 2020
43.6 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)	**4**	9
43.7 Break up of investments		
a) Current investments		
1) Quoted		
i) Shares		
a) Equity	**886**	885
b) Preference	**-**	-
ii) Units of Mutual fund	**44**	32
2) Unquoted		
i) Others		
– Preference shares	**-**	-
– Pass Through Certificates	**-**	-
– Reliance Capital Partners	**-**	-
b) Long term investments		
1) Quoted		
i) Shares		
a) Equity	**56**	763
b) Preference	**-**	-
ii) Debentures and bonds	**-**	-
iii) Government securities	**-**	-
2) Unquoted		
i) Shares		
a) Equity	**10 888**	13 065
b) Preference	**16**	356
ii) Debentures and bonds	**-**	-
iii) Units of Mutual fund	**-**	-
iv) GOI securities (₹ 45 000 (Previous year ₹ 45 000)	**-**	-
v) Others	**-**	-
a) Pass Through Certificates & Security Receipts	**7**	8
b) Units of Private Equity/Seed Fund	**-**	68
	11 897	15 177

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

(₹ in crore)

Particulars	Secured		Unsecured		Total	
	March 31 2021	March 31 2020	**March 31 2021**	March 31 2020	**March 31 2021**	March 31 2020
a) Related parties						
1) Subsidiaries	**-**	-	**2 093**	2 046	**2 093**	2 046
2) Companies in the same group - Associates	**-**	-	**18**	20	**18**	20
3) Other related parties	**-**	-	**464**	464	**464**	464
b) Companies in the same group - as per CIC	**6 184**	6 185	**312**	312	**6 496**	6 497
c) Other than related parties	**4**	9	**2**	14	**6**	23
Total	**6 188**	6 194	**2 889**	2 856	**9 077**	9 050

43.9 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, 2021	March 31, 2020	**March 31, 2021**	March 31, 2020
a) Related parties				
1) Subsidiaries	**10 831**	13 339	**10 831**	13 339
2) Companies in the same group - Associates	**136**	97	**136**	843
3) Other related parties (* ₹ 41 17 823)	**7**	*	**-**	*
b) Companies in the same group - as per CIC	**886**	662	**886**	895
b) Other than related parties	**44**	100	**44**	100
Total	**11 904**	**14 198**	**11 897**	**15 177**

43.10 Other information

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
a) Gross Non Performing Assets		
1) Related Parties	**2 415**	-
2) Other than Related Parties	**6 496**	-
b) Net Non Performing Assets		
1) Related Parties	**196**	-
2) Other than Related Parties	**745**	-
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 principal.

43.11 Detail of group entities that are not consolidated in the CFS

Name of Entity - Nippon Life India Asset Management Limited: Type of business - Portfolio management, financial planning, mutual fund investment, and advisory services to individuals, Size of its assets - ₹ 2 811 crore, Debt Equity ratio – NA, Profitability FY 2019-20 – ₹ 412 crore, Profitability, FY 2018-19 – ₹ 475 crore, Exposure – ₹ 886 crore Equity.

Name of Entity - Reliance Venture Asset Management Private Limited: Type of business - Lending and trading in commodities, Size of its assets - ₹ 3 565 crore, Debt Equity ratio – NA, Profitability FY 2019-20 – ₹ (267) crore, Profitability FY 2018-19 – ₹ (160) crore, Exposure – ₹ Nil Compulsory Convertible Debentures, ₹ 362 crore Loan and interest, ₹ 821 crore Corporate Guarantee.

Notes to the Standalone Financial Statement for the year ended March 31, 2021

Name of Entity - Reliance Entertainment Networks Private Limited: Type of business - Trading in goods finance and investment activity, Size of its assets - ₹ 1 039 crore, Debt Equity ratio – NA, Profitability FY 2019-20 – ₹ (374) crore, Profitability FY 2018-19 – ₹ (772) crore, Exposure – ₹ Nil Compulsory Convertible Debentures and ₹ 157 crore Loan and interest.

Name of Entity - Reliance Alpha Services Private Limited: Type of business - Lending and trading in commodities, Size of its assets - ₹ 2 426 crore, Debt Equity ratio – NA, Profitability FY 2019-20 – ₹ (184) crore, Profitability FY 2018-19 – ₹ (128) crore, Exposure – ₹ Nil Compulsory Convertible Debentures, ₹ Nil Preference Shares, and ₹ 184 crore Loan and interest.

Name of Entity - Reliance Big Entertainment Private Limited: Type of business - Internet, digital media, film production, communications, radio programming, gaming, movies, animation, music, broadcast, and other entertainment services, Size of its assets - ₹ 4 117crore, Debt Equity ratio – NA, Profitability FY 2019-20 – ₹ (60) crore, Profitability FY 2018-19 – ₹ (865) crore, Exposure – ₹ 394 crore Corporate Guarantee, and ₹ Nil Loan and interest.

Name of Entity - Reliance Digitech Limited: Type of business - Lending and trading in commodities, Size of its assets - ₹ 2 783 crore, Debt Equity ratio – NA, Profitability FY 2019-20 – ₹ (5) crore, Profitability FY 2018-19 – ₹ (78) crore, Exposure – ₹ Nil Equity, ₹ Nil Compulsory Convertible Debentures and ₹ 140 crore Loan and interest.

Name of Entity - Reliance Broadcast Network Limited: Type of business - Operates as a media and entertainment company and provides radio and television productions, Size of its assets - ₹ 524 crore, Debt Equity ratio – NA, Profitability FY 2019-20 – ₹ (86) crore, Profitability FY 2018-19 – ₹ (109) crore, Exposure – ₹ Nil Equity, ₹ Nil Loan and interest and ₹ 355 crore Corporate Guarantee.

Name of Entity - Reliance Unicorn Enterprises Private Limited: Type of business - Lending and trading in commodities, Size of its assets - ₹ 3 046 crore, Debt Equity ratio – NA, Profitability FY 2019-20 – ₹ (113) crore, Profitability FY 2018-19 – ₹ (66) crore, Exposure – ₹ Nil Compulsory Convertible Debentures and ₹ 32 crore Loan and interest.

Name of Entity - Reliance Media Works Financial Services Private Limited: Type of business - Lending and trading in commodities, Size of its assets - ₹ 1 010 crore, Debt Equity ratio – NA, Profitability FY 2019-20 – ₹ (80) crore, Profitability FY 2018-19 – ₹ 2 90 000, Exposure – ₹ 423 crore Corporate Guarantee.

Note:

(a) Exposure is provided net of provision or fair value change.

(b) Details of those entities have not been considered whose net exposures are Nil as on March 31, 2021.

(c) Debt Equity ratio is not applicable (NA) where net worth is negative or debt is zero.

(d) Financials details of Group Companies are provided as per lastest available Audited Financial Statement as on March 31, 2020.

43.12 The Company does not have any exposure to non financial business other than reported in serial no 1 of note no 43.11.

43.13 There are no Loans and advances to firms/companies in which directors are interested.

43.14 Investments by the loanee of the CIC in the shares (Equity and Preference) of Parent Company and Group Companies

Reliance DigiTech Limited: Reliance Money Infrastructure Limited ₹ 0.13 crore.

Reliance Unicorn Enterprises Private Limited: Reliance Business Broadcast News Holdings Limited ₹ 6.35 crore, Reliance DigiTech Limited ₹ 0.01 crore, Reliance Value Services Private Limited ₹ Nil, Reliance Money Infrastructure Limited ₹ Nil, Reliance Net Limited ₹ 12.95 crore and Reliance BIG Entertainment Private Limited ₹ 418.4 crore.

Reliance Entertainment Networks Private Limited: Reliance Entertainment Ventures Private Limited ₹ Nil, Azalia Media Services Private Limited ₹ 8.26 crore, Vrushvik Entertainment Private Limited ₹ 8.26 crore, Ammolite Holdings Limited ₹ 45 331, Reliance MediaWorks Limited ₹ 1, Reliance Broadcast Network Limited ₹ 427.8 crore, Global Wind Power Limited ₹ 1 crore, Reliance Unicorn Enterprises Private Limited ₹ Nil, Reliance Value Services Private Limited ₹ Nil, Reliance Venture Asset Management Private Limited ₹ Nil, Reliance Alpha Services Private Limited ₹ Nil, Vrushvik Broadcast Network Private Limited ₹ Nil and Reliance Commercial Finance Limited ₹ Nil.

Reliance Venture Asset Management Private Limited: Reliance Alpha Services Private Limited ₹ Nil, Reliance Financial Advisory Services Limited ₹ Nil and Reliance Net Limited ₹ Nil.

Reliance Alpha Services Private Limited: Reliance Entertainment Network Private Limited ₹ 5.04 crore, Reliance Financial Advisory Services Limited ₹ 3.93 crore, Reliance Venture Asset Management Private Limited ₹ 0.79 crore, Reliance MediaWorks Limited ₹ 484.22 crore, Reliance Net Limited ₹ 0.59 crore, Global Wind Power Limited ₹ 1.95 crore, Reliance Big Entertainment Private Limited ₹ 267.93 crore, Reliance Money Solutions Private Limited ₹ 35 crore and Reliance Big Animation (India) Private Limited ₹ 38.07 crore.

Reliance Big Entertainment Private Limited: Reliance Big Broadcasting Private Limited ₹ 48.02 crore, Zapak Digital Entertainment Limited ₹ 4.62 crore, Zapak Mobile Games Private Limited ₹ 1.25 crore, Reliance Big Entertainment UK Private Limited ₹ 0.92 crore, Reliance BIG Entertainment (US) Inc ₹ 513.09 crore, Reliance Entertainment US, Inc ₹ 1.61 crore, Reliance Business Broadcast News Holding Limited ₹ 0.02 crore, Reliance BIG Entertainment (Singapore) Pte. Limited ₹ 55.2 crore, Reliance Infradevelopment Private Limited ₹ 42 786, Reliance Infrastructure Consulting & Engineers Private Limited ₹ 21 393 and Reliance Infradevelopment Private Limited ₹123.92 crore.

Note:

Exposure is provided net of provision or fair value change. Details of those entities have not been considered whose net exposures are Nil as on March 31, 2021.

43.15 Components of CIC, ANW and other related information

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.

(₹ in crore)

Sr no	Particulars	As at March 31 2021	As at March 31 2020
a	Investments & loans to group companies as a proportion of Net Assets (%) *	94%	94%
b	Investments in equity shares and compulsory convertible instruments of group Companies as a proportion of Net Assets (%) *	87%	65%
c	Capital Adequacy Ratio (%) [Adjusted Net Worth / Risk Weighted Assets]	(45%)	10%
d	unrealized appreciation in the book value of quoted investments	6.79	0.03
e	diminution in the aggregate book value of quoted investments	82.02	834.11
f	Leverage Ratio (Times) [Outside Liabilities / Adjusted Networth]	(3.17)	8.42

*Includes Nippon Life India Asset Management Limited (Formerly Reliance Nippon Life Asset Management Limited) shares.

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.

43.16 The company don't have any investment or capital contribution in any other CIC

43.17 Off Balance Sheet Exposure

(₹ in crore)

Sr no	Particulars	As at March 31 2021	As at March 31 2020
a	Off balance sheet exposure	**3 094**	3 452
b	Financial Guarantee as a % of total off-balance sheet exposure	**100%**	100%
c	Non-Financial Guarantee as a% of total off-balance sheet exposure	**0%**	0%
d	Off balance sheet exposure to overseas subsidiaries	**-**	-
e	Letter of Comfort issued to any subsidiary	**102**	148

43.18 Investments

(₹ in crore)

Sr no	Particulars	As at March 31 2021	As at March 31 2020
1	**Value of Investments**		
	(i) Gross Value of Investments		
	(a) In India	**18 598**	18 594
	(b) Outside India	**-**	-
	(ii) Provisions for Depreciation		
	(a) In India	**-**	-
	(b) Outside India	**-**	-
	(iii) Fair Value Changes		
	(a) In India	**6 701**	3 417
	(b) Outside India	**-**	-
	(iv) Net Value of Investments		
	(a) In India	**11 897**	15 177
	(b) Outside India.	**-**	-
2	**Movement of provisions held towards depreciation on investments.**		
	(i) Opening balance	**3 417**	2 072
	(ii) Add : Provisions / Fair value changes made during the year	**3 289**	1 717
	(iii) Less : Write-off / write-back of excess provisions / Fair value changes during the year	**(5)**	(372)
	(iv) Closing balance	**6 701**	3 417

Notes to the Standalone Financial Statement for the year ended March 31, 2021

43.19 Business Ratios

(₹ in crore)

Sr no	Particulars	As at March 31 2021	As at March 31 2020
a	Return on Equity (RoE)	*	*
b	Return on Assets (RoA)	*	*
c	Net profit per employee	*	*

* Since there is loss in current and previous year hence the above ratio cannot be presented. –

43.20 Provisions and Contingencies shall be presented as under:

(₹ in crore)

Sr no	Break up of 'Provisions and Contingencies' (Net) shown under the Statement of Profit and Loss	As at March 31 2021	As at March 31 2020
a	Provisions for depreciation on Investment / Fair Value Change in the value of investment	3 274	1 313
b	Provision / (Reversal) towards NPA	6 360	(1 545)
c	Provision made towards Income tax	-	-
d	Provision for Financial Guarantee Obligation	137	(103)
e	Provision for Assets and advances [(* ₹ (17 98 621)]	6	*
f	Provision for Standard Assets	(1)	1 556

43.21 Concentration of NPAs

Particulars	(Amount in ₹ crore)	Exposure as a % of total assets
Total Exposure to top five NPA accounts (Net of provision)	913	6.69%

43.22 The Company does not have any Joint Ventures and Subsidiaries abroad

43.23 Miscellaneous disclosures

a) Registration/ licence/ authorisation, by whatever name called, obtained from other financial sector regulators

Regulator	Registration
Reserve Bank of India	Systemically Important Non-Deposit Taking Core Investment Company. Regn. No. B-13.01859
Pension Fund Regulatory & Development Authority	Point of Presence Regn No – 77102018 (under process of surrender)
Securities and Exchange Board of India	Depository Participant Regn. No. IN-DP- 48-2015 (under process of surrender)

b) Penalties imposed by RBI and other regulators including strictures or directions on the basis of inspection reports or other adverse findings.

No penalty imposed by RBI.

RBI based on the inspection carried for the period March 31, 2020 required the Company to (a) maintain the Ratio of Adjusted Net Worth to Risk Weighted Asset and Leverage Ratio. Management represented that the Company is currently engaged with Debenture Holders for resolution of debt by monetisation of its assets and unlocking the value of its underlying business, and thereby significantly reduce its overall leverage. The proceeds of the asset monetisation will be used for payment of debts will restore the said Ratios. (b) make disclosure pertaining to Real Estate. Management has disclosed Real Estate exposure as per RBI Circular on Revised Regulatory Framework for NBFC dated November 14, 2014 and Corporate Governance Directions dated April 10, 2015 in this Annual Report. (c) Adhere to the Guidelines on Liquidity Risk Management Framework issued by RBI since November, 2019 – The Management has drawn up an asset monetization plan to reduce its debts and reviews the ALM position of the Company on regular basis. (d) To do the Independent Valuation for investments held in Reliance Home Finance Limited. The Management has done impairment testing as suggested by RBI and has made appropriate provisions in the financial results for the year ended March 31, 2021. (e) Dispose of investment outside Group Companies. –Reliance Asset Management Company Limited a subsidiary at the time of making investment. The Company has disinvested over 90% of its holdings in Nippon Life India Asset Management Limited (NLIAML) over a period to reduce its liabilities. 4.28% stake remains to be disinvested, which would be disposed of post removal of judicial prohibitions placed on the Company.

SEBI levied consolidated monetary penalty of ₹ 0.01 crore for violation of regulation 20 AA, 42 (2), 42 (3) and 52 of SEBI (Depositories and Participants) Regulations, 1996, [Regulation 37, 59(2), 59(3) and 69 respectively of current SEBI (Depositories and Participants) Regulations, 2018] in previous years and the same does not pertain to current year. Penalty was paid by the Company.

c) If the auditor has expressed any modified opinion(s) or other reservation(s) in his audit report or limited review report in respect of the financial results of any previous financial year or quarter which has an impact on the profit or loss of the reportable period, with notes on - None

(i) How the modified opinion(s) or other reservation(s) has been resolved - Not Applicable

(ii) If the same has not been resolved, the reason thereof and the steps which the CIC intends to take in the matter - Not Applicable

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

(₹ in crore)

Asset Classification as per RBI Norms	Asset classification 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 (* ₹ 14 95 600)	Stage 1	37	2	35	*	1
	Stage 2	-	-	-	-	-
Subtotal		**37**	**2**	**35**	*****	**1**
Non-Performing Assets (NPA)						
Substandard	Stage 3	**8,912**	**7,970**	**942**	**2,228**	**5,742**
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 Obligation	Stage 1	**3,080**	**366**	**2,714**	**12**	**354**
	Stage 2	-	-	-	-	-
	Stage 3	14	14	-	4	11
Subtotal		**3,094**	**380**	**2,714**	**16**	**364**
Total	**Stage 1**	**3,117**	**368**	**2,749**	**12**	**355**
	Stage 2	**-**	**-**	**-**	**-**	**-**
	Stage 3	**8,926**	**7,984**	**942**	**2,232**	**5,753**
	Total	**12,043**	**8,352**	**3,691**	**2,244**	**6,108**

45 Expenditure in foreign currency

(₹ in crore)

Particulars	2020-21	2019-20
i) Travelling Expenses [₹ Nil (Previous year ₹ 9 50 394)]	-	-
ii) Legal & Professional Fees	-	1
iii) Sales & marketing	-	1
iv) Software Maintenance and Others [₹ 15 76 939 (Previous year ₹ 14 12 859)]	-	-
TOTAL (* ₹ 15 76 939)	*	1

Notes to the Standalone Financial Statement for the year ended March 31, 2021

46 Disclosure pursuant to para 44 A to 44 E of Ind AS 7 - Statement of cash flows

(₹ in crore)

Particulars	2020-21	2019-20
Debt Securities		
Opening Balance	**16 160**	17 720
Availed during the year	**-**	1
Impact of non-cash items		
- Impact of Effective Rate of Interest	**100**	31
Repaid During the year	**-**	(1 592)
Closing Balance	**16 260**	16 160
Borrowings (other than debt securities)		
Opening Balance	**1 184**	1 734
Availed during the year	**-**	2 413
Impact of non-cash items		
- Impact of Effective Rate of Interest	**2**	(1)
Repaid During the year	**-**	(2 962)
Closing Balance	**1 186**	1 184

47 Derivative financial instruments

The company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the company has elected not to apply hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as liabilities together with their notional amounts. The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

(₹ in crore)

Particulars	Notional amounts / Fair value of Liabiilities
As at March 31, 2021	
Equity derivatives	**18**
	18
As at March 31, 2020	
Equity derivatives	**10**
	10

The company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are Market linked debentures.

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.

48 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. The Company's investment in units of AIF funds fall under this category.

