

**Reliance Capital Limited**

Registered Office:  
Kamala Mills Compound  
Trade World, B Wing, 7<sup>th</sup> Floor  
S. B. Marg, Lower Parel  
Mumbai - 400 013

Tel. : +91 022 4158 4000  
Fax : +91 022 2490 5125  
E-mail : [rcl.investor@relianceada.com](mailto:rcl.investor@relianceada.com)  
Website : [www.reliancecapital.co.in](http://www.reliancecapital.co.in)  
CIN : L65910MH1986PLC165645

September 6, 2023

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai 400 001

**BSE Scrip Code: 500111**

**National Stock Exchange of India Limited**

Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1,  
G Block, Bandra Kurla Complex,  
Bandra (East), Mumbai 400 051

**NSE Scrip Symbol: RELCAPITAL**

Dear Sir(s),

**Sub.: Notice of 37<sup>th</sup> Annual General Meeting and Annual Report 2022-23**

The Annual Report for the financial year 2022-23, including the Notice convening 37<sup>th</sup> Annual General Meeting of the members of the Company scheduled to be held on Thursday, September 28, 2023, at 2:00 P.M.(IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM) is enclosed.

The Company will provide to its members the facility to cast their vote(s) on all resolutions set out in the Notice by electronic means ('e-voting'). The detailed process to join meeting through VC / OAVM and e-voting, is set out in Notice.

The Annual Report containing the Notice is also uploaded on the Company's website [www.reliancecapital.co.in](http://www.reliancecapital.co.in).

Thanking you.

Yours faithfully,  
For **Reliance Capital Limited**

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

Encl.: As Above.

**ReLIANCE**

**CAPITAL**

# **Annual Report 2022-23**



**Padma Vibhushan**

**Shri Dhirubhai H. Ambani**

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

Reliance Group – Founder and Visionary

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**37<sup>th</sup> Annual General Meeting on Thursday, September 28, 2023 at 2:00 P.M. (IST) through Video  
Conferencing (VC) / Other Audio Visual Means (OAVM)**

The Annual Report can be accessed at [www.reliancecapital.co.in](http://www.reliancecapital.co.in)

## Notice

### BACKGROUND

The Reserve Bank of India (RBI) vide Press Release dated November 29, 2021 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) superseded the Board of Directors of your Company on November 29, 2021 and thereafter appointed Mr. Nageswara Rao Y, ex-Executive Director of Bank of Maharashtra as the Administrator of your Company under Section 45-IE (2) of the RBI Act. Thereafter, RBI vide its Press Release dated November 30, 2021, in exercise of the powers conferred under Section 45-IE 5(a) of the RBI Act, constituted a three (3) member Advisory Committee to assist the Administrator in discharge of his duties and further to also advise the Administrator in the operations of your Company during the Corporate Insolvency Resolution Process (CIRP). The Advisory Committee initially comprised of Mr. Sanjeev Nautiyal, Mr. Praveen P Kadle and Mr. Srinivasan Varadarajan. The Advisory Committee was reconstituted on February 17, 2023 upon resignation of Mr. Srinivasan Varadarajan and now comprises of Mr. Sanjeev Nautiyal, ex-DMD, State Bank of India, Mr. Praveen P Kadle, ex-MD & CEO, Tata Capital Limited and Mr. Vikramaditya Singh Khichi ex-ED, Bank of Baroda. As per the framework of the Advisory Committee as approved by RBI, primary responsibility of the Advisory Committee is to guide the Administrator to undertake all steps that will maximize the value for all stakeholders of your Company through a successful resolution.

On December 2, 2021, the RBI had filed the Petition before the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT / Adjudicating Authority") under sub-clause (i) of clause (a) of Rule 5 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 (FSP Rules) to initiate Corporate Insolvency Resolution Process ("CIRP") against your Company read with Section 227 of the Insolvency and Bankruptcy Code, 2016 read with the Rules and Regulations framed thereunder and amended from time to time (the "Code"). Further, CIRP was initiated against the Company under Section 227 read with clause (zk) of sub section (2) of Section 239 of the Code and read with Rules 5 and 6 of the FSP Rules by an order dated December 6, 2021, of the NCLT. In accordance with Section 14 of the Code read with the FSP Insolvency Rules, a moratorium has been effective on and from December 6, 2021, i.e. the date of admission of the Company in the CIRP process for prohibiting institution of suits or continuation of pending suits or proceedings against the Company including execution of any judgement, decree or order in any court of law, tribunal, arbitration panel or other authority. The Administrator has taken steps for seeking confirmations from various forums where litigations have been levied on the Company for disposal of assets, that such injunctions will not be applicable during CIRP. The Adjudicating Authority vide the above order, appointed the Administrator to perform all the functions of a Resolution Professional to complete the CIRP of the Company as required under the provisions of the Code. It is also incumbent upon the Administrator, (exercising same powers as Resolution Professional under the Code), under Section 20 of the Code, to manage the operations of the Company as a going concern.