Level 3: Category includes financials assets and liabilities that are measured using valuation techniques based on non-market observable inputs and subsidiaries and associates 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. The 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 2021 (₹ 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	930	-	-	-	930
– Trade receivables	-	-	-	1	1
Financial assets at FVOCI					
– Investment	-	-	-	-	-
Financial assets at Deemed cost					
– Investment	-	-	10 951	-	10 951
Financial assets at Amortised cost					
– Investment	-	-	-	16	16
– cash and cash equivalents	-	-	-	2	2
– bank balance other than cash and cash equivalents	-	-	-	16	16
– Loans	-	-	-	977	977
– Other financial assets	-	-	-	215	215
Total financial assets	930	-	10 951	1 227	13 108
Financial liabilities					
Financial liabilities at FVTPL					
– Debt Securities	-	-	496	-	496
– Derivative Financial Instrument	-	-	18	-	18
Financial liabilities at Amortised cost					
– Debt Securities	-	-	-	15 764	15 764
– Borrowings	-	-	-	1 186	1 186
– other financial libilities	-	-	139	3 219	3 358
Total financial liabilities	-	-	653	20 170	20 822

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
– Derivative Financial Instrument	–	–	10	–	10
Financial liabilities at Amortised cost					
– Debt Securities	–	–	–	15 670	15 670
– Borrowings	–	–	–	1 184	1 184
– other financial libilities	–	–	64	1 626	1 690
Total financial liabilities	–	–	564	18 479	19 043

49 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. The Company is a Core Investment Company (CIC) with its lending restricted to and within the Group companies.

The Company has assesses on a forward-looking basis the Expected Credit Losses (ECL) associated with its debt instruments carried at amortized 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.

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 and interest rate risk principally, as a result of lending and investment for periods and interest rates which may differ from those of its funding sources. Asset liability positions are managed 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 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, as per the original terms of debt, which has resulted in default in debt servicing obligations since October, 2019

A committee of debenture holders ('CODH'), on behalf of all debenture holders of Reliance Capital Limited ('RCL') representing their interest, was constituted pursuant to the resolution passed by the debenture holders at its meeting held on January 30, 2020 (such committee, along with any other subcommittee(s) that may be constituted to co-ordinate the asset monetisation process)

An invitation for Expression of Interest ('EOI') for submission of bids for asset monetisation plan for certain Investments of RCL had been launched under the express guidance and the direction of CODH. The last date for submission of EOI was December 1, 2020, which was extended till December 17, 2020. Debenture Holders at their meeting held on January 5, 2021 approved Asset Monetization plan of RCL with 100% majority.

Further, in light of the recent regulatory developments, the CODH has extended the last date for submission of EOI for the investments held by RCL in Reliance General Insurance Company Limited, Reliance Nippon Life Insurance Company Limited and Reliance Health Insurance Limited till May 15, 2021.

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

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.

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 "Financial Instruments" 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.

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 behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

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.

The Company has adopted the Ind AS while identifying and providing for the Expected Credit Losses (ECL 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 "Financial Instruments". Company has put in place monitoring mechanisms commensurate with nature and volume of activities.

Collateral and other credit enhancements

The Company employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The principal collateral types for loans and advances are:

- Charges over business assets such as premises inventory and accounts receivable; and
- Charges over financial instruments such as debt securities and equities.

Longer-term finance and lending to corporate entities are generally secured.

The Company's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Company since the prior period.

The Company closely monitors collateral held for financial assets considered to be credit-impaired as it becomes more likely that the Company will take possession of collateral to mitigate potential credit losses. Financial assets that are credit-impaired and related collateral held in order to mitigate potential losses.

Write-off policy

The Company writes off financial assets in whole or in part when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Company's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Company may write-off financial assets that are still subject to enforcement activity. The outstanding contractual amounts of such assets written off during the year ended March 31 2021 was ₹ Nil (Previous Year ₹ 4 611 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.

50 Analysis of financial assets and liabilities by remaining contractual maturities

Refer note no 43.2 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.

51 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 2021. 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.

52 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, 2021

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	**Aman Gudral**
Company Secretary & Compliance Officer	**Atul Tandon**

Mumbai
Dated: May 8, 2021

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, 2021, 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 matters 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, 2021, 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 no. 55(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, 2021 aggregating to ₹ 7,965 Crore under general purpose corporate loan provided by the Company had become Non Performing Asset (NPA) as on March 31, 2021. In view of the same we are unable to substantiate the management assertion on the recoverability of principal and interest including time frame recovery of aforesaid loans outstanding as on March 31, 2021. RHFL's exposure to the borrowers are secured against by charge on current assets and is dependent on the recovery of onward lending of borrowers which depends on external factors not wholly within the control of RHFL/borrower. Further we draw attention to Note no. 55(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 no. 49 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, 2021 aggregating to ₹ 4,980 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. Further, RCFL has provided Expected Credit Loss on loan and advance for the year ended March 31, 2021. The recovery against these loans are dependent on the recovery of onward lending of the borrowers which further depends on external factors not wholly within control of the RCFL. We were unable to obtain sufficient audit evidence about the recoverability of the aforesaid loans. Accordingly, we were unable to determine the consequential implications arising therefrom and it may have implications of adjustments, disclosures or compliances on certain elements in the financial results of RCFL.
3. The statutory auditors of M/s Reliance Commercial Finance Limited (RCFL) a subsidiary company, has modified the opinion on the financial statements with regards to RCFL has entered into an Inter Creditors Agreement ("ICA") dated July 6, 2019 under the framework of the circular issued by the Reserve Bank of India on "Prudential Framework for Resolution of Stressed Assets" dated June 7, 2019. In view of ICA agreement, RCFL has not recognized any penal interest and additional interest due to default and downgrade of the credit rating. Subject to balance confirmation and their reconciliation from banks/lenders other than principal amount, there is material unreconciled balance as per books of RCFL and lenders/banks as at March 31, 2021. The impact, if any, due to non-recognition of the penal interest and additional interest as explained above, in the financial statements is not ascertainable at present. Accordingly, we are unable to comment on the completeness and accuracy of the bank balances, borrowings and interest expense thereof as at March 31, 2021, for the year ended on that date.
4. We draw attention to Note no. 47(b) 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 Going Concern assessment which sets out the fact that, during the year ended RCFL has incurred losses of ₹ 2,665 Crore and it has accumulated losses of ₹ 5,998 Crore as at March 31, 2021 resulting it has negative Capital to risk weighted assets ratio (CRAR) and negative net owned fund. RCFL is engaged with all its lenders to enter into an Inter-Creditor Agreement (ICA) dated July 6, 2019 and subsequent extension of ICA till June 30, 2021 for the resolution of its debt in accordance with the circular dated June 7, 2019 issued by the Reserve Bank of India on Prudential Framework for Resolution of Stressed Assets. Resolution under Inter-Creditor Agreement (ICA) frame work for its debt depends on agreement with lenders and other external factors. In view of the steps taken by RCFL along ICA, accordingly, the financial statements of RCFL have been prepared on a going concern basis. The Group's ability to meet its

obligations is significantly dependent on material uncertain events including restructuring of loans and achievement of debt resolution under ICA framework that may cast a significant doubt on RCFL's ability to continue as a going concern.

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

Material Uncertainty related to Going Concern

We draw attention to Note no. 47 of the consolidated financial statements in respect of:

1. RHFL has defaulted in repayment of the obligation to the lenders & debenture holders which is outstanding as on March 31, 2021 and lenders and debenture holders of RHFL has also entered an Inter Creditor Agreement which indicate material uncertainty exists that may cast a significant doubt on RHFL's 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 no. 47(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 no. 47(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 RMPML have been prepared on a going concern basis for the reasons stated in Note no. 47(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 RMSPL's ability to continue as a going concern. The financial statements of RMSPL have been prepared on a going concern basis for the reasons stated in Note no. 47(f).
5. Reliance Wealth Management Limited (RWML) net worth is eroded, indicating the existence of material uncertainty that may cast doubt about the RWML'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 no. 47(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 no. 47(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 and previous 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 no. 52 of 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 (Bank) as on March 31, 2021 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 no. 48(a) of 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.
3. We draw attention to Note no. 53 of 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.
4. We draw your attention to Note no. 54 of 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.
5. We draw attention to Note no. 64 of the consolidated financial statements, as regards to the management evaluation of impact of COVID – 19 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.

Key Audit Matters	How our audit including the audit performed by the auditors of subsidiary companies addressed the Key Audit Matters
Impairment of financial assets and Corporate Guarantee (CG) Issued (expected credit losses) (as described in Note no. 7 and 23 of consolidated financial statements)	
Ind AS 109 "Financial Instruments" 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 standalone financial statements and the degree of estimation involved in computation of expected credit losses, this area is considered as a key audit matter.	● Read and assessed the Group's accounting policies for impairment of financial assets and their compliance with Ind AS 109. ● Tested the criteria for staging of loans 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.
Valuation of Market Linked Debentures (as described in Note no. 19 of consolidated financial statements)	
The Parent Company has issued Market Linked Debentures (MLD) during current and previous years. The outstanding balance of MLD as on March 31, 2021 is ₹ 496 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.	● 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 for compliance with Ind AS. ● Compared resulted valuations against independent sources and externally available market valuation data for sample cases.

Independent Auditors' Report on the Consolidated financial statements

The Key Audit Matters in the Auditors Report of Subsidiary Company Reliance General Insurance Company Limited (RGICL) is reproduced hereunder:

Appropriateness of Revenue Recognition in relation to Crop Insurance Premium	
The Company has recorded net earned premium of ₹ 560 Crore relating to crop insurance for the year ended March 31, 2021, 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 recognized. ● 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.
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.

The Key Audit Matters in the Auditors Report of Subsidiary Company Reliance Nippon Life Insurance Company Limited ('RNLICL') is reproduced here under:

Investments classification and valuation	
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.	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.

Investments classification and valuation	
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 judgement. 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.	• 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.
Valuation of investments in Non Convertible debentures of Dewan Housing Finance Limited (DHFL)	
As detailed in Note no. 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.	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.
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, 2021 to be appropriate.

Independent Auditors' Report on the Consolidated financial statements

Impact of Covid 19 on Audit	
Due to outbreak of pandemic Covid 19 and consequent lockdown enforced by Government of Maharashtra. 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:

Market Linked Debentures (MLD)	
The Company has non-convertible debentures (Market Linked Debentures) of ₹ 76 crore as at March 31, 2021. 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 Market Linked Debentures are detailed in Note no. 19 of the financial statements. Further, Market Linked Debentures is a key number in the balance sheet and will remain an important funding mechanism for continued growth. Therefore, in our view, Market Linked Debentures is important to the readers understanding of the financial statements. As a result of these items we consider accounting for Market Linked Debentures to be a key audit matter at March 31, 2021.	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	
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. 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, 2021 to be appropriate.

Independent Auditors' Report on the Consolidated financial statements

The Key Audit Matters in the Auditors Report of Subsidiary Company Reliance Financial Limited ('RFL') is reproduced here under:

Market Linked Debentures (MLD)	
The Company has non-convertible debentures (Market Linked Debentures) of ₹ 64 crore as at March 31, 2021. 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 Market Linked Debentures are detailed in Note no. 19 of the financial statements. Further, Market Linked Debentures is a key number in the balance sheet and will remain an important funding mechanism for continued growth. Therefore, in our view, Market Linked Debentures is important to the readers understanding of the financial statements. As a result of these items we consider accounting for Market Linked Debentures to be a key audit matter at March 31, 2021.	We carried out following procedures in respect to Market 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 Parent 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 consolidated financial statements 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 consolidated 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.

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 Group'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 consolidated 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 and its associates 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, 2021 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) & Unexpired Risk Reserve (URR) is the responsibility of the Company's Appointed Actuary. The actuarial valuation of these liabilities as at March 31, 2021, 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 6 subsidiaries, whose financial statements reflect total assets of ₹ 9,874 crore as at March 31, 2021, total revenues of ₹ 162 crore and net cash outflow of ₹ 28 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 ₹ 733 crore for the year ended March 31, 2021, 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.

4. The financial statements of 3 subsidiaries, whose financial statements / information reflect total assets of ₹ 52 crore as at March 31, 2021, total revenues of ₹ 0.19 crore and net cash outflows amounting to ₹ 0.28 crore for the year ended on that date, as considered in the consolidated financial statements, have not been audited by their auditors. The consolidated financial statements also includes Group's share of net loss (and other comprehensive income) of ₹ 40 crore for the year ended March 31, 2021 in respect of 2 associates as considered in the consolidated financial statements have not been audited by their auditors. 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, 2021 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 sought and except for the matter described in Basis for Qualified Opinion section of our report, obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit."

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) Except for the effects of the matters described in the Basis for Qualified Opinion section the consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) The matters stated in Basis for Qualified Opinion section and the going concern matter described in Material UncertaintyRelated to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Group.

f) The Parent Company has defaulted in repayment of the obligations to its lenders and debenture holders which is outstanding as on March 31, 2021. Based on the legal opinion obtained by the Parent Company and based on the written representations received from the directors of the Parent Company as on March 31, 2021 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, 2021 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, 2021 on its consolidated financial position of the Group and itsassociates in its consolidated financial statements – Refer Note 45 of the consolidated financial statements;

(ii) The Group and its associates have made provision as required under applicable law or Ind AS for material foreseeable losses, if any, in long-term contracts including derivative contracts – Refer Note 61 & 63 of the consolidated financial statements;

(iii) Other than for dividend amounting to ₹ 0.17 crore pertaining to financial year 2010-11 to financial year 2012-13 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, 2021.

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

Vishal D. Shah
Partner
Membership No: 119303
UDIN: 21119303AAAAJX5777

Place: Mumbai
Date : May 8, 2021

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

Annexure A to Independent Auditors' Report

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, 2021

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("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, 2021, we have audited the internal financial controls with reference to consolidated financial statements of Reliance Capital Limited ("the Parent Company") and such companies incorporated in India under the Act, 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 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 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 Group's 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 Group's internal financial controls with reference to financial statements 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 Group;

   (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated 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 Group; and

   (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Group's assets that could have a material effect on the consolidated 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. During the previous year, in case of the Parent Company based on our audit, information and explanation provided by the management, following weakness were observed by us with regard to internal financial control.

   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, evaluation of borrower's repayment capacity and the policy of sanctioning the loan to entities with weaker credit worthiness.

   During the current year the Company has not given any loans / guarantee to any entity.

9. Based on the 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 basis of Qualified Opinion given in the Auditors Report of Subsidiary Company RCFL is reproduced here under:

      The Company's internal financial control system over financial reporting is not operating effectively in respect of controls over expected credit loss modeling and in respect of corporate loan book segment due to weak credit appraisal and loan sanctioning mechanism, however the Company has not lent any new loan to borrower during the current financial year. 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. We have not received audit evidences for other controls and we are unable to comment on operating effectiveness of that. The effects on the financial statements for the aforesaid material weakness of controls have not been determined.

   b. 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.

   c. 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

10. 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, 2021 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, 2021.

11. 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, 2021 and material weakness described in section Basis for Qualified Opinion, affects our opinion on the consolidated financial statements of the Group.

Other Matters

12. 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), 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, 2021, has been duly certified by the Appointed Actuary. The Appointed Actuary

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

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.

13. Other Matter given in the Auditors Report of Subsidiary Company RNLIC is reproduced here under:

    The actuarial valuation of liabilities for 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, 2021. Accordingly while giving our opinion with regards to adequacy and operating effectiveness of the Internal Financial Control system with reference to financial statements, 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 these matters.

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

14. 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 six 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: 21119303AAAAJX5777

Place: Mumbai
Date : May 8, 2021

Consolidated balance sheet as at March 31, 2021

(₹ in crore)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Financial assets			
Cash and cash equivalents	4	**567**	479
Bank balance other than cash and cash equivalents above	5	**463**	459
Derivative financial instruments		**2**	9
Receivables			
(I) Trade receivables	6 A	**1 505**	1 097
(II) Other receivables	6 B	**16**	26
Loans	7	**7 709**	14 061
Investments	8	**39 755**	34 594
Other financial assets	9	**8 401**	7 318
Total financial assets		**58 418**	58 043
Non-financial assets			
Inventories	10	**20**	6
Current tax assets (Net)	11	**54**	209
Deferred tax assets (Net)	12	**89**	179
Investment property	13	**77**	79
Property, plant and equipment	14	**301**	266
Capital work-in-progress		**6**	7
Intangible assets under development	15 B	**14**	12
Goodwill	15 A	**5 111**	5 111
Other intangible assets	15 B	**89**	90
Other non-financial assets	16	**699**	775
Total non-financial assets		**6 460**	6 734
Total assets		**64 878**	64 777
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments		**22**	46
Payables			
(I) Trade payables	17		
(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		**1 760**	1 645
(II) Other payables	18		
(i) total outstanding dues of micro enterprises and small enterprises		**-**	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**620**	759
Debt securities	19	**18 131**	18 081
Borrowings (Other than debt securities)	20	**8 594**	8 666
Deposits	21	**4**	4
Subordinated liabilities	22	**158**	158
Other financial liabilities	23	**44 296**	35 281
Total financial liabilities		**73 586**	64 641
Non-financial liabilities			
Provisions	24	**458**	373
Other non-financial liabilities	25	**1 635**	1 436
Total non-financial liabilities		**2 093**	1 809
Total liabilities		**75 679**	66 450
EQUITY			
Equity share capital	26	**253**	253
Other equity	27	**(11 791)**	(2 547)
Equity attributable to owners of the Company		**(11 538)**	(2 294)
Non-controlling interests		**737**	621
Total equity		**(10 801)**	(1 673)
Total liabilities and equity		**64 878**	64 777
Summary of Significant Accounting Policies	2		

The accompanying notes (1- 68) 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, 2021

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	**Aman Gudral**
Company Secretary & Compliance Officer	**Atul Tandon**

Mumbai
Dated: May 8, 2021

Consolidated statement of profit and loss for the year ended March 31, 2021

(₹ in crore)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations			
Interest income	28	**3 076**	5 197
Dividend income	29	**72**	153
Premium income		**13 070**	11 924
Fees and commission income	30	**737**	764
Net gain on fair value changes	31	**2 041**	-
Other operating income	32	**254**	285
Total revenue from operations		**19 250**	18 323
Other income	33	**58**	36
Total income		**19 308**	18 359
Expenses			
Finance costs	34	**2 741**	3 969
Fees and commission expense	35	**616**	585
Net loss on fair value changes	36	**-**	2 024
Net loss on derecognition of financial instruments under amortised cost category			
- Impairment on financial instruments	37	**6 684**	4 510
Employee benefits expense	38	**1 372**	1 507
Depreciation, amortisation and impairment		**105**	123
Claims incurred and benefit paid (net)		**5 586**	6,296
Premium paid on reinsurance ceded		**4 223**	3,605
Change in valuation of liability in respect of life policies		**3 754**	573
Others expenses	39	**2 577**	1 296
Total expenses		**27 658**	24 488
Profit / (Loss) before exceptional items, [share of net profits / (losses) of investments accounted for using equity method] and tax		**(8 350)**	(6 129)
Share of net Profit / (Loss) of associates		**(764)**	5
Profit / (Loss) on sale of subsidiaries and associates		**-**	4 901
Profit / (Loss) before exceptional items and tax		**(9 114)**	(1 223)
Exceptional items		**-**	-
Profit / (Loss) before tax		**(9 114)**	(1 223)
Income tax expense:			
- Current tax		**61**	56
- Deferred tax		**112**	(80)
Total tax expense		**173**	(24)
Net Profit / (Loss) after tax		**(9 287)**	(1 199)
Other comprehensive income / (loss)			
Items that will not be reclassified to Statement of profit and loss			
- Change in fair value of FVOCI instrument		**(10)**	(108)
- Remeasurements of post-employment benefit obligations		**(1)**	(10)
- Income tax relating to these items		**-**	2
		(11)	(116)
Items that will be reclassified to Statement of profit and loss			
- Change in fair value of FVOCI instrument		**(94)**	356
- Income tax relating to these items		**32**	(124)
		(62)	232
Other comprehensive income / (loss) for the year		**(73)**	116
Total comprehensive income / (loss) for the year		**(9 360)**	(1 083)
Net Profit attributable to :			
Owners of the Company		**(9 404)**	(1 075)
Non controlling interest		**117**	(124)
Other Comprehensive income / (loss) attributable to :			
Owners of the Company		**(72)**	155
Non controlling interest		**(1)**	(39)
Total Comprehensive income / (loss) attributable to :			
Owners of the Company		**(9 476)**	(920)
Non controlling interest		**116**	(163)
Earnings per equity share			
Nominal value ₹ 10 each fully paid-up	43		
- Basic (₹)		**(369.82)**	(47.79)
- Diluted (₹)		**(369.82)**	(47.79)
Summary of Significant Accounting Policies	2		

The accompanying notes (1- 68) 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, 2021

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	**Aman Gudral**
Company Secretary & Compliance Officer	**Atul Tandon**

Mumbai
Dated: May 8, 2021

Consolidated Statement of Changes in Equity for the year ended March 31, 2021

A. Equity share capital

(₹ in crore)

Particulars	Note No.	Number	Amount
As at March 31, 2020	26	25 27 08 902	253
As at March 31, 2021		25 27 08 902	253

B. Other equity

(₹ in crore)

Particulars	Note No.	Reserves and Surplus										Other comprehensive income	Attributable to Owners of the Company	Attributable to 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			
As at April 1, 2019	27	(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)
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	-	-	-	-	-	-	-	-
- Derecognition of subsidiary		-	-	-	-	(211)	-	-	(69)	-	-	-	(280)	(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**
Profit / (loss) for the year		**(9 404)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(9 404)**	**117**
Other comprehensive income / (loss)		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(72)**	**(72)**	**(1)**
Total comprehensive income / (loss) for the year		**(9 404)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(72)**	**(9 476)**	**116**

Standalone statement of changes in equity for the year ended March 31, 2021

(₹ in crore)

Particulars	Note No.	Reserves and Surplus										Other comprehensive income	Attributable to Owners of the Company	Attributable to 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:														
- Stock option expense for the year		-	-	-	-	-	-	-	-	-	(3)	-	(3)	-
- Non controlling adjustments		234	-	-	-	-	-	-	-	-	-	-	234	-
As at March 31, 2021		**(22 737)**	**99**	**9**	**3 421**	**21**	**5 497**	**1 987**	**-**	**2**	**7**	**(97)**	**(11 791)**	**737**
Summary of Significant Accounting Policies	2													

The accompanying notes (1 - 68) 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, 2021

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 — **Aman Gudral**

Company Secretary & Compliance Officer — **Atul Tandon**

Mumbai
Dated: May 8, 2021

Consolidated statement of cash flows for the year ended March 31, 2021

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES :		
Profit/(Loss) before tax:	**(9 114)**	(1 224)
Adjustments :		
Depreciation, amortisation and impairment	**105**	123
Bad debts recovered and credit balance written-back (net)	**(6)**	(71)
Impairment on financial instruments and balances written-off (net)	**6 684**	4 510
(Profit) / loss on sale of property, plant and equipment	**1**	7
Interest on loans and investments	**(3 067)**	(5 135)
Interest income on bank deposit	**(9)**	(62)
Dividend income on investments	**(72)**	(153)
Share of net (profit) /loss of associates accounted for using the equity method	**764**	(5)
(Profit) / loss on sale of subsidiaries/associates (net)	**-**	(4 901)
(Gain) / loss on fair value of investment (unrealised) (net)	**(1 571)**	2 892
Amortised brokerage on borrowings	**101**	39
Discount on commercial paper	**61**	79
Interest expenses	**2 579**	3 852
Operating profit before working capital changes	**(3 544)**	(50)
Adjustments for (increase)/decrease in operating assets:		
Interest received	**13**	2 858
Interest paid	**(879)**	(2 709)
Financial assets and non financial assets	**940**	15 729
Adjustments for increase/(decrease) in operating liabilities		
Financial liabilities and non financial liabilities	**7 404**	63
Cash generated from operations	**3 934**	15 891
Less : Income taxes paid (net of refunds)	**(124)**	5
Net cash generated from operating activities	**4 058**	15 886
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of property, plant and equipment (including capital advances)	**(153)**	-
Sale of property, plant and equipment	**16**	20
Sale of investments in associates	**-**	6 028
Purchase of investments (net)	**(3 883)**	(3 045)
Dividend received	**72**	153
Net cash (used in) /generated from investing activities	**(3 948)**	3 156
CASH FLOW FROM FINANCING ACTIVITIES :		
Debt securities issued/(repaid) (net)	**49**	(8 557)
Borrowing other than debt securities (net)	**(71)**	(10 693)
Net cash used in financing activities	**(22)**	(19 250)
NET INCREASE/(DECREASE) IN CASH AND BANK EQUIVALENTS	**88**	(209)
Add : Cash and cash equivalents at beginning of the year	**479**	688
Cash and cash equivalents at end of the year	**567**	479

- 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, 2021

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 **Aman Gudral**

Company Secretary & Compliance Officer **Atul Tandon**

Mumbai
Dated: May 8, 2021

Notes to the Consolidated Financial Statement for the year ended March 31, 2021

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 and its associates (hereinafter collectively referred as the 'Group') 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 the 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 or loss, consolidated statement of changes in equity and balance sheet respectively.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control.

This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (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 profit or loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

(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 profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.3 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The power to assess the financial performance and position of the Group and make strategic decisions is vested in the executive director who has been identified as the chief operating decisions maker.

2.4 Foreign currency translation

(i) Functional and presentation currency

Items included in financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian 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 profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on nonmonetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

2.5 Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, FVTPL and amortised cost.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

b) In all other cases, the difference is deferred, and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

When the Group revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit and loss.

2.6 Financial assets

(i) Classification and subsequent measurement

The Group has applied Ind AS 109 'Financial Instrument' and classifies its financial assets in the following measurement categories:

- Fair value through statement of profit and loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables.

Based on the factors, the Group classifies its debt instruments into one of the following three measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets is recognised using the effective interest rate method.

Fair value through other comprehensive income: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity through 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 statement of profit and 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 statement of profit and 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 statement of profit and loss following the derecognition of the investment.

Changes in the fair value of financial assets at fair value through statement of profit and 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 FVPL 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 Company's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

(iv) Modification of loans

The group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the group assesses whether or not the new terms are substantially different to the original terms. The group does this by considering, among others, the following factors:

a) If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.

b) Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.

c) Significant extension of the loan term when the borrower is not in financial difficulty.

d) Significant change in the interest rate.

e) Change in the currency the loan is denominated in.

f) Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Group de-recognizes the original financial asset and recognizes a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in 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 statement of profit and 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 statement of profit and 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 statement of profit and 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 statement of profit and 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 'Revenue from contract with customers'. 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 statement of profit and 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 transactions 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, Securitisation transactions after March 31, 2017 the assets are not derecognised and continued in the books as loans. Servicing fees received is accounted for based on the underlying deal structure of the transaction as per the agreement.

(v) Premium income

Premium income on insurance contracts and investment contracts with Discretionary Participative Feature (DPF) is recognised as income when due from policyholders. For unit-linked business, premium income is recognised when the associated units are created. Premium on lapsed policies is recognised as income when such policies are revived or reinstated. In case of linked business, top - up premium paid by policyholders are considered as single premium and are unitized as prescribed by the regulations. The premium income in case of linked business is recognised when the associated units are created/allotted.

Premium in respect of reinsurance contracts shall be recognised as income over the contract period or the period of risk, whichever is appropriate. Reinsurance premium ceded is accounted for at the time of recognition of the premium income in accordance with the terms and conditions of the relevant treaties with the re-insurers. Impact on account of subsequent revisions to or cancellations of premium is recognised in the year in which they occur.

Unearned premiums are those proportions of the premium written in a year that relate to years of risks after the Balance sheet date. Unearned premium is 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 investment's 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 statement of profit and loss. 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) Rental income

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.

(xv) Other investment contract fee revenue

Investments contract policyholders are charged fees for policy administration, investment management, surrenders or other contract services. The fees may be fixed amounts or vary with the amounts being managed and will generally be charged as an adjustment to the policyholder's balance.

The fees are recognised as revenue in the year in which they are collected unless they relate to services to be provided in future years, in which case they are deferred and recognised as and when the services are provided.

(xvi) Delay payment interest

Delay payment interest is recognised on an receipt 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

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.

2.17Non-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.

2.18Property, 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 - ten years

(ii) Office equipment - two to five years

(iii) Computers - three years

(iv) Vehicles - eight years

(v) Plant & Machinery given on lease – eight years

(v) Data processing machineries given on lease – three years

(vii) Vehicles given on lease - eight years

(viii) Buildings - sixty 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 properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is de-recognised.

Investment properties are depreciated using the straight-line method as per the rates and useful life prescribed as per the Schedule II of the Companies Act.

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 'Insurance Contract'.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.

2.23Acquisition 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 statement of profit and 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, 2021.

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 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 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.

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 statement of profit and 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.

2.36 Share-based payments

Employee Stock Option Scheme (ESOS)

The employees of the Parent 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 Parent 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 Group's financial statements. The shares held by the trust are treated as treasury shares.

Notes to the Consolidated Financial Statement for the year ended March 31, 2021

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 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 Group considers some of its investment in associate to be realises within 1 year for asset liability management accordingly financials statement is prepared on going concern.

3.4 Impairment of financial assets using the expected credit loss method

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's history, existing market conditions as well as forward looking estimates at the end of each reporting period.

3.5 Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI test and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement considered by the Group in determining the business model including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated.

The Group monitors financial assets that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

3.6 Consolidation of structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

The Group consolidates the structured entities that it controls. When making this judgement, the Group also considers voting and similar rights available to itself and other parties, which may limit the Group's ability to control, including rights to appoint, reassign or remove members of the structured entity's key management personnel who have the ability to direct the relevant activities.

3.7 Current tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit entitlement is recognised where there is convincing evidence that the same can be realised in future.

3.8 Deferred tax

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

Recognition therefore involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised.

3.9 Provisions and contingent liabilities

The Group exercises judgement in measuring and recognizing provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

3.10 Share-based payments

The Group measures the cost of equity settled transactions with employees using the Black-Scholes model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

3.11 Insurance and investment contract liabilities

Assessment of the significance of insurance risk transferred to the Group in determining whether a contract should be accounted as insurance or investment contracts.

3.12 Measurement of insurance and investment contract liabilities with DPF

Principal assumptions will include those in respect of mortality, morbidity, persistency, expense inflation, valuation interest rates, future bonus rate and tax rate.

3.13 Estimation of fair value of investments property

The 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.

Notes to the Consolidated Financial Statement for the year ended March 31, 2021

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
4	**Cash and cash equivalents**		
	Cash on hand	**21**	8
	Cheques on hand	**76**	62
	Balances with banks:		
	In current accounts	**468**	408
	In fixed deposits	**2**	1
	Total	**567**	479
5	**Bank balance other than cash and cash equivalents above**		
	Balances with banks:		
	In earmarked accounts		
	- unclaimed dividend	**16**	18
	- other bank balances #	**13**	16
	In fixed deposits	**175**	122
	Others		
	- Held as lien (refer note below)	**265**	305
	Less: Impairment loss allowance	**(6)**	(2)
		259	303
	Total	**463**	459

Notes:

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

(a) ₹ 212 crore (Previous year: ₹ 253 crore) have been kept as margin requirement for equity trade settlement and market linked debentures

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

(c) ₹ 5 crore (Previous year: ₹ 10 crore) are liened against bank overdraft facility.

(d) ₹ 34 crore (Previous year: ₹ 33 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: ₹ 2 crore) is kept as deposit with regulatory authorities.

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

6	**Receivables**		
	(Considered good unless otherwise stated)		
6A	**Trade receivables**		
	Receivables considered good - Secured	**20**	37
	Receivables considered good - Unsecured	**1 485**	1 060
	Receivables - credit impaired	**63**	46
	Less: Allowance for impairment loss	**(63)**	(46)
	Total	**1 505**	1 097
6B	**Other receivables**		
	Receivables considered good - Unsecured	**16**	26
	Total	**16**	26

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.

Notes to the Consolidated Financial Statement for the year ended March 31, 2021

(₹ in crore)

Particulars		As at March 31, 2021	As at March 31, 2020
7	**Loans**		
	At amortised cost		
	Term loans	**15 232**	16 240
	Loans repayable on demand	**116**	124
	Loans to related parties (refer Note no 57)	**975**	841
	Others	**666**	630
	Total (A) - Gross	**16 989**	17 835
	(Less): Impairment loss allowance	**(9 280)**	(3 774)
	Total (A) - Net	**7 709**	14 061
	Secured by property plant and equipment, other receivables and guarantees	**10 229**	16 549
	Secured by intangible assets	**64**	50
	Unsecured	**6 696**	1 236
	Total (B) - Gross	**16 989**	17 835
	(Less): Impairment loss allowance	**(9 280)**	(3 774)
	Total (B) - Net	**7 709**	14 061
	Loans in India		
	- Public sector	**-**	-
	- Others	**16 989**	17 835
	Total (C) - Gross	**16 989**	17 835
	(Less): Impairment loss allowance	**(9 280)**	(3 774)
	Total (C) - Net	**7 709**	14 061

Summary of loans by stage distribution

(₹ in crore)

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount	**1 911**	**187**	**14 891**	**16 989**	7 720	9 191	924	17 835
Less: Impairment loss allowance	**(110)**	**(20)**	**(9 150)**	**(9 280)**	(865)	(2 743)	(166)	(3 774)
Total	**1 801**	**167**	**5 741**	**7 709**	6 855	6 448	758	14 061

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)

	As at March 31, 2021							
Particulars	**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, 2020	**7 721**	**865**	**9 191**	**2 743**	924	166	17 836	3 774
Transfers during the year	**438**	**618**	**(2 698)**	**1 681**	(9)	4 523	(2 269)	6 822
Transfer to stage 1	**19**	**11**	**115**	**13**	4 927	1 193	5 061	1 217
Transfer to stage 2	**(115)**	**(13)**	**-**	**-**	353	132	238	119
Transfer to stage 3	**(6 152)**	**(1 371)**	**(6 420)**	**(4 417)**	8 912	3 136	(3 660)	(2 652)
Amounts written off during the year	**-**	**-**	**(1)**	**-**	(216)	-	(217)	-
As at March 31, 2021	**1 911**	**110**	**187**	**20**	14 891	9 150	16 989	9 280

(₹ 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	(241)	1 955	(88)	1	(5)	(586)	(334)	1 370
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	7 720	865	9 191	2 743	924	166	17 835	3 774

(₹ in crore)

	Particulars	As at March 31, 2021				As at March 31, 2020			
		AC	**FVTPL**	**FVOCI**	**Total**	AC	FVTPL	FVOCI	Total
8	**Investments**								
	Investments in equity shares others								
	- Quoted	**-**	**6 226**	**-**	**6 226**	-	4 549	-	4 549
	- Unquoted	**-**	**142**	**-**	**142**	-	122	10	132
		-	**6 368**	**-**	**6 368**	-	4 671	10	4 681
	Less : Provision for impairment	**-**	**(8)**	**-**	**(8)**	-	-	-	-
		-	**6 360**	**-**	**6 360**	-	4 671	10	4 681
	Investments in equity shares of Associates								
	- Quoted	**-**	**-**	**-**	**-**	-	781	-	781
	- Unquoted	**-**	**85**	**-**	**85**	-	90	-	90
		-	**85**	**-**	**85**	-	871	-	871
	Less : Provision for impairment	**-**	**-**	**-**	**-**	-	(134)	-	(134)
		-	**85**	**-**	**85**	-	737	-	737
	Investments in preference shares								
	- Unquoted	**2**	**134**	**-**	**136**	11	176	-	187
		2	**134**	**-**	**136**	11	176	-	187
	Less : Provision for impairment	**-**	**(85)**	**-**	**(85)**	-	(59)	-	(59)
		2	**49**	**-**	**51**	11	117	-	128
	Investment in government or trust securities								
	- Quoted	**12 455**	**1 595**	**5 998**	**20 048**	9 939	1 543	3 753	15 235
	Investment in Pass through certificates and security receipts								
	- Unquoted	**7**	**179**	**-**	**186**	-	90	-	90
	Investment in debentures and bonds								
	- Quoted	**3 527**	**311**	**6 154**	**9 992**	3 252	558	6 600	10 410
	- Unquoted	**311**	**159**	**-**	**470**	285	353	-	638
		3 838	**470**	**6 154**	**10 462**	3 537	911	6 600	11 048
	Less : Provision for impairment	**(89)**	**-**	**-**	**(89)**	(54)	-	-	(54)

Notes to the Consolidated Financial Statement for the year ended March 31, 2021

(₹ in crore)

Particulars	As at March 31, 2021				As at March 31, 2020			
	AC	**FVTPL**	**FVOCI**	**Total**	AC	FVTPL	FVOCI	Total
	3 749	**470**	**6 154**	**10 373**	3 483	911	6 600	10 994
Investment in mutual fund								
- Quoted	**-**	**664**	**-**	**664**	-	1 400	-	1 400
- Unquoted	**-**	**71**	**-**	**71**	-	68	-	68
Others								
- Quoted	**-**	**496**	**-**	**496**	-	196	-	196
- Unquoted	**508**	**441**	**472**	**1 421**	374	518	173	1 065
Total	**16 721**	**10 410**	**12 624**	**39 755**	13 807	10 251	10 536	34 594

AC- Amortised cost FVTPL- Fair Value Through Profit and Loss FVOCI- Fair Value through Other Comprehensive Income 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 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 ₹ Nil (Previous year: ₹ 39 crore) at Loss of ₹ Nil (Previous year: Loss ₹ 13 crore) is recognised under OCI. Additionally, out of the FVOCI debt portfolio, instruments with a principal of ₹ 68 crore (Previous year: ₹ 440 crore) matured. In relation to these, the Group transferred the Profit of ₹ 2 crore (Previous year: Profit ₹ 7 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, 2021, the group is carrying fair value of as ₹ Nil.