Notice is hereby given that the 37<sup>th</sup> Annual General Meeting (AGM) of the Members of **Reliance Capital Limited** will be held on Thursday, September 28, 2023 at 2:00 P.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, 2023 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, 2023 and the reports of Auditors thereon.

For and on behalf of  
Reliance Capital Limited

**Nageswara Rao Y**  
Administrator of Reliance Capital Limited

(a Company under Corporate Insolvency Resolution Process by an Order dated December 6, 2019, passed by the Hon'ble NCLT, Mumbai)

The Administrator has been appointed under Rule 5(a)(iii) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 under the Insolvency and Bankruptcy Code, 2016. The affairs, business and property of Reliance Capital Limited are being managed by the Administrator, Mr. Nageswara Rao Y, who acts as agent of the Company only and without any personal liability.

Registered Office:  
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B Wing, 7<sup>th</sup> Floor, S. B. Marg  
Lower Parel, Mumbai 400 013  
CIN: L65910MH1986PLC165645  
Website: [www.reliancecapital.co.in](http://www.reliancecapital.co.in)

July 30, 2023

### Notes:

1. 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 May 5, 2022 (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.**

## 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 2022-23 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 2022-23 will also be available on the Company's website at [www.reliancecapital.co.in](http://www.reliancecapital.co.in), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively, and also on the website of KFin Technologies Limited (KFinTech) at [www.kfintech.com](http://www.kfintech.com).
4. Members whose e-mail 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-Shareholders-information.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, 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 Companies Act, 2013 (the 'Act').
7. Since the AGM is being held through VC / OAVM, the Route Map is not annexed in this Notice.
8. Relevant documents referred to in the accompanying Notice calling the AGM are available on the website of the Company for inspection by the Members. The certificate from the Secretarial Auditor of the Company confirming the compliance of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 with respect to the Company's Employees Stock Option Scheme Plans will also be available for inspection through electronic mode on the website of the Company.
9. Members are advised to refer to the section titled 'Investor Information' provided in this Annual Report.
10. 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.
11. 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. Thursday, September 21, 2023 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 Sunday, September 24, 2023 to 5:00 P.M. (IST) on Wednesday, September 27, 2023. At the end of remote e-voting period, the facility shall be forthwith 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 Thursday, September 21, 2023.  
  
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](mailto:praveendmr@kfintech.com). However, if she / he is already registered with KFinTech for remote e-voting, then she / he can use her / his 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.

## Notice

- 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Securities held in demat mode with NSDL</b> | <p><b>1. User already registered for IDeAS facility:</b></p> <ol style="list-style-type: none"> <li>Visit URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section.</li> <li>On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-voting."</li> <li>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.</li> </ol> <p><b>2. User not registered for IDeAS e-Services</b></p> <ol style="list-style-type: none"> <li>To register click on link : <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>Select "Register Online for IDeAS" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https:// eservices.nsdl. com/ SecureWeb/IdeasDirectReg.jsp</a></li> <li>Proceed with completing the required fields.</li> <li>Follow steps given in point 1.</li> </ol> <p><b>3. Alternatively by directly accessing the e-voting website of NSDL Open URL: <a href="https://www.evoting.nsdl.com/">https:// www.evoting.nsdl. com/</a></b></p> <ol style="list-style-type: none"> <li>Click on the icon "Login" which is available under 'Shareholder/ Member' section.</li> <li>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.</li> <li>Post successful authentication, you will be requested to select the name of the Company and the ESP, i.e. KFinTech.</li> <li>On successful selection, you will be redirected to KFinTech e-voting page for casting your vote during the remote e-voting period.</li> </ol> |