(₹ in crore)

Particulars		**As at March 31, 2021**	As at March 31, 2020
9	**Other financial assets**		
	Interest accrued - loans (net of provision)	**1 079**	1 278
	Interest accrued - investments	**763**	781
	Advances to others	**3**	27
	EIS receivables	**58**	66
	Deposits		
	- Considered good	**490**	176
	- Considered doubtful	**12**	10
	Less: provision for doubtful deposits	**(12)**	(10)
	Unclaimed amount of policyholders	**350**	346
	Reinsurance assets	**5 459**	4 428
	Investment sale to be received	**36**	160
	Others	**163**	56
	Total	**8 401**	7 318
10	**Inventories**		
	Debt securities	**11**	6
	Equity instruments	**9**	-
	Total	**20**	6
11	**Current tax assets (net)**		
	Income tax paid in advance	**54**	209
	Total	**54**	209

Notes to the Consolidated Financial Statement for the year ended March 31, 2021

(₹ in crore)

Particulars			As at March 31, 2021	As at March 31, 2020
12	**Deferred tax assets (net)**			
	Deferred tax assets			
	Property, plant and equipment		**5**	35
	Defined benefit obligations		**6**	4
	Expenses allowable for tax purpose when paid		**-**	6
	Impairment allowance for financial assets		**42**	50
	Tax losses and unabsorbed depreciation		**112**	168
	Others		**58**	28
		(A)	**223**	291
	Deferred tax liabilities			
	Property, plant and equipment		**24**	2
	Unamortised expenditure		**-**	6
	Fair value adjustments		**6**	-
	Others		**104**	104
		(B)	**134**	112
	Net deferred tax assets / (liabilities)	**(A-B)**	**89**	179

(₹ in crore)

	Particulars	As at March 31, 2021		As at March 31, 2020	
		Land	**Buildings**	**Land**	**Buildings**
13	**Investment property**				
	Gross carrying amount				
	Deemed cost	**29**	**123**	29	148
	Additions	**-**	**-**	-	-
	Disposals and transfers	**-**	**-**	-	(25)
	Closing gross carrying amount	**29**	**123**	29	123
	Opening accumulated amortisation	**26**	**47**	25	22
	Amortisation during the year	**-**	**2**	-	3
	Impairment during the year	**-**	**-**	1	24
	Disposals and transfers	**-**	**-**	-	(2)
	Closing accumulated amortisation	**26**	**49**	26	47
	Net carrying amount	**3**	**74**	3	76

Notes:

i) Of the above, Buildings of Subsidiary Reliance Securities limited with carrying value ₹ 0.14 crore (Previous year: ₹ 0.14 crore) is kept as collateral security against the market linked debentures (MLDs).

ii) The Parent Company has carried out the valuation activity to assess fair value of its Investment in land and property which is ₹ 146 crore (Previous year: ₹ 79 crore) Accordingly, fair value estimates for investment in land and property is classified as level 3.

Information regarding Income and Expenditure of Investment property

(₹ in crore)

Particulars	2020-21	2019-20
Rental income derived from investment property	-	-
Direct operating expenses (including repairs and maintenance) associated with rental income	-	-
Profit / (Loss) arising from sale of investment property	-	(3)
Impairment during the year	-	(25)
Amortisation for the year	**(2)**	(3)
Profit /(Loss) arising from investment property before indirect expenses	**(2)**	(31)

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, 2020												
Gross carrying amount												
Deemed cost as at April 1, 2019	84	166	148	31	9	43	36	43	24	3	9	597
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	275
Net carrying amount as at March 31, 2020	84	96	25	6	2	9	19	11	-	1	14	266
Year ended March 31, 2021												
Gross carrying amount												
Deemed cost as at April 1, 2020	**84**	**114**	**140**	**21**	**7**	**40**	**47**	**42**	**24**	**3**	**19**	**541**
Additions	**-**	**-**	**2**	**3**	**2**	**11**	**14**	**1**	**-**	**-**	**70**	**103**
Disposals and transfers	**-**	**-**	**(3)**	**-**	**-**	**-**	**(5)**	**-**	**-**	**(3)**	**-**	**(12)**
Closing gross carrying amount	**84**	**114**	**140**	**25**	**9**	**50**	**56**	**43**	**24**	**-**	**89**	**633**
Accumulated depreciation	**-**	**18**	**115**	**15**	**5**	**31**	**28**	**31**	**24**	**2**	**5**	**274**
Depreciation charge during the year	**-**	**5**	**12**	**5**	**1**	**8**	**12**	**7**	**0.5**	**-**	**15**	**64**
Disposals and transfers	**-**	**-**	**-**	**-**	**-**	**-**	**(4)**	**-**	**-**	**(2)**	**-**	**(6)**
Closing accumulated depreciation	**-**	**23**	**127**	**20**	**6**	**39**	**36**	**38**	**24**	**-**	**20**	**332**
Net carrying amount as at March 31, 2021	**84**	**91**	**13**	**5**	**3**	**11**	**20**	**5**	**-**	**-**	**69**	**301**

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 Statement for the year ended March 31, 2021

(₹ in crore)

Particulars	Goodwill on business acquisition	Goodwill on consolidation	Total
15 Intangible assets			
15A Goodwill			
Year ended March 31, 2020			
Gross carrying amount			
Opening gross carrying amount	162	4 974	5 136
Additions	-	-	-
Disposals/Adjustment	-	(25)	(25)
Year ended March 31, 2020	162	4 949	5 111
Year ended March 31, 2021			
Gross carrying amount			
Opening gross carrying amount	**162**	**4 949**	**5 111**
Additions	**-**	**-**	**-**
Disposals/Adjustment	**-**	**-**	**-**
Year ended March 31, 2021	**162**	**4 949**	**5 111**

(₹ in crore)

Particulars	Computer software/ Licensing cost	Membership rights / Asset management rights	Total	Intangible assets under development	Total
15B Other intangible assets					
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					
Opening accumulated amortisation	195	1	196	-	196
Amortisation during the year	39	-	39	5	44
Disposals and transfers	(2)	-	(2)	-	(2)
Closing accumulated amortisation	232	1	233	5	238
Net carrying amount as at March 31, 2020	90	-	90	12	102
Year ended March 31, 2021					
Gross carrying amount					
Deemed cost as at April 1, 2020	**322**	**1**	**323**	**17**	**340**
Additions	**42**	**-**	**42**	**11**	**53**
Disposals and transfers	**(1)**	**-**	**(1)**	**(9)**	**(9)**
Closing gross carrying amount	**364**	**1**	**365**	**19**	**384**
Accumulated amortisation	**232**	**1**	**233**	**5**	**238**
Amortisation during the year	**45**	**-**	**45**	**-**	**45**
Disposals and transfers	**(2)**	**-**	**(2)**	**-**	**(2)**
Closing accumulated amortisation	**275**	**1**	**276**	**5**	**281**
Net carrying amount as at March 31, 2021	**89**	**-**	**89**	**14**	**103**

Notes:

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

(₹ in crore)

Particulars		As at March 31, 2021	As at March 31, 2020
16	**Other non-financial asset**		
	(Considered good unless otherwise stated)		
	Capital advances	**300**	302
	Advance to vendors		
	- Considered good	**128**	128
	- Considered doubtful	**10**	9
	Less: provision for doubtful advances	**(10)**	(9)
	Prepaid expenses	**71**	71
	Balance with VAT, Service tax and GST authorities	**197**	272
	Repossessed assets held for sale	**6**	4
	Less : Provision for impairment	**(3)**	(2)
	Total	**699**	775
17	**Trade payable**		
	- Total outstanding dues of micro enterprises and small enterprises (Refer table below)	**1**	1
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	**1 760**	1 645
	Total	**1 761**	1 646

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:

Particulars	As at March 31, 2021	As at March 31, 2020
Outstanding principal amount and interest due to suppliers registered under MSMED Act and remaining unpaid at the year end:		
- Principal amount	**1**	1
- Interest due thereon	**-**	-
Interest paid other than under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the year.	**-**	-
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.	**-**	-
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.	**-**	-

		As at March 31, 2021	As at March 31, 2020
18	**Other payable**		
	- Total outstanding dues of micro enterprises and small enterprises	**-**	-
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	**620**	759
	Total	**620**	759

Notes to the Consolidated Financial Statement for the year ended March 31, 2021

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
19 Debt securities		
Debentures and bonds		
- Secured	**16 102**	16 031
- Unsecured	**1 317**	1 331
At fair value through profit and loss		
- Debentures (secured)	**712**	719
Total	**18 131**	18 081
Debt securities in India	**18 131**	18 081
Debt securities outside India	**-**	-
Total	**18 131**	18 081

Security clause in respect to debentures

a) The Secured Non-Convertible Debentures aggregating to ₹ 14 855 crore (Previous year: ₹ 14 855 crore) are secured by way of first pari-passu mortgage and 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 has fallen below hundred percent of the outstanding debentures and the Parent Company has taken adequate steps as explained in Note No. 48 (a).

b) The Rated, Listed, Secured, Redeemable, Non-Convertible Debentures ("Secured NCDs") aggregating to ₹ 1 821 crore (Previous year: ₹ 1 812 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 Secured Non-Convertible Debentures (Market Linked Debenture) of the Reliance Securities Limited (RSL) aggregating to ₹ 76 crore (Previous year: ₹ 62 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 and a first charge on present and future non-current assets and current assets 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 Secured Non-Convertible Market Linked Debentures (MLD) of ₹ 64 crore (Previous year: ₹ 101 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 all present and future book debts / business receivables of RFL 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 ₹ 1 317 crore (Previous year: ₹ 1 331 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 .

a) With respect to Non-Convertible Debentures of Parent Company aggregating to ₹ 16 260 crore as at March 31, 2021. the Trustee has issued notices stating that all monies due in respect of Non-Convertible Debenture are recalled and due and payable forthwith.

Maturity profile and rate of interest of Non-Convertible Debentures on the basis of original scheduled maturity payment dates are set out below:

(₹ in crore)

Rate of Interest	Overdue	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%	370	-	-	-	-	-	-	-	-	370
8.28%	215	-	-	-	-	-	-	-	-	215
8.32%	400	-	-	-	-	-	-	-	-	400
8.42%	-	14	-	-	-	-	-	-	-	14
8.47%	-	25	-	-	-	-	-	-	-	25
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%	-	-	-	293	-	-	-	-	-	293

Notes to the Consolidated Financial Statement for the year ended March 31, 2021

(₹ in crore)

Rate of Interest	Overdue	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	Total
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
9.10%	-	15	15	15	15	-	-	-	-	60
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%	-	-	-	-	225	-	-	-	-	225
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	-	1 045	-	-	-	-	1 055
10.15%	-	-	-	-	-	8	-	-	-	8
10.19%	-	-	-	155	-	-	-	-	-	155
10.20%	-	-	57	-	-	-	-	-	-	57
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%	-	342	-	-	-	-	-	-	-	342
12.78%	-	-	394	-	-	-	-	-	-	394
12.98%	-	-	-	-	-	-	-	500	-	500
13.25%	-	-	-	500	-	-	-	-	-	500
14.00%	23	-	-	-	-	-	-	-	-	23
MLD	353	113	150	59	8	-	228	-	17	928
Total	**2 752**	**2 062**	**2 983**	**2 739**	**1 407**	**8**	**3 228**	**2 935**	**17**	**18 131**

\# Zero coupon deep discount non convertible debentures.

(₹ in crore)

Particulars		As at March 31, 2021	As at March 31, 2020
20	**Borrowings (other than Debt securities)**		
	At amortised cost		
	Loan from banks and financial institution (secured)	**5 901**	5 899
	Cash credit (secured)	**1 205**	1 205
	Overdraft from banks (secured)	**-**	4
	Inter corporate deposits (secured)	**73**	73
	Inter corporate deposits (unsecured)	**861**	855
	Commercial Paper (unsecured)	**554**	630
	Total	**8 594**	8 666
	Borrowings in India	**8 594**	8 666
	Borrowings outside India	**-**	-
	Total	**8 594**	8 666

Notes to the Consolidated Financial Statement for the year ended March 31, 2021

Maturity profile of borrowing are as set out below:

As at March 31, 2021

(₹ in crore)

Nature	Over due	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Loan from banks and financial institution	4 503	860	288	137	113	-	5 901
Cash Credit	1 205	-	-	-	-	-	1 205

Securities for borrowings from banks:

a) The term loans from banks and financial institution aggregating to ₹ 624 crore (Previous year: ₹ 624 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 and its subsidiary.

b) The term loans from banks and financial institution of the subsidiary Reliance Commercial Finance Limited aggregating to ₹ 4 289 crore (Previous year: ₹ 4 288 crore) are secured by way of a first pari-passu charge on all present and future book debts, business receivables, current assets, investments and all other assets except for the charges created in favour of National Bank for Agriculture and Rural Development (NABARD) as given below.

The term loan aggregating to ₹ 988 crore (Previous year: ₹ 988 crore) availed from NABARD, is secured by way of first charge on book debts and receviables of RCFL to th extent of ₹ 1 160 crore (Previous year: 1 160 crore).

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

d) The bank overdraft facilities aggregating to ₹ Nil (Previous year: ₹ 4 crore) is secured against fixed deposit of ₹ Nil (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: ₹ 73 crore) are secured by 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, 2021	As at March 31, 2020
21 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.

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
22 Subordinated liabilities		
Debentures (Unsecured Market Linked Debentures)	**81**	81
Preference shares other than those qualified as Equity	**77**	77
Total	**158**	158
In India	**158**	158
Outside India	**-**	-

Notes to the Consolidated Financial Statement for the year ended March 31, 2021

(₹ in crore)

Particulars		As at March 31, 2021	As at March 31, 2020
23	**Other financial liabilities**		
	Interest accrued on borrowings	**4 239**	2 540
	Other payables	**788**	708
	Lease liabilities	**73**	17
	Unclaimed dividend	**16**	18
	Book overdraft	**410**	91
	Security deposit Lease	**73**	17
	Unclaimed amount of policy holders (including interest on unclaimed amount)	**280**	288
	Insurance contract liabilities	**37 452**	30 909
	Investments contract liabilities	**482**	448
	Undistributed participating policy holders surplus	**390**	37
	Claim outstanding	**94**	208
	Total	**44 296**	35 281
24	**Provisions**		
	Employee benefits	**83**	63
	Provision for financial guarantee obligations #	**337**	243
	Other reserves and provisions	**38**	67
	Total	**458**	373

 # Summary of ECL on Financial Guarantee Obligation by stage distribution

Particulars	Stage 1	Stage 2	Stage 3	Total
March 31, 2021	**323**	**-**	**14**	**337**
March 31, 2020	217	-	26	243

		As at March 31, 2021	As at March 31, 2020
25	**Other non-financial liabilities**		
	Income and other amounts received in advance	**747**	682
	Provision for expenses	**77**	61
	Advance receipts from customers	**8**	52
	Payable for employee benefits	**3**	10
	Unallocated Premium	**632**	502
	Statutory dues	**137**	101
	Others	**31**	28
	Total	**1 635**	1 436

	Particulars	As at March 31 2021		As at March 31 2020	
		Number	**₹**	Number	₹
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 (previous year 13 44 206) equity shares of ₹ 10 each	**13 44 206**	**1**	13 44 206	1
	Total		**253**		253

Notes to the Consolidated Financial Statement for the year ended March 31, 2021

a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year.

Particulars	As at March 31 2021		As at March 31 2020	
	Number	**₹ in crore**	Number	₹ in crore
Outstanding at the beginning of the year	**25 27 08 902**	**253**	25 27 08 902	253
Stock options exercised under the ESOS	**-**	**-**	-	-
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 Parent 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 ensuing 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 no. 41.

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

Particulars	As at March 31 2021		As at March 31 2020	
	Number	**%**	Number	%
Housing Development Finance Corporation Limited	**1 62 45 000**	**6.43**	1 62 45 000	6.43
Axis Securities Limited	**-**	**-**	3 55 62 396	14.07

e) As on March 31, 2021, 10 98 393 equity shares (Previous year: 10 98 393 equity shares) are held by custodian against which depository receipts have been issued.

(₹ in crore)

		Particulars	As at March 31, 2021	As at March 31, 2020
27		**Other equity**		
	a)	**Capital reserve**	**99**	99
	b)	**Capital redemption reserve**	**9**	9
	c)	**Debenture redemption reserve**		
		Opening balance	**21**	230
		Add: Amount transferred from Statement of Profit and loss	**-**	2
		Less : Effect of ceased subsidiary	**-**	(211)
		Closing balance	**21**	21
	d)	**Securities premium**	**3 421**	3 421
	e)	**General reserve**	**5 497**	5 497
	f)	**Special reserve**		
		Opening balance	**-**	69
		Less : Effect of ceased subsidiary	**-**	(69)
		Closing balance	**-**	-
	g)	**Statutory reserve fund**		
		Opening balance	**1 987**	1 986
		Add: Amount transferred from Statement of Profit and loss	**-**	1
		Closing balance	**1 987**	1 987
	h)	**Retained Earnings**		
		Opening balance	**(13 567)**	(12 348)
		Add: Additions transferred from Statement of Profit and loss	**(9 404)**	(1 075)
		Less: Transfer to statutory reserve fund	**-**	(1)
		Less: Transfer to debenture reserve fund	**-**	(2)
		Add/(Less) : Changes during the year	**234**	(141)
		Closing balance	**(22 737)**	(13 567)

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
i)	**Treasury shares**	**2**	2
j)	**Rcap ESOP trust reserve**		
	Opening balance	**10**	13
	Add: Additions/(transfers) during the year	**(3)**	(3)
	Closing balance	**7**	10
k)	**Other Comprehensive Income**		
	Opening balance	**(25)**	(180)
	Add: Additions/(transfers) during the year	**(72)**	155
	Closing balance	**(97)**	(25)
	Total		
		(11 791)	(2 547)

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 Group.

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 ₹ Nil (Previous year: ₹ 2 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 through the 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 (RBI) guidelines for NBFC Companies. The Group is yet to obtain RBI's approval to release statutory reserve fund to retained earnings. Created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934.

g) ESOP trust reserve and Treasury shares

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

h) 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.