| Types of shareholder                           | Login Method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Securities held in demat mode with CDSL</b> | <p><b>1. Existing user who have opted for Easi / Easiest</b></p> <ol style="list-style-type: none"> <li>Visit URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia. com/ myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www. cdslindia.com</a></li> <li>Click on New System Myeasi.</li> <li>Login with your registered user id and password.</li> <li>The user will see the e-voting Menu. The Menu will have links of ESP i.e. KFinTech e-voting portal.</li> <li>Click on e-voting service provider name to cast your vote.</li> </ol> <p><b>2. User not registered for Easi / Easiest</b></p> <ol style="list-style-type: none"> <li>Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia. com/myeasi/ Registration/ EasiRegistration</a></li> <li>Proceed with completing the required fields.</li> <li>Follow the steps given in point 1.</li> </ol> <p><b>3. Alternatively, by directly accessing the e-voting website of CDSL</b></p> <ol style="list-style-type: none"> <li>Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>Provide your demat Account Number and PAN No.</li> <li>System will authenticate user by sending OTP on registered Mobile &amp; e-mail as recorded in the demat Account.</li> <li>After successful authentication, user will be provided with the link for the respective ESP i.e. KFinTech where the e-voting is in progress.</li> </ol> <p><b>Login through Depository Participant Website where demat account is held</b></p> <ol style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-voting facility.</li> <li>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.</li> </ol> |

## Notice

| Types of shareholder                                                                                                                                                                                                                                                                                                               | Login Method                                                                                                                                                                            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Important note:</b> 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. |                                                                                                                                                                                         |
| <b>Login type</b><br><b>Helpdesk details</b><br><b>Securities held with NSDL</b>                                                                                                                                                                                                                                                   | Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30               |
| <b>Securities held with CDSL</b>                                                                                                                                                                                                                                                                                                   | Please contact CDSL helpdesk by sending a request at or contact <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> 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 e-mail IDs are registered with the Company / DPs, will receive an e-mail 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) 7632, 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, e-mail 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., authorizing 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 e-mail [scrutinizeragt@gmail.com](mailto:scrutinizeragt@gmail.com) with a copy marked to [praveendmr@kfintech.com](mailto:praveendmr@kfintech.com). The scanned image of the above-mentioned documents should be in the naming format "Corporate Name\_Even No."
- b. Members whose e-mail 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 e-mail address and mobile number provided with KFinTech, by sending an e-mail to [evoting@kfintech.com](mailto:evoting@kfintech.com). Members are requested to follow the process as guided to capture the e-mail 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](mailto:einward.ris@kfintech.com).
  - ii. Alternatively, members may send an e-mail request at the e-mail [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with scanned copy of the signed request letter providing the e-mail 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.

## Notice

### 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. Members 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 e-mail 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 through 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, e-mail id, mobile number at Kfintech eVoting System – Login. Questions / queries received by the Company till September 27, 2023 (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. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid. 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 serve basis. However, the participation of members holding 2% or more shares, promoters, and Institutional Investors, key managerial personnel 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'. Members shall be provided a 'queue number' before the meeting. 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's Website) or e-mail at [evoting@kfintech.com](mailto: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](mailto:evoting@kfintech.com).
12. The Company have appointed Mr. Anil Lohia, Partner or in his absence Mr. Khushit Jain, 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 of the Meeting 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](http://www.reliancecapital.co.in) and also on the website of Kfintech at <https://evoting.kfintech.com>.

## Directors' Report

Dear Shareowners,

The Reserve Bank of India (RBI) vide Press Release dated November 29, 2021 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) superseded the Board of Directors of your Company on November 29, 2021 and thereafter appointed Mr. Nageswara Rao Y, ex-Executive Director of Bank of Maharashtra as the Administrator of your Company under Section 45-IE (2) of the RBI Act. Thereafter, RBI vide its Press Release dated November 30, 2021, in exercise of the powers conferred under Section 45-IE 5(a) of the RBI Act, constituted a three (3) member Advisory Committee to assist the Administrator in discharge of his duties and further to also advise the Administrator in the operations of your Company during the Corporate Insolvency Resolution Process (CIRP). The Advisory Committee initially comprised of Mr. Sanjeev Nautiyal, Mr. Praveen P Kadle and Mr. Srinivasan Varadarajan. The Advisory Committee was reconstituted on February 17, 2023 upon resignation of Mr. Srinivasan Varadarajan and now comprises of Mr. Sanjeev Nautiyal, ex-DMD, State Bank of India, Mr. Praveen P Kadle, ex-MD & CEO, Tata Capital Limited and Mr. Vikramaditya Singh Khichi ex-ED, Bank of Baroda. As per the framework of the Advisory Committee as approved by RBI, primary responsibility of the Advisory Committee is to guide the Administrator to undertake all steps that will maximize the value for all stakeholders of your Company through a successful resolution.