Notes to the Consolidated Financial Statement for the year ended March 31, 2021

(₹ in crore)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
28	**Interest income**		
	On financial assets measured at amortised costs:		
	Loans	**903**	3 107
	Investments	**2 147**	2 002
	Fixed deposits and others	**26**	88
	Total	**3 076**	5 197
29	**Dividend income**		
	Investments	**72**	153
	Total	**72**	153
30	**Fees and commission income**		
	Processing fees	**2**	12
	Brokerage, commission and fees	**735**	753
	Total	**737**	765
31	**Net gain on fair value changes**		
	Realised	**470**	-
	Unrealised	**1 571**	-
	Total	**2 041**	-
32	**Other operating income**		
	Profit on trading of shares and securities (net)	**240**	162
	Sale of gold	**-**	40
	Rent	**8**	10
	Bad Debts recovered	**6**	71
	Other	**-**	2
	Total	**254**	285
33	**Other income**		
	Management fees	**2**	4
	Sundry credit balance written back	**22**	3
	Miscellaneous income	**34**	29
	Total	**58**	36
34	**Finance cost**		
	On financial liabilities measured at amortised cost:		
	Inter corporate deposits	**82**	363
	Bank overdrafts	**-**	32
	Bank loans and financial institutions	**766**	1 071
	Debentures	**1 712**	2 183
	Preference shares	**-**	6
	Discount on commercial papers	**61**	79
	Amortised brokerage	**101**	36
	Others	**3**	169
	On financial liabilities measured at FVTPL:		
	Debentures	**16**	30
	Total	**2 741**	3 969
35	**Fees and commission expense**		
	Commission expenses	**600**	565
	Other fees	**16**	20
	Total	**616**	585

Notes to the Consolidated Financial Statement for the year ended March 31, 2021

(₹ in crore)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
36	**Net loss on fair value changes**		
	Realised	-	(868)
	Unrealised	-	2 892
	Total	-	2 024
37	**Impairment on financial instruments**		
	On financial instruments measured at amortised cost:		
	Loans	**6 544**	4 371
	Investments	**2**	50
	Others	**138**	89
	Total	**6 684**	4 510
38	**Employee benefits expenses**		
	Salaries and wages	**1 274**	1 389
	Contribution to provident and other funds	**61**	69
	Share based payments to employees	**11**	9
	Staff welfare expenses	**13**	24
	Others	**13**	16
	Total	**1 372**	1 507
39	**Other expenses**		
	Changes in reserve for unexpired risk (net)	**544**	(145)
	Bank charges	**27**	25
	Rent	**69**	110
	Rates and taxes	**15**	55
	Repairs and maintenance	**93**	126
	Electricity	**10**	11
	Insurance	**3**	3
	Cost of raw material consumed	-	40
	Travelling and conveyance	**14**	50
	Communication costs	**23**	26
	Legal and professional fees	**88**	169
	Auditors' remuneration	**2**	3
	Sales and marketing expenses	**1 011**	795
	Directors' sitting fees	**1**	2
	Loss on sale of property, plant and equipments/repossessed assets (net)	**1**	7
	Corporate social responsibility	**6**	3
	Coinsurance expenses (net)	**3**	2
	Loss / (profit) attributable to participating policyholders of life insurance business	**353**	(391)
	Miscellaneous expenses	**314**	405
	Total	**2 577**	1 296
	Breakup of Auditors' remuneration		
	Audit fees	**1**	2
	Certification charges and other reimbursement	**1**	1
	Total	**2**	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 ₹ 6 crore (Previous year ₹ 3 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 nonprofit centres engaged in the provision of health care and education for the purpose other than construction / acquisition of asset. However, during the year 2020-21, the Parent Company was required to spend an amount of ₹ Nil (Previous year ₹ 4 crore) on CSR activities.

The Parent Company in financial year 2014-15 has committed to contribute by way of corpus donation an amount of ₹ 150 crore over a period of 7 financial year, to the Hospital Project towards Parent Company's CSR initiative in the area of Health Care. Further, The Parent Company extended an interest free loan towards CSR. Any short fall in the CSR spent is to be fully appropriated from the said interest free loan. The unspent CSR amount is ₹ 3.76 crore for the financial year 2019-20 is to be accordingly dealt with. Further , the Parent Company is restrained by various judicial orders from incurring expenses other than in the ordinary course of business.

41 Employee share based payments

a) Employee stock option scheme (equity settled)

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 Company upon payment of the exercise price during the exercise period.

Details of scheme of Employee Stock Option Plans are as under :

	ESOS 2015
Date of Grant	October 15, 2015
Price of Underlying Stock	396
Exercise Price	396

* In terms of the provisions of the ESOS, exercise price of ₹ 396 has been adjusted to ₹ 296, on account of corporate action for demerger of Real Estate Lending Business of the Company, in line with the difference in the volume weighted average price of the Equity Shares of the 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	**2020-21**		2019-20	
	Average exercise prices	**Number of option**	Average exercise prices	Number of option
Outstanding at the beginning of the year	**296**	**1 14 378**	296	2 11 590
Granted during the year	**-**	**-**	-	-
Exercised during the year	**-**	**-**	-	-
Forfeited / Lapsed / Expired during the year	**-**	**41 408**	-	97 212
Outstanding at the end of the year	**296**	**72 970**	296	1 14 378
Vested and exercisable	**296**	**72 970**	296	87 268

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2021 was ₹ 296 (Previous year: ₹ 296).

Notes to the Consolidated Financial Statement for the year ended March 31, 2021

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, 2021	Outstanding as at March 31, 2020
October 15, 2015	October 15, 2023	296	**72 970**	1 14 378
Total			**72 970**	1 14 378

b) 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.

Details of ESOS 2017:

Grant date	July 27, 2017	February 8, 2018	March 28, 2018	October 5, 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)

Particulars	No. of stock options as at March 31, 2021				
Outstanding at the beginning of the year	-	-	-	**14 80 290**	**8 200**
Granted during the year	-	-	-	-	-
Exercised during the year	-	-	-	-	-
Forfeited/Lapsed/Expired during the year	-	-	-	**5 33 280**	-
Outstanding at the end of the year	-	-	-	**9 47 010**	**8 200**
Vested and exercisable				**3 78 804**	**3 280**

Particulars	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, 2021	Outstanding as at March 31, 2020
October 05, 2018	October 05, 2022	270	**9 47 010**	14 80 290
February 13, 2019	February 13, 2023	137	**8 200**	8 200
Total			**9 55 210**	14 88 490

c) **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 Leases

As a lessor

Details of Future Minimum Lease Receivables are as under :

(₹ in crore)

Particulars	2020-21	2019-20
Not later than one year	**0.4**	2
Later than one year and not later than five years	**-**	0.4
later than five years	**-**	-

As a lessee

Changes in carrying value of right of use assets for the year ended March 31, 2021 :

(₹ in crore)

Particulars	2020-21	2019-20
Opening Balance	**14**	9
Additions	**70**	10
Interest expense	**-**	-
Depreciation charge during the year	**(15)**	(5)
Closing Balance	**69**	14

Interest Expense on lease liability and movement in lease liabilities for the year ended March 31, 2021

(₹ in crore)

Particulars	2020-21	2019-20
Opening Balance	**14**	9
Additions	**68**	10
Interest expense	**4**	1
Payment of lease liabilities	**(14)**	(6)
Closing Balance	**72**	14

Maturity Analysis of Lease Liabilities as on March 31, 2021

(₹ in crore)

Particulars	2020-21	2019-20
Not later than one month	**8**	7
Later than one year and not later than five years	**45**	8
Later than five year	**18**	-

Total Cash outflow on account of lease liabilities for the year ended March 31, 2021 amounts to ₹ 8 crore

Expense pertaining to short term leases (i.e having lease year of less than 12 months) amounts to ₹ 21 crore

43 Basic and diluted earnings per share

The computation of earnings per share is set out below:

Particulars	2020-21	2019-20
a) Net loss after tax (₹ in crore)	**(9 287)**	(1 199)
b) Weighted average number of equity shares (Nos.)	**25 11 08 902**	25 11 08 902
c) Basic earnings per share of face value ₹ 10 each (₹) (a / b)	**(369.82)**	(47.79)
d) Diluted earnings per share of face value ₹ 10 each (₹) (a / b)	**(369.82)**	(47.79)

44 Income tax

a) The components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:

(₹ in crore)

Particulars	2020-21	2019-20
Current tax	**61**	56
Adjustment in respect of current income tax of prior years	**-**	-
Deferred tax	**112**	(80)
Total	**173**	(24)

b) Reconciliation of the total tax charge

(₹ in crore)

Particulars	2020-21	2019-20
Profit/(Loss) before tax to taxable profit or loss	**(9 114)**	(1 223)
Income tax on above	**(2 737)**	(71)
Effect of expenses that are not deductible in determining taxable profit	**2 707**	(1 723)
Tax losses on which no deferred tax has been recognised	**296**	1 752
Effect of expenses that are deductible in determining taxable profit	**(125)**	(59)
Effect of incomes which are exempt from tax	**(60)**	2
Other adjustments	**92**	76
Taxable (loss) / Profit	**173**	(24)

Note: As a matter of prudence the Group has not to recognised deferred tax assets (net)

c) Tax Losses and Credits

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Unutilised brought forward losses on which no deferred tax asset has been recognised*	**12 738**	7 251
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 lastest income tax returns filed with the Income Tax authorities.

45 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	As at March 31, 2021	As at March 31, 2020
Contingent liabilities		
I) Guarantees to Banks and Financial Institutions	**3 095**	3 453
ii) Claims against the Group not acknowledge as debt	**4**	283
iii) Dividend on Preference Shares	**-**	20
iv) Others	**863**	526
Commitments		
i) Estimated amount of contracts remaining executed on capital account (net of advances)	**87**	84
ii) Commitments made and outstanding for investments	**5**	7

Notes to the Consolidated Financial Statement for the year ended March 31, 2021

Share of Company in contingent liabilities and capital commitments of an associate are as follow:

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Contingent liabilities		
i) Guarantees to Banks and Financial Institutions	**0.12**	40
ii) Claims against the associates not acknowledge as debt	**5**	5
Commitments		
i) Estimated amount of contracts remaining executed on capital account (net of advances)	**4**	8
ii) Undrawn Committed Credit lines	**119**	347

46 Additional reconciliation required under Ind AS 104 'Insurance Contract'

A Related to General Insurance Business

Reinsurance assets

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Recoverable at the beginning of the year	**4 427**	3 070
Recoveries for the year		
Outstanding claims reserve	**17**	148
IBNR	**861**	956
Unearned premium	**153**	253
Premium deficiency reserve	**-**	-
Others (to be specified)	**-**	-
Recoverable at the end of the year	**5 458**	4 427

Insurance contract liabilities

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Gross Liability at the beginning of the year	**12 217**	9 961
Add/(Less)		
Change in outstanding claims reserve	**40**	324
Change in IBNR	**2 031**	1 826
Change in unearned premium	**698**	108
Unwinding of the discount / Interest credited	**-**	-
Change in provision for premium deficiency	**(0.22)**	(1)
Others (to be specified)	**-**	-
Gross liabilities at the end of the year	**14 986**	12 217

B Related to Life Insurance Business

Investment Contract Liabilities

(₹ in crore)

Particulars	As at March 31, 2021				As at March 31, 2020			
	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
At the beginning of the year	**92**	**357**	**-**	**448**	113	568	-	681
Additions								
Premium	**1**	**61**	**-**	**62**	2	24	-	26
Interest and bonus credited to policy holders	**4**	**101**	**-**	**105**	7	(26)	-	(19)
Others - Unrealised gain & loss	**(1)**	**-**	**-**	**(1)**	1	-	-	1
Deductions								
Withdrawals / Claims	**22**	**105**	**-**	**127**	30	203	-	233
Fee Income and Other Expenses	**1**	**5**	**-**	**6**	1	6	-	8
Others	**-**	**-**	**-**	**-**	-	-	-	-
At the end of the year	**73**	**409**	**-**	**482**	92	357	-	448

Insurance contracts liabilities

2020-21

(₹ 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)	387	-	5 173	5 560	28	4 074	9 067	13 169	18 729
Methodology/ Modelling Change	-	-	-	-	(1)	-	(2)	(3)	(3)
Expected Change in existing business liabilities	-		-	-	-	-	-	-	-
Premium	23	-	936	959	(1)	661	1 976	2 636	3 595
Insurance Liabilities released	-		-	-	-	-	-	-	-
On completion of the insurance contracts	(10)	-	(214)	(224)	-	(157)	(176)	(333)	(557)
On surrender of the insurance contracts	(21)	-	(86)	(107)	1	(416)	(232)	(647)	(754)
On lapsation of the insurance contracts	(32)	-	(6)	(38)	-	47	(98)	(51)	(89)
Others	(2)	-	(556)	(558)	-	(80)	(332)	(412)	(970)
Unwinding of discount rate	-	-	315	315	-	1 338	494	1 832	2 147
Release of zeroisation/surrender value floor	(3)	-	(18)	(21)	(2)	(88)	(83)	(173)	(194)
Impact due to assumption changes	-		-	-	-	-	-	-	-
Economic assumptions	-	-	-	-	-	-	-	-	-
Operating assumptions	-	-	95	95	-	-	(19)	(19)	76
Variance between actual and expected experience	-		-	-	-	-	-	-	-
Economic assumptions	-	-	-	-	-	-	-	-	-
Operating assumptions	-	-	-	-	-	-	-	-	-
Change in Undistributed Participating Policyholders surplus	-		-	-	-	-	-	-	-
Opening Balance	-	-	323	323	-	-	-	-	323
Amount utilised during the year	-	-	(239)	(239)	-	-	-	-	(239)
Amount Credited during the year	-	-	283	283	-	-	-	-	283
Closing Balance	-	-	366	366	-	-	-	-	366
Provisions in respect of new business	3	-	14	17	-	593	176	769	786
Other Movements	-		-	-	-	-	-	-	-
Change in any global reserves	25	-	9	34	(27)	3	73	49	83
Change in benefit on account of bonus changes	-	-	-	-	-	-	-	-	-
Change due to policy alterations	-	-	-	-	-	-	-	-	-
Others	11	-	170	181	-	(252)	11	(241)	(60)
Gross Liability at the end of the year	381	-	5 874	6 255	1	5 723	10 853	16 577	22 832
Reinsurance Asset at the end of the year	-	-	-	-	-	-	-	-	-
Net Liability	**381**	**-**	**5 874**	**6 255**	**1**	**5 723**	**10 853**	**16 577**	**22 832**

Notes to the Consolidated Financial Statement for the year ended March 31, 2021

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	13 019	18 525
Methodology/ Modeling Change	8	-	1	9	-	-	(5)	(5)	4
Expected Change in existing business liabilities	-	-	-	-	-	-	-	-	-
Premium	25	-	991	1 016	-	547	1 821	2 368	3 384
Insurance Liabilities released	-	-	-	-	-	-	-	-	-
On completion of the insurance contracts	-	-	(99)	(99)	-	(538)	(3)	(541)	(640)
On surrender of the insurance contracts	(31)	-	(88)	(119)	-	(698)	(182)	(880)	(999)
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	3
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	18	-	440	178	618	636
Other Movements	-	-	-	-	-	-	-	-	-
Change in any global reserves	(6)	-	7	1	2	(5)	59	56	57
Change in benefit on account of bonus changes	-	-	-	-	-	-	-	-	-
Change due to policy alterations	-	-	-	-	-	-	-	-	-
Others	(4)	-	(175)	(179)	-	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**

47 Going Concern

(a) The Parent Company has defaulted in repayment of obligation to the Lenders and Debenture holders against which various lenders have filed litigations and the Parent Company has incurred losses during the current year as well as previous 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 in cognizance with Debenture Trustee (Vistra) & Debenture holders. Committee of Debenture holders have sought Expression of Interest for submission of Asset Monetization Plans for certain subsidiaries/investments of the Parent Company. The invitation for this Expression of Interest has been issued on October 31, 2020 and accordingly the financial statements of the Parent Company have been prepared on a "Going Concern" basis.

Notes to the Consolidated Financial Statement for the year ended March 31, 2021

(b) The Group's subsidiary Reliance Commercial Finance Limited (RCFL) has incurred losses amounting to ₹ 2 663 crore (March 31, 2020 ₹ 1 443 crore) it has accumulated losses of ₹ 5 998 crore (March 31, 2020 ₹ 3 335 crore). Pursuant to Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019 vide RBI circular dated September 7, 2019, the RCFL has entered into an Inter-Creditor Agreement (ICA) on July 6, 2019 for the resolution of its debts. The timeline of 180 days given in the Circular were expired on January 3, 2020. In the Lender's meeting all lenders had agreed to further extend the ICA period till June 30, 2021. The RCFL is confident of implementing its Resolution Plan within the said extended period. In view of the steps taken by RCFL as mentioned above, the accounts of RCFL have been prepared on "Going Concern" basis.

(c) The Group's associate Reliance Home Finance Limited (RHFL) engaged with all its lenders for arriving at the debt resolution plan. In this regard, the lenders have entered into an Inter-Creditor Agreement (ICA) in accordance with the circular dated September 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 lead bank and lenders had appointed the resolution advisors, cashflow monitoring agency, forensic auditor, valuers and legal counsel. Bank of Baroda as the lead lender and on behalf of the ICA lenders has as a part of the debt resolution process invited Expression of Interest (EOI) and bids from interested bidders vide newspaper advertisement dated July 19, 2020 and through the Lead Bank's website. The resolution process is in final stages with lenders having received the final plans from interested investors. RHFL is confident that the lenders will finalize the resolution plan which will be implemented. In view of the resolution process being in the final stages, the accounts of RHFL have been prepared on a Going Concern Basis.

(d) The Group's subsidiary Reliance Capital Pension Fund Limited during FY 2019-20, had gone for voluntary withdrawal of the certificate of registration granted by the Pension Fund Regulatory and Development Authority (PFRDA) vide dated June 04, 2019. The PFRDA vide letter dated July 31, 2019 and November 15, 2019 approved the deregistration. Hence on account of this, the books of account have not been prepared on basis of going concern basis. The assets and liabilities are accounted for at their realisable value..

(e) The Group's subsidiary Reliance Money Precious Metals Private Limited (RMPML), the accumulated losses as at March 31, 2021 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, 2021 exceed paid up capital resulting in an erosion of its capital. However having regards to financial support from its fellow subsidiary for its working capital requirement, the financial statements have been prepared on 'Going Concern' basis and that no adjustment are required to the carrying value of assets and liabilities.

(g) The Group's subsidiary Reliance Wealth Management Limited (RWML) during the year has incurred net losses before tax of ₹ 0.06 crore and net profit after tax ₹ 0.23 crore. Entire net worth has been eroded due to losses. RWML's ability to meet its obligations is significantly dependent on material uncertain events including retaining and growing its current Portfolio of PMS business and distribution of Mutual fund business. RWML is confident that such cash flows would enable it to service its debt and discharge its liabilities, Also RWML got confirmation from one of fellow subsidiary for continuous support for its working capital requirement for next one year. Accordingly, the financial statement of RWML has been prepared on a going concern basis.

(h) The Group's subsidiary companies of Quant Capital Private Limited (QCPL), i.e. Quant Securities Private Limited and Quant Investment Services Private Limited, Company's are having negative networth. Quant Broking Private Limited (QBPL) has incurred losses in last two financial years and has discontinued its broking business. However, the financial statements have been prepared on going concern basis as the management is venturing for new business opportunities and the Company has postive networth.

From the above, the Group is in the process of meeting all its obligations through time bound monetization of its assets, and accordingly the financial statements of the Group have been prepared on a "Going Concern" basis.

48 a) One of the previous auditor of the Parent Company and its subsidiary namely Reliance Commercial Finance Limited and associate company Reliance Home Finance Limited, after resigning from the office in September 2019 submitted a report under Section 143(12) of the Companies Act, 2013 with the Ministry of Corporate Affairs for matters relating to FY 2018-19. The Company has examined the matter and 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 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 guaranteed by the Parent 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 Parent Company that the shares are being held by the Trustee in the capacity as Trustee and the shares have not been transferred. The said order was challenged in Securities Appellate Tribunal, Mumbai (SAT) and SAT vide its Order dated February 27, 2020 also confirmed that the Trustee is also holding shares as Trustee / custodian and will not exercise any control over RGIC and cannot exercise any voting rights on shares of RGIC. Accordingly, RGIC continues to be a wholly owned subsidiary of the Parent Company.

c) The Parent Company had pledged 3.35% comprising of 2 04 97 423 equity shares of Nippon Life India Asset Management Limited (NLIAML) in favour of IndusInd Bank Limited (IBL). 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 who upon hearing the Interim Applications filed by the Parent's Company. Sole Arbitrator passed an interim order on April 23, 2020 wherein it stated that a status quo (as ordered by Bombay High Court vide Order dated December 11, 2019) will continue and the NLIAML shares, whose pledge was invoked by IndusInd Bank, will remain in a separate demat account, where they are lying currently. Accordingly, the Parent's Company continues to consider its rights on the above referred shares.

d) The Parent Company vide various orders of Court and Debt Recovery Tribunal is restricted to dispose off, alienate, encumber either directly or indirectly or otherwise part with the possession, of any assets except in the ordinary course of business such as payment of salary and statutory dues.

e) The Parent Company had entered in to binding agreement on October 11 2019 with the existing management team of Reliance Securities Limited (RSL) and Reliance Financial Limited (RFL) for buying out the business from Parent Company, subject to regulatory and other customary approvals. These assets also form part of Expression of Interest issued on October 31, 2020. Accordingly, the investment in RSL and RFL are not classified as assets held for sale in accordance with the Ind AS 105 "Non Current Assets held for Sale and Discontinued operations".

49 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, the RCFL's borrowers had undertaken onward lending transactions to companies which are identified as Group Companies by Parent Company in terms of the Core Investment Companies (Reserve Bank) Directions, 2016. These loans are secured and, in few cases, its further guaranteed by the Group Companies.

50 In case of Reliance General Insurance Company Limited (RGICL)

a) Basis used for determining IBNR / IBNER and Valuation of Liabilities as at March 31, 2021

The liability for IBNR and IBNER as at March 31, 2021 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, Frequency - Severity and Expected Ultimate Loss Ratio 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 RGICL'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.

RGICL 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 ₹ 0.20 crore. 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 2021, the Company had collected ₹ 0.19 crore (Previous year ₹ 0.18 crore) towards Environment Relief Fund (ERF) for public liability policies and an amount of ₹ 0.19 crore (Previous year ₹ 0.19 crore) 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 ₹ 0.02 crore (Previous year ₹ 11 000) 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.

f) Reliance Health Insurance Limited (RHIL) had transferred all the Investments and balance lying in cash and bank account to the RGICL on the appointed date, in compliance with the order issued by the Authority via Order no. IRDA/F&A/ORD/SOLP/200/11/2019 dated November 6, 2019. From the appointed date, RGICL has complied with directions issued by the Authority and has administrated funds received from RHIL

51 In case of Reliance Nippon life Insurance Company Limited (Rlife)

Change in liability measurement for investment contracts without discretionary participation features (DPF)

Investment contracts without DPF are not accounted for through the Statement of Profit & loss except fee income, but are accounted for directly through the statement of financial position as an adjustment to the investment contract liability.

The majority of the Company'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', 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.

52 In case of Reliance Securities Limited (RSL)

Reliance Securities Limited (RSL) has been unable to obtain Bank Confirmation for the year ended March 31, 2021 for certain Fixed Deposit Receipts (FDRs) aggregating to ₹ 8 crore from a Scheduled Commercial Bank (Yes Bank), 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 advise / opinion from a reputed law firm confirming that the action of the Bank to adjust "Client Margin" FDRs can be challenged as being illegal and untenable in law. The regulatory provisions from SEBI also support this position. RSL has initiated necessary actions against the Bank for said adjustments for Client Margin FDRs. 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.

53 In case of Quant Capital Private Limited (QCPL) and its subsidiaries

a) 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).

b) 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 fixed assets. The interim relief claimed in Notice of Motion was repossession of the premises and inventory of the fixed assets. 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.

c) 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.

d) 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.

e) 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. However approval being pending from NSE and BSE, accordingly the QSPL has prepared the financial statements applicable as per the MCA notification dated October 11, 2018.

f) 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.

54 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 04, 2010, respectively, for the said transfer by IBFSL to the Company. The aforesaid approval from Government of India and Forward Markets Commission are subject to the following conditions: -

(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 Limited, 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 Limited submitted a petition before the Company Law Board (CLB), New Delhi, in terms of Sections 397, 398, 402 and 403 of the Companies Act, 1956, seeking declaration of the aforesaid transfer of shares as void, injunction and investigation into the affairs of the ICEX and appointment of Administrative Special Officer, Auditor, etc.

Subsequently, the ICEX has submitted its response to the aforesaid petition before the Honourable Company Law Board on February 10, 2012 refuting and denying the purported allegations against it. Subsequently, on February 11, 2014, MMTC has provided an affidavit to CLB stating that they are contemplating withdrawal of the Petition and taking required steps in that directions. The matter is under consideration by the Company Law Board. Any future financial impact on the financial statements is contingent upon the final order by the appropriate authority.

The Company responded to the petition, challenging the maintainability of the petition filed by MMTC Limited before the Hon'ble Company Law Board. Subsequently the Company has submitted its response to the aforesaid petition before the Hon'ble Company Law Board on February 10, 2012 refuting and denying the purported allegations against the exchange. MMTC on January 19, 2016 sold 10% of its stake in Exchange to outside investors at ₹ 10 per share (including premium of ₹ 5 per share). The matter is listed for hearing before NCLT.

55 In case of associate Reliance Home Finance Limited (RHFL)

a) Reliance Home Finance Limited (RHFL) till April 30, 2019 had advanced loans under the 'General Purpose Corporate Loan' product to certain bodies corporate including some of the group companies. All the lending transactions undertaken by 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 RHFL included borrowings by or repayment of financial obligations to some of the group companies. RHFL had discontinued this product and since May 01, 2019 i.e. beginning of last financial year and there have been no fresh disbursements against this product from then. RHFL has discontinued this product since May 1, 2019.

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. The debt resolution process of RHFL under circular dated June 7, 2019 issued by the Reserve Bank of India (RBI) on Prudential Framework for Resolution of Stressed Assets is in final stages. RHFL post finalization and implementation of the final debt resolution plan, will increase the housing loan portfolio and is confident of the achieving the same in due course.

56 Segment Reporting

The Group is organised into following reportable segments referred to in Ind AS 108 ' Operating Segment'

(₹ in crore)

Particulars	Year	Finance & Investments	General Insurance	Life Insurance	Commercial Finance	Home Finance	Others	Elimination	Total
Revenue									
External	**2020-21**	**17**	**10 229**	**8 366**	**535**	**-**	**161**	**-**	**19 308**
	2019-20	1 244	9 035	5 749	828	1 322	181		18 359
Internal	**2020-21**	**146**	**21**	**1**			**50**	**(218)**	**-**
	2019-20	238	22	6	-	-	28	(294)	-
Total Revenue	**2020-21**	**163**	**10 250**	**8 367**	**535**	**-**	**211**	**(218)**	**19 308**
	2019-20	1 482	9 057	5 755	828	1 322	209	(294)	18 359
Results									
Segment Results - Profit / (Loss) before tax	**2020-21**	**(7 120)**	**485**	**302**	**(2 676)**	**-**	**(105)**		**(9 114)**
	2019-20	553	47	(104)	(1 441)	(206)	(72)	-	(1 223)
Unallocated Expenses	**2020-21**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2019-20	-	-	-	-	-	-	-	-
Profit / (Loss) before tax	**2020-21**	**(7 120)**	**485**	**302**	**(2 676)**	**-**	**(105)**	**-**	**(9 114)**
	2019-20	553	47	(104)	(1 441)	(206)	(72)	-	(1 223)
Other Information									
Segment Assets	**2020-21**	**9 758**	**21 226**	**25 833**	**8 240**	**-**	**823**	**(1 002)**	**64 878**
	2019-20	16 963	17 480	21 371	10 989	-	756	(2 782)	64 777
Unallocated Assets	**2020-21**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2019-20	-	-	-	-	-	-	-	-
Total Assets	**2020-21**	**9 758**	**21 226**	**25 833**	**8 240**	**-**	**823**	**(1 002)**	**64 878**
	2019-20	16 963	17 480	21 371	10 989	-	756	(2 782)	64 777
Segment Liabilities	**2020-21**	**22 895**	**18 997**	**24 362**	**11 941**	**-**	**762**	**(3 278)**	**75 679**
	2019-20	21 085	15 516	20 200	12 024	-	581	(2 956)	66 450
Unallocated Liabilities	**2020-21**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2019-20	-	-	-	-	-	-	-	-
Total Liabilities	**2020-21**	**22 895**	**18 997**	**24 362**	**11 941**	**-**	**762**	**(3 278)**	**75 679**
	2019-20	21 085	15 516	20 200	12 024	-	581	(2 956)	66 450
Capital Expenditure	**2020-21**	**-**	**41**	**90**	**-**	**-**	**3**	**-**	**134**
	2019-20	-	44	36	-	-	1	-	81
Depreciation	**2020-21**	**9**	**35**	**41**	**14**	**-**	**6**	**-**	**105**
	2019-20	35	35	25	17	3	8	-	123
Noncash Expenses other than Depreciation	**2020-21**	**4 704**	**(64)**	**(5)**	**1 983**	**-**	**56**	**-**	**6 674**
	2019-20	3 741	229	1 510	845	377	13	-	6 715

Notes:

(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 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) 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 Statement for the year ended March 31, 2021

57 Related party transactions

A. List of Related Parties and their relationship:

i) Entity having significant influence on the Company

Reliance Innoventures Private Limited

ii) Individual Promoter

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

iii) Associates

Reliance Asset Reconstruction Company Limited (RARCL)

Global Wind Power Limited (GWPL)

Reinplast Advanced Composites Private Limited (RACPL)

Reliance Home Finance Limited (RHFL)

iv) Key management personnel

Mr. Dhananjay Tiwari (Director & Chief Executive Officer)

Mr. Atul Tandon Company Secretary & Compliance Officer

Mr. Aman Gudral (Chief Financial Officer (Appointed w.e.f. June 01, 2020))

Mr. Vaibhav Kabra Chief Financial Officer (Ceased w.e.f. June 01, 2020)

B. Other related parties with whom transactions have taken place during the year:

Enterprise over which individual described in clause A (ii) above has significant influence

Big Animation (India) Private Limited
BSES Kerala Power Limited
BSES Rajdhani Power Limited (BSESRAJDHANI)
BSES Yamuna Power Limited
Chitrangi Power Private Limited
Coastal Andhra Power Limited
DA Toll Road Private Limited
Dassault Reliance Aerospace Limited
Dhursar Solar Power Private Limited
DS Toll Road Limited
GF Toll Road Private Limited
Guruvas Commercials LLP (GCLLP)
HK Toll Road Private Limited
JR Toll Road Private Limited
Mumbai Metro One Private Limited
NK Toll Road Limited
North Karanpura Transmission Company Limited
PS Toll Road Private Limited
Rajasthan Sun Technique Energy Private Limited
Reliance Big Broadcasting Private Limited (RBBPL)
Reliance Big Entertainment Private Limited (RBEPL)
Reliance Communications Limited (RCOM)*
Reliance Communications Infrastructure Limited (RCIL)*
Reliance Cleangen Limited (RCLEANGEN)
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*
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 (UNLIMIT IOT)
Utility Powertech Limited
Vidarbha Industries Power Limited
Zapak Digital Entertainment Private Limited
Zapak Mobile Games Private Limited (ZMGPL)

C. Transactions during the year with related parties:

(₹ in crore)

	Particulars	2020-21			2019-20		
		Associates	**Others (B above)**	**Total**	Associates	Others (B above)	Total
	Investments						
a)	Subscribed / Purchased during the year	**18**	**-**	**18**	-	26	26
b)	Closing Balances	**85**	**114**	**199**	761	250	1 011
	Loans given						
a)	Given during the year	**5**	**-**	**5**	-	469	469
b)	Returned /Adjusted during the year	**(32)**	**(158)**	**(190)**	10	10	20
c)	Assignment of loan	**-**	**-**	**-**	-	-	-
d)	Closing Balances	**(1)**	**(464)**	**(465)**	65	776	841
e)	ECL provision on loan outstanding	**38**	**618**	**656**	1	35	36
f)	Interest accrued on Loans	**-**	**67**	**67**	-	57	57
g)	ECL provision on interest outstanding	**-**	**(67)**	**(67)**	-	3	3
	Loans taken						
a)	Taken during the year	**-**	**-**	**-**	-	174	174
b)	Closing Balances	**-**	**174**	**174**	-	174	174
c)	Interest accrued	**-**	**41**	**41**	-	14	14
	Income						
a)	Interest & Finance Income	**7**	**30**	**37**	7	57	64
b)	Dividend Income	**1**	**-**	**1**	80	-	80
c)	Premium Received	**2**	**59**	**61**	6	57	63
d)	Management Fees	**2**	**-**	**2**	3	-	3
e)	Other operating income	**2**	**-**	**2**	0	-	0.22
f)	Reimbursement of Expenditure	**1**	**-**	**1**	1	1	2
	Expenses						
a)	Finance cost	**-**	**26**	**26**	-	24	24
b)	Employee Benefits expenses	**-**	**4**	**4**	-	-	-
c)	Rent Expense	**-**	**17**	**17**	-	28	28
d)	Brokerage paid during the year	**-**	**-**	**-**	0.02	-	0.02
e)	Reimbursement of Expenditure	**-**	**3**	**3**	0	5	5
f)	ECL provision on loan and interest (net) [*₹ 9 21 957 **₹ 35 90 976]	*****	**493**	**493**	**	32	32
g)	ECL on Guarantee issued	**-**	**(19)**	**(19)**	61	21	82
h)	Fair value changes	**-**	**368**	**368**	134	7	141
	Trade Receivables	**-**	*****	*****	-	1	1
	[*₹ 10 33 334]						
	Advances Receivables	**9**	**-**	**9**	8	-	8
	Trade Payables	*****	**1**	**1**	1	9	10
	[*₹ 16 87 955]	**-**	*****	*****	-	0.31	0.31
	Deposits received						
	[*₹ 4 18 003]						
	ECL provision on corporate guarantees given	**61**	**14**	**75**	61	22	83
	Contingent liability						
	Guarantees to banks and financial institutions on behalf of third parties.	**411**	**408**	**819**	411	658	1 069
	Guarantees from third parties.	**-**	**1 673**	**1 673**	-	1 673	1 673

Notes to the Consolidated Financial Statement for the year ended March 31, 2021

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

i Investments

2020-21

Investments Subscribed / Purchased during the year include ₹ 18 crore of RARCL. Investments closing balance includes ₹ 101 crore in RARCL and ₹ 114 crore RPOWER.

2019-20

Investments Subscribed / Purchased during the year include ₹ 26 crore NLIAML. Investment closing balance includes ₹ 647 crore in RHFL, ₹ 250 crore in RPOWER and ₹ 93 crore in RARCL.

ii) Loans given

2020-21

Loans given during the year includes ₹ 5 crore to RARCL. Loans returned during the year includes ₹ 32 crore from RARCL. Loans given closing balance includes ₹ 447 crore to RBEPL, 84 crore to RINFRA and ₹ 70 crore to RPOWER. ECL provision on loan outtanding closing balance includes ₹ 447 crore for REBPL. Interest accrued on loans closing balance includes ₹ 64 crore for RBEPL. ECL provision on interest accrued on loans closing balance includes ₹ 64 crore for REBPL.

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 as at March 31, 2020 include ₹ 447 crore to RBEPL, ₹ 162 crore RINFRA and ₹ 150 crore RPOWER. ECL provision on loan outstanding includes ₹ 35 crore for RBEPL. Accrued Interest on loans as at March 31, 2020 includes ₹ 35 crore of RBEPL. ECL provision on interest outstanding as at March 31, 2020 includes ₹ 3 crore of RBEPL.

iii) Loans taken

2020-21

Loans taken during the year is nil. Loans outstanding closing balance includes ₹ 174 crore to GCLLP. Accrued Interest on loans closing balanceincludes ₹ 41 crore to GCLLP.

2019-20

Loans taken during the year includes ₹ 174 crore from GCLLP. Loan outstanding Balance as at March 31, 2020 include ₹ 174 crore to GCLLP. Accrued Interest on loans as at March 31, 2020 includes ₹ 14 crore to GCLLP.

iv) Income

2020-21

Interest and Finance Income includes ₹ 29 crore from RBEPL. Dividend income includes ₹ 1 crore from RARCL. Reimbursement of expenses includes ₹ 1 crore from RHFL. Premium Income includes ₹ 33 crore from SASANPOWER. Other operating incomes includes ₹ 2 from RSL.

2019-20

Interest and Finance Income includes ₹ 35 crore from RBEPL, ₹ 9 crore from RPOWER, ₹ 11 crore from RINFRA and ₹ 7 crore from RARCL. Rental income include ₹ 0.09 crore from RCIL. Dividend income includes ₹ 79 crore from NLIAML. Reimbursement of expenses includes ₹ 1 crore from NLIAML and ₹ 1 crore from RHFL. Management fees includes ₹ 3 crore from NLIAML. Premium income received includes ₹ 38 crore from SASANPOWER and ₹ 7 crore from ROSAPOWER. Other operating incomes includes ₹ 0.19 crore from NLIAML and ₹ 0.04 crore from RAIFMCL.

v) Expenses

2020-21

Rent expenses includes ₹ 13 crore to RINFRA and ₹ 4 crore to RSL. Finance cost includes ₹ 26 crore to GCPL. Reimbursement of expenses includes ₹ 1 crore RINFRA. ECL provision on loan and interest (net) includes ₹ 474 of REBPL. ECL reversal on guarantees issued includes ₹ 19 crore for RHFL Fair value changes includes ₹ 262 crore RPOWER and ₹ 106 crore RINFRA. Employee benefit expenses includes ₹ 0.15 crore to Shri Vaibhav Kabra, ₹ 1.5 crore to Shri Atul Tandon, ₹ 1.5 crore to Shri Dhananjay Tiwari and ₹ 0.67 crore to Shri Aman Gudral.

2019-20

Rent expenses includes ₹ 11 crore to RIMPL and ₹ 11 crore to RINFRA. Brokerage expenses includes ₹ 2 28 814 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 on Corporate guarantees issued includes ₹ 64 crore for RHFL, ₹ 14 crore for RBEPL and ₹ 9 crore for RPOWER. Employee benefit expenses includes ₹ 0.50 crore to Shri Vaibhav Kabra, ₹ 1 crore to Shri Atul Tandon, ₹ 4 crore to Shri Amit Bapna and ₹ 1 crore to Shri Jai Anmol Ambani.

vi) Trade Receivables

2020-21

Trade receivables includes ₹ 0.10 crore from RINFRA.