On December 2, 2021, the RBI had filed the Petition before the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT/Adjudicating Authority") under sub-Clause (i) of clause (a) of Rule 5 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 (FSP Rules) to initiate Corporate Insolvency Resolution Process ("CIRP") against your Company read with Section 227 of the Insolvency and Bankruptcy Code, 2016 read with the Rules and Regulations framed there under and amended from time to time (the "Code").

Further, CIRP was initiated against the Company under Section 227 read with clause (zk) of sub section (2) of Section 239 of the Code and read with Rules 5 and 6 of the FSP Rules by an order dated December 6, 2021, of the NCLT. In accordance with Section 14 of the Code read with the FSP Insolvency Rules, a moratorium has been effective on and from December 6, 2021, i.e. the date of admission of the Company in the CIRP process for prohibiting institution of suits or continuation of pending suits or proceedings against the Company including execution of any judgement, decree or order in any court of law, tribunal, arbitration panel or other authority. The Administrator has taken steps for seeking confirmations from various forums where litigations have been levied on the Company for disposal of assets, that such injunctions will not be applicable during CIRP. The Adjudicating Authority vide the above order, appointed the Administrator to perform all the functions of a Resolution Professional to complete the CIRP of the Company as required under the provisions of the Code. It is also incumbent upon the Administrator, (exercising same powers as Resolution Professional under the Code), under Section 20 of the Code, to manage the operations of the Company as a going concern.

## Financial Performance and State of Company's Affair

The Financial performance of the Company for the financial year ended March 31, 2023 is summarised below:

| Particulars                                                 | (₹ in lakh)    |                 |                |                 |
|-------------------------------------------------------------|----------------|-----------------|----------------|-----------------|
|                                                             | Standalone     |                 | Consolidated   |                 |
|                                                             | March 31, 2023 | March 31, 2022* | March 31, 2023 | March 31, 2022* |
| Total Revenue                                               | 2 098          | 1 593           | 19 31 295      | 19 30 132       |
| Profit / (Loss) Before Tax                                  | (1 70 770)     | (1 10 580)      | (1 65 427)     | (7 90 780)      |
| Tax Expense                                                 | -              | -               | 10 514         | 14 694          |
| Profit / (Loss) After Tax                                   | (1 70 770)     | (1 10 580)      | (1 75 941)     | (8 05 474)      |
| Closing surplus / (deficit) in statement of profit and loss | (21 54 534)    | (19 83 764)     | (22 81 012)    | (30 84 387)     |
| Transfer to Statutory reserve fund**                        | -              | -               | -              | -               |

\* 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 the Company has incurred loss during the year.

## Corporate Insolvency Resolution Process

The Administrator under Section 13 of the Code read with Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process of Corporate Persons) Regulations, 2016 (CIRP Regulations) had issued a public announcement as prescribed in Form A on December 8, 2021 for bringing to the Notice of the creditors of your Company to submit their claims against your Company as per the relevant forms under the code. The Administrator, on receipt of the claims from the creditors has prepared a list of creditors (including Financial, Operational, Workmen & Employees and Other Creditors) along with their security Interest therein pursuant to Regulation 13(2)(c) of the CIRP Regulations and such list of creditors has been made available to the stakeholders on your Company's website. The claims have been admitted based on the information available in the books of accounts and records available with your Company and the information provided by the respective creditors in this regard. It is pertinent to note that mere admission of claims does not guarantee payment and the claims are subject to revision / modification till such date as they are finalized. The Administrator after preparing the list of claims of the creditors of the Company has constituted of the Committee of Creditors (COC) of your Company under Section 21 of the Code read with Regulation 17 of the CIRP Regulations.

The Committee of Creditors comprised of unrelated financial creditors of your Company as per Section 21 of the Code read with Regulation 17 of the CIRP Regulations. The Committee of Creditors has met 50 (Fifty) times since initiation of CIRP till the date of this Report. As part of CIRP of your Company, the Administrator, Advisory Committee and the present management team have taken various initiatives to ensure 'going concern' status of your Company as required under Section 20 of the Code. Further, the Code and CIRP Regulations stipulates the requirement of prior

## Directors' Report

approval by the Committee of Creditors for certain actions to be taken during the process, including as provided under Section 28 of the Code. The Administrator and the Advisory Committee as set up by the RBI to assist the Administrator in discharge of his duties, exercise oversight on the operations of your Company apart from conducting the CIRP in accordance with the provisions of the Code and Regulations under IBC, 2016.