2019-20

Trade receivables includes ₹ 1 crore from UNLIMIT IOT and ₹ 0.32 crore from RAIFMCL.

vii) Advances Receivables

2020-21

Advances receivables includes ₹ 9 crore from RHFL.

2019-20

Advances receivables includes ₹ 8 crore from RHFL.

viii) Trade Payables

2020-21

Trade payables includes ₹ 0.49 crore from RRL, ₹ 0.32 crore from RENERGY and ₹ 0.16 crore from RHFL .

2019-20

Trade payables includes ₹ 4 crore from RCOM and ₹ 4 crore from BSES Rajdhani.

ix) Deposits received

2020-21

Deposit received includes ₹ 0.04 crore from RHFL.

2019-20

Deposit received includes ₹ 0.30 crore from NLIAML.

x) ECL provision on corporate guarantees given

2020-21

ECL on guarantees issued includes ₹ 61 crore for RHFL and ₹ 14 crore for RBEPL.

2019-20

ECL provision on corporate guarantees given includes ₹ 64 crore from RHFL, ₹ 14 crore from RBEPL and ₹ 9 crore from RPOWER.

xi) Contingent Liabilities

2020-21

Guarantees to Banks and Financial Institutions on behalf of third parties includes ₹ 400 crore for RHFL and ₹ 408 crore for RBEPL

Guarantees to from third parties includes ₹ 1 673 crore from RInfra.

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 to from third parties includes ₹ 1 673 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 transactions are occured during the period of existence of related party relationship. The balances and transactions are not disclosed before the existence of related party relationship and after cessation of related party relationship.

*Have been included for previous year transactions.

58 A The Parent Company is prohibited from making any payment to secured or unsecured creditors and to dispose off, alienate, encumber either directly or indirectly or otherwise part with the possession, of any assets except in the ordinary course of business such as payment of salary and statutory dues, vide Orders dated December 3, 2019 and December 5, 2019 passed by the Hon'ble Debts Recovery Tribunal, Orders dated November 20, 2019 and March 15, 2021 passed by the Hon'ble Delhi High Court, and Orders dated November 28, 2019, November 4, 2020, and March 5, 2021 passed by the Hon'ble Bombay High Court. Consequently, the interest and principal amounts in relation to certain lenders including lenders who have issued recall notices have remained unpaid, the details of which are as under:

Name of Lender	Nature of default	Amount of default (₹ in crore)	Period of default (days)	
			From	to
Debentures and bonds				
Debentures and bonds	Principal	16 260	365	548
Debentures and bonds	Interest	3 127	365	548
Loans from Banks and Financial Institutions				
Housing Development Finance Corporation Limited	Principal	524	365	456
Housing Development Finance Corporation Limited	Interest	79	487	487
Axis Bank Limited	Principal	100	493	493
Axis Bank Limited	Interest	13	517	517

Notes to the Consolidated Financial Statement for the year ended March 31, 2021

i Interest amount has been considered till March 31 2021.

ii The Parent Company has also defaulted on repayment of Inter corporated deposits taken from various parties aggregating to ₹ 562 crore and interest ₹ 120 crore for which maximum days of default ranges from 510 days to 567 days.

58 B The subsidiary company Reliance Commercial Finance Limited (RCFL) has defaulted on principal and/or interest to certain lenders, the details of which are as under:

(₹ in crore)

	Term Loans		Cash Credit		NCDs/MLDs		Commercial Papers		ICDs	
Period of default	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
Mar-19	128	-	-	-	-	-	-	-	-	-
Apr-19	30	-	-	-	-	-	-	-	-	-
May-19	33	-	-	-	-	-	-	-	-	-
Jun-19	201	-	-	-	-	-	-	-	-	-
Jul-19	405	-	-	-	-	-	-	-	-	-
Aug-19	18	-	-	-	-	-	-	-	-	-
Sep-19	119	-	270	-	200	-	554	-	-	-
Oct-19	316	-	90	-	-	-	-	-	-	-
Nov-19	118	-	-	-	-	-	-	-	-	-
Dec-19	605	-	-	-	27	-	-	-	-	-
Jan-20	310	-	610	-	-	-	-	-	-	-
Feb-20	348	-	100	-	-	-	-	-	-	-
Mar-20	127	-	135	-	-	-	-	-	347	102
Apr-20	98	-	-	-	-	-	-	-	-	-
May-20	51	-	-	-	-	-	-	-	-	-
Jun-20	157	-	-	-	-	-	-	-	-	-
Jul-20	226	11	-	7	-	-	-	-	-	-
Aug-20	18	39	-	13	-	-	-	-	-	-
Sep-20	119	37	-	12	-	-	-	-	-	-
Oct-20	106	39	-	13	31	77	-	-	-	-
Nov-20	118	37	-	12	-	3	-	-	-	-
Dec-20	179	39	-	13	-	-	-	-	16	4
Jan-21	266	91	-	12	-	3	-	-	-	-
Feb-21	131	35	-	11	-	2	-	-	-	-
Mar-21	127	39	-	12	-	6	-	-	-	122
	4 350	**366**	**1 205**	**105**	**258**	**91**	**554**	**-**	**363**	**228**

59 Interests in other entities

A Subsidiaries

The Group's subsidiaries at March 31, 2021 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 / the Group 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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
			%	%	%	%
Reliance General Insurance Company Limited	General Insurance	India	100	100	-	-
Reliance Nippon Life Insurance Company Limited	Life Insurance	India	51	51	49	49
Reliance Health Insurance Limited*	Health Insurance	India	100	100	-	-

Notes to the Consolidated Financial Statement for the year ended March 31, 2021

Name of the entity	Principal Activities	Place of business / Country of incorporation	Controlling interest held by the group		Non-controlling interest	
			March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
			%	%	%	%
Reliance Commercial Finance Limited	NBFC	India	100	100	-	-
Reliance Financial Limited	NBFC	India	100	100	-	-
Reliance Capital Pension Fund Limited	Pension Fund	India	51	51	49	49
Reliance Money Precious Metals Private Limited	Finance & Investments	India	100	100	-	-
Reliance Securities Limited	Finance & Investments	India	100	100	-	-
Reliance Commodities Limited	Finance & Investments	India	100	100	-	-
Reliance Wealth Management Limited	Finance & Investments	India	100	100	-	-
Reliance Money Solutions Private Limited	Finance & Investments	India	100	100	-	-
Reliance Exchangenext Limited	Finance & Investments	India	100	100	-	-
Reliance Corporate Advisory Services Limited	Finance & Investments	India	100	100	-	-
Quant Capital Private Limited	Finance & Investments	India	74	74	26	26
Quant Broking Private Limited	Finance & Investments	India	74	74	26	26
Quant Securities Private Limited	Finance & Investments	India	74	74	26	26
Quant Investment Services Private Limited	Finance & Investments	India	74	74	26	26
Reliance ARC - SBI Maan Sarovar Trust	Trust	India	90	90	10	10
Gullfoss Enterprises Private Limited*	Others	India	100	100	-	-
Reliance Underwater Systems Private Limited*	Others	India	49**	-	-	-

* The unaudited financial statement for March 31, 2021, 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, 2021	**25 692**	**141**	**24 198**	**164**	**1,471**	**720**
March 31, 2020	21 283	87	20 0086	113	1,171	574
Reliance Capital Pension Fund Limited						
March 31, 2021	**30**	**-**	**0.08**	**1**	**29**	**14**
March 31, 2020	27	0.01	-	1	27	13
Quant Capital Private Limited						
March 31, 2021	**22**	**7**	**22.61**	**-**	**6**	**2**
March 31, 2020	131	-	0.20	-	131	34
Quant Broking Private Limited						
March 31, 2021	**13**	**5**	**9**	**6**	**3**	**1**
March 31, 2020	72	8	9	6	65	17
Quant Securities Private Limited						
March 31, 2021	**4**	**2**	**0.05**	**7**	**(1)**	**(0.28)**
March 31, 2020	4	2	0.05	7	(1)	(0.30)

Notes to the Consolidated Financial Statement for the year ended March 31, 2021

(₹ in crore)

Entities	Financial Assets	Non-financial Assets	Financial Liabilities	Non-financial Liabilities	Net Assets	Accumulated NCI (after elimination)
Quant Investment Services Private Limited						
March 31, 2021	**0.19**	**-**	**2**	**-**	**(1)**	**(0.37)**
March 31, 2020	0.20		1		(1)	(0.33)
Reliance ARC - SBI Maan Sarovar Trust						
March 31, 2021	**5**	**-**	**0.02**	**-**	**5**	**1**
March 31, 2020	9	-	0.23	-	8	1

ii) Summarised statement of profit and loss

(₹ in crore)

Entities	Revenue	Profit / (Loss) for the year	Other Comprehensive Income	Total Comprehensive Income	Profit / (Loss) allocated to NCI	Dividends paid to NCI
Reliance Nippon Life Insurance Company Limited						
March 31, 2021	**8 347**	**302**	**(3)**	**299**	**148**	**-**
March 31, 2020	4 463	(104)	(80)	(184)	(90)	-
Reliance Home Finance Limited						
March 31, 2021	**-**	**-**	**-**	**-**	**-**	**-**
March 31, 2020	1 322	(136)	(0.01)	(136)	(66)	-
Reliance Capital Pension Fund Limited						
March 31, 2021	**3**	**2**	**0.01**	**2**	**1**	**-**
March 31, 2020	0.10	(1.06)	0.02	(1.04)	(0.51)	-
Quant Capital Private Limited						
March 31, 2021	**2**	**(123)**	**-**	**(123)**	**(32)**	**-**
March 31, 2020	1	(12)	-	(12)	(3)	-
Quant Broking Private Limited						
March 31, 2021	**1**	**(62)**	**-**	**(62)**	**(16)**	**-**
March 31, 2020	5	(2)	-	(2)	(1)	-
Quant Securities Private Limited						
March 31, 2021	**0.11**	**0.08**	**-**	**0.08**	**0.02**	**-**
March 31, 2020	0.12	(0.04)	-	(0.04)	(0.01)	-
Quant Investment Services Private Limited						
March 31, 2021	**-**	**(0.14)**	**-**	**(0.14)**	**(0.04)**	
March 31, 2020	-	(0.20)	-	(0.20)	(0.05)	-
Reliance ARC - SBI Maan Sarovar Trust						
March 31, 2021	**-**	**(2.36)**	**-**	**(2.36)**	**(0.24)**	
March 31, 2020	-	(0.02)	-	(0.02)	-	-

iii) Summarised statement of Cash flows

(₹ in crore)

Entities	Cash flow from / (Used) Operating activities	Cash flow from / (Used) Investing activities	Cash flow from / (Used) financing activities	Net Increase/ (decrease) in cash and cash equivalents
Reliance Nippon Life Insurance Company Limited				
March 31, 2021	**828**	**(768)**	**-**	**60**
March 31, 2020	20	(70)	-	(51)
Reliance Capital Pension Fund Limited				
March 31, 2021	**1**	**1**	**-**	**-**
March 31, 2020	(1)	1	-	(0.01)
Quant Capital Private Limited				
March 31, 2021	**12**	**(12)**		**0.12**
March 31, 2020	(4)	4	(0.07)	(0.07)

(₹ in crore)

Entities	Cash flow from / (Used) Operating activities	Cash flow from / (Used) Investing activities	Cash flow from / (Used) financing activities	Net Increase/ (decrease) in cash and cash equivalents
Quant Broking Private Limited				
March 31, 2021	**2**	**(1)**	**(1)**	**0.06**
March 31, 2020	(2)	(7)	8	0.01
Quant Securities Private Limited				
March 31, 2021	**(0.03)**	**0.06**	**-**	**0.03**
March 31, 2020	(0.21)	0.13	-	(0.08)
Quant Investment Services Private Limited				
March 31, 2021	**0.10**	**-**	**(0.10)**	**-**
March 31, 2020	(0.08)	-	0.05	(0.04)
Reliance ARC - SBI Maan Sarovar Trust				
March 31, 2021	**-**	**-**	**-**	**-**
March 31, 2020	-	-	-	-

C Associates

i) Details of carrying value of Associates

(₹ in crore)

Name of the entity	Principal Activities	Place of business / Country of incorporation	% of ownership interest as at		Quoted fair value	Carrying amount
Reliance Home Finance Limited	Home Finance	India	**March 31, 2021**	**48.24**	**56**	**-**
			March 31, 2020	48.24	18	647
Reliance Asset Reconstruction Company Limited	Asset Reconstruction	India	**March 31, 2021**	**49.00**	*****	**101**
			March 31, 2020	49.00	*	93
Ammolite Holdings Limited**		Jersey	**March 31, 2021**	**50.00**	*****	**(16)**
			March 31, 2020	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					
March 31, 2021	**13 328**	**1 570**	**14 778**	**14 951**	(53)
March 31, 2020	14 901	828	14 215	47	1 467
Reliance Asset Reconstruction Company Limited					
March 31, 2021	**364**	**4**	**128**	**33**	**208**
March 31, 2020	355	4	141	26	192

Reconciliation to carrying amounts

(₹ in crore)

Particulars	Reliance Home Finance Limited		Reliance Asset Reconstruction Company Limited	
	March 31, 2021	March 31, 2020	**March 31, 2021**	March 31, 2020
Opening carrying value	**647**	-	**93**	85
Profit / (Loss) for the year	**(733)**	(116)	**8**	8
Other comprehensive income	**0.10**	0.04	**(0.01)**	(0.01)
Carrying cost adjustments	**86**	897	**-**	-
Impairment provision		(134)	**-**	-
Closing carrying value	**-**	647	**101**	93
Group's share in %	**48**	48.24	**49.00**	49.00
Group's share	**-**	647	**101**	93
Includes Goodwill	**32**	32	**-**	-
Carrying value	**-**	647	**101**	93

b) **Summarised statement of profit and loss (Material Associates)**

(₹ in crore)

Entities	Revenue	Profit / (Loss) for the year	Other Comprehensive Income	Total Comprehensive Income	Dividends received
Reliance Home Finance Limited					
March 31, 2021	**840**	**(1 520)**	**0.20**	**(1 520)**	**-**
March 31, 2020	281	(240)	0.08	(240)	-
Reliance Asset Reconstruction Company Limited					
March 31, 2021	**58**	**18**	**(0.02)**	**18**	**1**
March 31, 2020	69	16	(0.03)	16	1

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, 2021	**141**	**56**	**10**	**219**	**(32)**
March 31, 2020	145	140	10	225	49
Global Wind Power Limited					
March 31, 2021	**96**	**134**	**440**	**289**	**(498)**
March 31, 2020	151	108	253	563	(557)

d) **Summarised statement of profit and loss (Immaterial Associates)**

(₹ in crore)

Entities	Revenue	Profit / (Loss) for the year	Other Comprehensive Income	Total Comprehensive Income	Dividends received
Ammolite Holdings Limited					
March 31, 2021	**-**	**(80)**	**-**	**(80)**	**-**
March 31, 2020	-	(0.13)	-	(0.13)	-
Global Wind Power Limited					
March 31, 2021	**70**	**(115)**	**0.16**	**(115)**	**-**
March 31, 2020	72	(135)	-	(135)	-

Notes to the Consolidated Financial Statement for the year ended March 31, 2021

60 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates.

A For the year ended March 31, 2021

(₹ in crore)

Sr No	Name	As % of Consolidated net assets	Net Amount	As % of Consolidated net profit or loss	Profit or loss after tax
A	**Parent**				
1	Reliance Capital Limited	102.26	(11 045)	71.03	(6 597)
B	Subsidiaries				
(i)	**Indian**				
1	Reliance Capital Pension Fund Limited	(0.27)	29	(0.02)	2
2	Reliance General Insurance Company Limited	(20.39)	2 203	(3.43)	319
3	Reliance Commercial Finance Limited	34.26	(3 701)	28.70	(2 665)
4	Reliance Money Precious Metals Private Limited	0.17	(18)	-	(0.01)
5	Reliance Securities Limited	(0.98)	106	(0.14)	13
6	Reliance Commodities Limited	(0.05)	6	0.05	(5)
7	Reliance Financial Limited	(0.97)	105	(0.01)	1
8	Reliance Wealth Management Limited	0.11	(12)	-	0.23
9	Reliance Money Solutions Private Limited	0.57	(62)	-	0.01
10	Reliance Exchangenext Limited	(0.65)	70	0.07	(7)
11	Reliance Corporate Advisory Services Limited	(0.08)	9	4.86	(452)
12	Reliance Nippon Life Insurance Company Limited	(13.62)	1 471	(3.25)	302
13	Reliance Health Insurance Limited	(0.25)	27	0.12	(11)
14	Quant Capital Private Limited	(0.06)	6	1.32	(123)
15	Quant Broking Private Limited	(0.03)	3	0.66	(62)
16	Quant Securities Private Limited	0.01	(1)	-	0.08
17	Quant Investment Services Private Limited	0.01	(1)	-	(0.14)
18	Reliance ARC - SBI Maan Sarovar Trust	(0.05)	5	0.03	(2.36)
19	Gullfoss Enterprises Private Limited	-	(0.03)	-	(0.04)
20	Reliance Underwater Systems Private Limited	-	0.05	-	-
	Total	**100**	**(10 801)**	**100**	**(9 287)**
C	**Minority interest**				
	Reliance Capital Pension Fund Limited		**14**		1
	Reliance Nippon Life Insurance Company Limited		**720**		148
	Reliance ARC - SBI Maan Sarovar Trust		**1**		(0.24)
	Quant Capital Private Limited		**2**		(32)
	Total Minority Interest		**737**		**117**

Notes to the Consolidated Financial Statement for the year ended March 31, 2021

(₹ in crore)

Sr No	Name	As % of Consolidated net assets	Net Amount	As % of Consolidated net profit or loss	Profit or loss after tax
D	**Associates**				
	Indian				
	Reliance Asset Reconstruction Company Limited				9
	Reinplast Advanced Composites Private Limited				-
	Global Wind Power Limited				-
	Reliance Home Finance Limited				(733)
	Foreign				
	Ammolite Holdings Limited				(40)
	Total Associates				(764)

B For the year ended March 31, 2020

(₹ in crore)

Sr No	Name	As % of Consolidated net assets	Net Amount	As % of Consolidated net profit or loss	Profit or 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	(0.47)
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)
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)

(₹ in crore)

Sr No	Name	As % of Consolidated net assets	Net Amount	As % of Consolidated net profit or loss	Profit or loss after tax
21	Reliance Underwater Systems Private Limited	-	0.05	-	(0.01)
22	Reliance Capital Trustee Company Limited	-	-	(0.02)	0.2
	Total	**100**	**(1 673)**	**100**	**(1 199)**
C	**Minority interest**				
	Reliance Capital Pension Fund Limited		**13**		(1)
	Reliance Home Finance Limited		**-**		(70)
	Reliance Nippon Life Insurance Company Limited		**574**		(50)
	Reliance ARC - SBI Maan Sarovar Trust		**1**		-
	Quant Capital Private Limited		**33**		(3)
	Total Minority Interest		**621**		**(124)**
D	**Associates**				
	Indian				
	Reliance Asset Reconstruction Company Limited				8
	Reinplast Advanced Composites Private Limited				-
	Global Wind Power Limited				-
	Reliance Home Finance Limited				(116)
	Nippon Life Asset Management Limited				113
	Foreign				
	Ammolite Holdings Limited				(0.06)
	Total Associates				5

61 The Group has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, respective companies in the Group have reviewed and ensured that adequate provision as required under any law / accounting standards there are no foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

62 Fair value measurement

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.

Notes to the Consolidated Financial Statement for the year ended March 31, 2021

An explanation of each level follows underneath the table

As at March 31, 2021 (₹ in crore)

Particulars	Level 1	Level 2	Level 3	Amortised Cost	Total
Financial assets					
At FVTPL					
Investments	9 352	678	380	-	10 410
Derivative Financial Instruments	-	-	2	-	2
At FVOCI					
Investments	6 058	6 566	-	-	12 624
At Amortised Cost					
Investments	12 478	3 754	494	(5)	16 721
Cash and cash equivalents	-	-	-	567	567
Bank balance other than cash and cash equivalents above	-	-	-	463	463
Receivables	-	-	-	1 521	1 521
Loans	-	-	-	7 709	7 709
Other financial assets	-	-	-	8 401	8 401
Total Financial Assets	27 888	10 998	876	18 656	58 418
Financial Liabilities					
At FVTPL					
Derivative Financial Instruments	4	-	18	-	22
Debt Securities	-	228	484	-	712
At Amortised Cost					
Debt Securities	-	-	-	17 419	17 419
Borrowings	-	-	-	8 594	8 594
Subordinated liabilities	-	-	-	158	158
Trade and other payables	-	-	-	2 381	2 381
Other financial liabilities	7	-	139	44 154	44 300
Total	11	228	641	72 706	73 586

As at March 31, 2020 (₹ in crore)

Particulars	Level 1	Level 2	Level 3	Amortised Cost	Total
Financial assets					
At FVTPL					
Investments	8 335	692	1 224	–	10 251
Derivative financial instruments	–	–	9	–	9
At FVOCI					
Investments	3 753	6 600	183	–	10 536
At Amortised Cost					
Investments	9 777	3 413	374	243	13 807
Cash and cash equivalents	–	–	–	479	479
Bank balance other than cash and cash equivalents above	–	–	–	459	459
Receivables	–	–	–	1 123	1 123
Loans	–	–	–	14 061	14 061
Other financial assets	–	–	–	7 318	7 318
Total	21 865	10 705	1 790	23 683	58 043

As at March 31, 2021 (₹ in crore)

Particulars	Level 1	Level 2	Level 3	Amortised Cost	Total
Financial Liabilities					
At FVTPL					
Derivative Financial Instruments	-	-	46	-	46
Debt Securities	-	228	491	-	719
At Amortised Cost					
Debt Securities	-	-	-	17 362	17 362
Borrowings	-	-	-	8 666	8 666
Subordinated liabilities	-	-	-	158	158
Trade and other payables	-	-	-	2 405	2 405
Other financial liabilities	7	-	64	35 214	35 285
Total	7	228	601	63 805	64 641

63 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 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 Company's financial risk activities are governed by appropriate policies 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.

The Group has assesses on a forward-looking basis the Expected Credit Losses (ECL) associated with its debt instruments carried at amortized 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.

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 Group is exposed to liquidity risk and interest rate risk principally, as a result of lending and investment for periods and interest rates which may differ from those of its funding sources. Asset liability positions are managed 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 credit rating of the Parent 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, as per the original terms of debt, which has resulted in default in debt servicing obligations since October, 2019

A committee of debenture holders ('CODH'), on behalf of all debenture holders of Reliance Capital Limited ('RCL') representing their interest, was constituted pursuant to the resolution passed by the debenture holders at its meeting held on January 30, 2020 (such committee, along with any other subcommittee(s) that may be constituted to co-ordinate the asset monetisation process)

An invitation for Expression of Interest ('EOI') for submission of bids for asset monetisation plan for certain Investments of RCL had been launched under the express guidance and the direction of CODH. The last date for submission of EOI was December 1, 2020, which was extended till December 17, 2020. Debenture Holders at their meeting held on January 5, 2021 approved Asset Monetization plan of RCL with 100% majority.

Notes to the Consolidated Financial Statement for the year ended March 31, 2021

Further, in light of the recent regulatory developments, the CODH has extended the last date for submission of EOI for the investments held by RCL in Reliance General Insurance Company Limited, Reliance Nippon Life Insurance Company Limited and Reliance Health Insurance Limited till May 15, 2021.

As stated in Credit risk, being a CIC, all the lending and investments of Parent Company are within group companies. Thus, the liquidity position of the Parent Company also depends upon the realisation and monetisation of its group exposures.

(₹ in crore)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Less than 12 Months	**More than 12 Months**	**Total**	Less than 12 Months	More than 12 Months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	**567**	**-**	**567**	479	-	479
Bank balance other than cash and cash equivalents above	**431**	**32**	**463**	358	101	459
Derivative financial instruments	**2**	**-**	**2**	9	-	9
Receivables						
(I) Trade receivables	**1 502**	**3**	**1 505**	1 094	3	1 097
(II) Other receivables	**12**	**4**	**16**	17	9	26
Loans	**6 625**	**1 084**	**7 709**	8 454	5 607	14 061
Investments	**4 412**	**35 343**	**39 755**	5 998	28 596	34 594
Other financial assets	**7 691**	**710**	**8 401**	7 036	282	7 318
Total	**21 242**	**37 176**	**58 418**	23 445	34 598	58 043
Financial liabilities						
Derivative financial instruments	**22**	**-**	**22**	44	2	46
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	**1**	**-**	**1**	1	-	1
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**1 760**	**-**	**1 760**	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	**620**	**-**	**620**	280	479	759
Debt securities	**5 077**	**13 054**	**18 131**	2 983	15 098	18 081
Borrowings (Other than debt securities)	**7 417**	**1 177**	**8 594**	7 318	1 348	8 666
Deposits	**4**	**-**	**4**	4	-	4
Subordinated liabilities	**77**	**81**	**158**	158	-	158
Other financial liabilities	**22 542**	**21 754**	**44 296**	17 117	18 164	35 281
Total Financial Liabilities	**37 520**	**36 066**	**73 586**	29 550	35 091	64 641

Note: Eliminations have been adjusted as per the estimates of the 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 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 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 (ECL)

Ind AS 109 "Financial Instruments" 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.

Notes to the Consolidated Financial Statement for the year ended March 31, 2021

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.

64 In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 22, 2020, the Group had adopted and is complying with the Board policy for granting moratorium on the payment of all instalments and / or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 and also on the payment of all instalments and / or interest, as applicable, falling due between June 1, 2020 and August 31, 2020 to all eligible borrowers. The Group is analysing the effect of moratorium and possible effects that may have resulted from the present COVID-19 pandemic on its financial condition and are taking necessary steps so as to minimise the effect of this unprecedented situation.

The COVID-19 pandemic has effect across the world, including India, During the year ended March 31, 2021, the pandemic and consequent lockdown imposed by the Central and State Governments considerably impacted the Group's business operations. The pandemic has also resulted in a significantly constrain on recovery of overdues from customers.

The extent to which the COVID-19 pandemic will continue to impact the Group's results will depend on future developments, which are highly uncertain, including, among other things, any new information considering the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact.

The Group's Expected Credit Loss (ECL) provisions as on March 31, 2021 against the potential impact of COVID-19 based on the information available at this point in time. The ECL provisions held by the Group are in excess of the prescribed norms by RBI.

In accordance with the Reserve Bank of India guidelines relating to 'COVID-19 Regulatory Package' dated March 27, 2020, April 17, 2020 and May 23, 2020 ('RBI Guidelines'), the Group had offered moratorium to its customers between March 1, 2020 and August 31, 2020. For all such accounts where the moratorium is granted, the assets classification shall remain stand still during the moratorium period (i.e. the number of days past due shall excludes the moratorium period for the purposes of assets classification under the Income Recognition, Assets Classification and Provisioning norms).

The quantitative disclosure as required by RBI Circular dated April 17, 2020 for the year ended March 31, 2021 are given below:

(₹ in crore)

Particulars	Amount
Amount in SMA/Overdue categories as of February 29, 2020	6 586
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the Circular; as of February 29, 2020	696
Respective amount where asset classification benefits is extended	-*
Provisions made during the period in terms of paragraph 5 of the Circular	-
Provisions adjusted against slippages in terms of paragraph 6 of the Circular	-
Residual provisions as on March 31, 2021 in terms of paragraph 6 of the Circular	-**

* Outstanding as on March 31, 2021 and March 31, 2020 respectively on account of all cases in SMA / overdue categories where moratorium benefits was extended by the Group up to August 31, 2021.

** There are Nil accounts where assets classification benefit is extended till March 31, 2021. Post the moratorium period, the movement of ageing has been at actuals.

The Government of India, Ministry of Finance, vide its notification dated October 23, 2020 had announced COVID-19 Relief Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (Scheme), as per the eligibility criteria and other aspects specified therein and irrespective of whether the moratorium was availed or not. The group has commenced work on operational aspects and implementation of the Scheme.

The Group has made additional life policy liabilities of ₹ 66 crore (Previous year 33 crore) as at the March 31, 2021, this provision is over and above the policy level liabilities calculated based on the prescribed IRDAI regulations for life Insurance.

65 Disclosure pursuant to RBI circular – RBI 2020-21/16 DOR No. BP.BC/3/21.04.048/2020-21 dated August 6, 2020:

(₹ in crore)

Particulars	Number of accounts where resolution plan has been implemented under this window	Exposure to accounts mentioned at (A) before implementation of the plan	Of (B) aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any including between invocation of the plan and implementation	Increase in provisions on account of the implementation of the resolution plan
Personal loans	6	7	-	-	1
Corporate persons	-	-	-	-	-
Of which MSMEs	1	2	-	-	-
Others	-	-	-	-	-
Total	7	9	-	-	1

66 Previous year figures have been regrouped and rearranged wherever necessary.

67 Events after the reporting period

There were no events that occurred after the reporting period i.e. March 31, 2021 up to the date of approval of financial statements that require any adjustment to the carrying value of assets and Liabilities.

68 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, 2021, 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, 2021

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	**Aman Gudral**
Company Secretary & Compliance Officer	**Atul Tandon**

Mumbai
Dated: May 8, 2021

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, 2021
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(₹ in crore)

i)

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1.	Turnover / Total income	19 308	19 308
2.	Total Expenditure	27 658	27 658
3.	Net Profit/(Loss) after tax	(9 287)	(9 287)
4.	Earnings Per Share	(369.82)	(369.82)
5.	Total Assets	64 878	64 878
6.	Total Liabilities	75 679	75 679
7.	Net Worth	(10 801)	(10 801)
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):

1. With regards to the loan sanctioned by RCFL under the Corporate Loan book with significant deviations to certain bodies corporate including group companies and outstanding as at March 31, 2021 aggregating to ₹ 4 980 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 the 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. Further, RCFL has provided Expected credit loss on loan and advance for the year ended March 31, 2021. The recovery against these loans are dependent on the recovery of onward lending of the borrowers which further depends on external factors not wholly within control of RCFL. 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 financial results of the Company.
2. RCFL has entered into an Inter Creditors Agreement ("ICA") dated 6 July 2019 under the framework of the circular issued by the Reserve Bank of India on "Prudential Framework for Resolution of Stressed Assets" dated June 7, 2019. In view of ICA agreement, RCFL has not recognized any penal interest and additional interest due to default and downgrade of the credit rating. Subject to balance confirmation and their reconciliation from banks/lenders other than principal amount, there is material unreconciled balance as per books of RCFL and lenders/banks as at March 31, 2021. The impact, if any, due to non-recognition of the penal interest and additional interest as explained above, in the financial statements is not ascertainable at present. Accordingly, we are unable to comment on the completeness and accuracy of the bank balances, borrowings and interest expense thereof as at March 31, 2021.
3. During the year ended RCFL has incurred losses of ₹ 2 665 crore respectively and it has accumulated losses of ₹ 5 998 crore as at March 31, 2021 resulting it has negative Capital to risk weighted assets ratio (CRAR) and negative net owned fund. RCFL is engaged with all its lenders to enter into an Inter-Creditor Agreement (ICA) dated July 6, 2019 and subsequent extension of ICA till June 30, 2021 for the resolution of its debt in accordance with the circular dated June 7, 2019 issued by the Reserve Bank of India on Prudential Framework for Resolution of Stressed Assets. Resolution under Inter-Creditor Agreement (ICA) frame work for its debt depend on agreement with lenders and other external factors. In view of the steps taken by RCFL along with Inter-Creditor Agreement (ICA), accordingly, the standalone Ind AS financial statements of RCFL have been prepared on a going concern basis. RCFL's ability to meet its obligations is significantly dependent on material uncertain events including restructuring of loans and achievement of debt resolution under Inter-Creditor Agreement (ICA) frame work that may cast significant doubt on the RCFL's ability to continue as a going concern.

b) Type of Audit Qualification : Qualified opinion

c) Frequency of qualification: Whether appeared first time / repetitive / since how long continuing

1. Repetitive since March 31, 2020
2. First time
3. 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 depends on external factors not wholly within control of the RCFL/borrower. The RCFL's ability to meet its obligation is dependent on material uncertain events including restructuring of loan portfolio, implementation of Resolution Plan as per the Inter-Creditor Agreement (ICA) dated July 6, 2019 executed by the lenders 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.

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 under the 'General-Purpose Corporate Loan' product with significant deviations to certain bodies corporate including group companies and outstanding as at March 31, 2021 aggregating to ₹ 7 965 crore and secured by charge on the current assets of the borrowers. RHFL states that the majority of company's borrowers have undertaken onward lending transaction and end use of the borrowings from the company included borrowings by or for repayment of financial obligation to some group companies. There has been overdue of ₹ 9 258 crore of these loan as on March 31, 2021. 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, 2021. RHFL's exposure to the borrowers are secured against charge on current assets and is dependent on the recovery of the onward lending of the borrowers which depends on external factors not wholly within the control of the company/borrower.

Further the statement on the material shift in primary business of the company from Housing Finance to Non-Housing Finance which comprise more than 50% of total loan portfolio raising concern about Company 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
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 the 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 Company/ borrower.
(iii)	Auditors comments on (i) or (ii) above	:	RHFL's exposure the borrower are secured against charge on current assets and is dependent on the recovery of the onward lending of the borrowers which depends on external factors not wholly within the control of 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 reason stated in(ii) above.

Statutory Auditor
For Pathak H.D. & Associates LLP
Chartered Accountants
Firm Registration No.: 107783W/W100593

Vishal D Shah	**Chhaya Virani**	**Dhananjay Tiwari**	**Aman Gudral**
Partner	Audit Committee Chairperson	Director & Chief Executive Officer	Chief Financial Officer
Membership No: 119303			
UDIN:21119303AAAAJZ7954			
Place: Mumbai			
Date: May 8, 2021			

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	257.24	1,945.26	21,169.23	18,966.72	13,249.60	10,250.95	496.18	177.66	318.52	-	100
2	Reliance Commercial Finance Ltd.	15-Jan-02	535.33	(3,836.10)	8,239.90	11,540.67	380.72	534.88	(2,675.53)	(10.26)	(2,665.27)	-	100
3	Reliance Money Precious Metals Pvt. Ltd.	20-Feb-07	8.00	(25.84)	1.15	18.99	-	0.03	(0.18)	(0.17)	(0.01)	-	100
4	Reliance Health Insurance Limited	4-May-17	193.90	(167.64)	46.30	19.80	-	0.18	(11.19)	-	(11.19)	-	100
5	Reliance Money Solutions Private Limited	2-Dec-13	0.01	(61.56)	0.54	62.31	-	0.43	0.03	0.02	0.01	-	100
6	Reliance Capital Pension Fund Limited	31-Mar-09	25.00	3.69	29.53	0.84	29.31	-	2.38	0.43	1.95	-	51
7	Reliance Securities Limited	28-Aug-08	210.00	(104.08)	750.19	644.27	50.36	268.55	21.36	8.10	13.26	-	100
8	Reliance Commodities Limited	28-Aug-08	3.00	2.94	6.72	0.79	-	2.47	(3.52)	1.12	(4.64)	-	100
9	Reliance Financial Limited	28-Aug-08	24.16	81.03	199.01	93.83	52.34	14.83	(4.43)	(5.04)	0.61	-	100
10	Reliance Wealth Management Limited	15-Dec-10	42.75	(54.59)	1.29	13.13	-	2.59	(0.06)	(0.29)	0.23	-	100
11	Reliance Exchangenext Limited	31-May-10	42.26	28.77	96.26	24.89	96.08	-	(5.89)	-	(5.89)	-	100
12	Reliance Corporate Advisory Services Limited	31-May-10	1,235.65	(1,226.98)	1,536.04	1,527.37	818.63	0.79	(450.11)	1.52	(451.64)	-	100
13	Reliance Nippon Life Insurance Company Limited	30-Mar-16	1,196.32	274.43	25,833.11	24,362.36	24,377.94	8,347.29	302.12	-	302.12	-	51
14	Quant Capital Private Limited	1-Jul-10	10.00	(3.81)	28.80	22.61	1.72	1.76	(123.05)	(0.58)	(122.48)	-	74
15	Quant Broking Private Limited	1-Jul-10	18.00	(14.92)	17.89	14.81	-	14.75	(61.96)	(0.40)	(61.56)	-	74
16	Quant Securities Private Limited	1-Jul-10	1.54	(2.60)	5.53	6.60	-	0.11	0.08	-	0.08	-	74
17	Quant Investment Services Private Limited	18-Mar-11	0.74	(2.17)	0.19	1.62	-	-	(0.14)	-	(0.14)	-	74
18	Gullfoss Enterprises Private Limited	20-Feb-19	0.01	(0.04)	0.34	0.37	-	-	(0.04)	-	(0.04)	-	100
19	Reliance Underwater Systems Private Limited	16-Aug-19	0.28	(0.23)	0.16	(0.10)	-	-	(0.01)	-	-		100

Notes:

1. The Financial Year of the Subsidiaries is for 12 months i.e. from April 1, 2020 to March 31, 2021.
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	31.03.2021	233,969,188	896.00	48.24	-	-	(52.96)	(733.11)	-
2	Reliance Asset Reconstruction Company Limited	31.03.2021	49,000,000	49.00	49.00	-	-	207.59	9.14	-
3	Ammolite Holdings Limited*	31.03.2021	1,000	29.00	50.00	-	-	48.68	(40.48)	-
4	Global Wind Power Limited*	31.03.2021	12,461,745	2.18	26.00	-	-	(498.15)	-	-

Name of associates which are yet to commence operations – Reinplast Advanced Composites Private Limited , Associate Company, is yet to commence operation.

* The unaudited Financial Statement as on March 31, 2021, 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	**Aman Gudral**
Company Secretary & Compliance Officer	**Atul Tandon**

Mumbai
Dated: May 8, 2021

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