The Administrator has appointed Deloitte India Insolvency Professionals LLP and AZB & Partners as Process and Legal advisors, respectively to assist him in completion of the CIRP of your Company.

### Key Events:

| Date             | Particulars                                                                                                                                                                                                                                      |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| June 2, 2022     | The Hon'ble National Company Law Tribunal, Mumbai, vide its order dated June 2, 2022 in IA 1240/2022 of CP(IB)1231/MB/2021, extended the timeline for completion of CIRP by a period of 90 days i.e. till September 2, 2022.                     |
| August 12, 2022  | The Hon'ble National Company Law Tribunal, Mumbai, vide its order dated August 12, 2022 in IA 2186/2022 IA 2207/2022 in C.P. (IB)/1231(MB)2021, extended the timeline for completion of CIRP by a period of 60 days i.e., till November 1, 2022. |
| October 18, 2022 | The Hon'ble National Company Law Tribunal, Mumbai, vide its order dated October 18, 2022 in IA 1838/2022 IA 2186/2022 IA 2901/2022 IN C.P./ (IB)/1231/(MB)2021, has granted exclusion of 90 days for completion of CIRP till January 31, 2023.   |
| October 20, 2022 | Revised Final List of Eligible Prospective Resolution Applicants pursuant to the Regulation 36A (12) of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations 2016.                                                             |
| October 22, 2022 | Applications filed before the NCLT under Section 60(5) and Section 66(2) of the Code on October 22, 2022.                                                                                                                                        |
| January 3, 2023  | Interim order passed by the Hon'ble National Company Law Tribunal, Mumbai Bench ("Hon'ble NCLT") in the matter of Petition no. IA 1 of 2023 filed by Torrent Investment Private Limited.                                                         |
| January 31, 2023 | The Hon'ble National Company Law Tribunal, Mumbai, vide its order dated January 31, 2023 in matter IA 370 /2023 C.P. (IB) / 1231 (MB) 2021, granted 45 days exclusion from the date of CIRP i.e., till March 17, 2023.                           |

| Date              | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| February 2, 2023  | The Hon'ble National Company Law Tribunal, Mumbai Bench disposed of Interlocutory Application ("IA") No.01 of 2023, IA No. 99 of 2023 and IA No. 150 of 2023, pursuant to its order dated February 2, 2023 and subsequently corrected by its order dated February 3, 2023.                                                                                                                                                                                                                      |
| February 17, 2023 | RBI press release 2022-2023/1744 dated February 17, 2023, re-constituted the Advisory Committee. Mr. Vikramaditya Singh Khichi was appointed upon the resignation of Mr. Srinivasan Varadarajan.                                                                                                                                                                                                                                                                                                |
| March 2, 2023     | Order passed by the Adjudicating Authority (National Company Law Tribunal), Mumbai Bench in I.A. No. 1/MB/C-I/2023 and I.A. No. 99/MB/C-I/2023 and I.A. No. 150/MB/CI/ 2023 in C.P. (IB) No.1231/ MB/C-I/2021 granting 30 days exclusion for completion of CIRP till April 16, 2023.                                                                                                                                                                                                            |
| April 12, 2023    | The Hon'ble National Company Law Tribunal, Mumbai, vide its order dated April 12, 2023 in matter IA No. 1362 of 2023 in CP(IB) 1231 of 2021, granted exclusion of 90 days for completion of CIRP till July 16, 2023.                                                                                                                                                                                                                                                                            |
| April 26, 2023    | Extended challenge mechanism process of the Company ("ECM") was duly conducted.                                                                                                                                                                                                                                                                                                                                                                                                                 |
| May 4, 2023       | Hon'ble National Company Law Tribunal bench at Mumbai ("NCLT") by its Order dated May 4, 2023 in the case of Reliance Capital Limited, Through its Administrator Mr. Nageswara Rao Y v. IDBI Trusteeship Services Limited in IA No. 1286/MB/2022 in C.P (IB) No. 1231/MB/2021 directed IDBI Trusteeship Services Limited to handover the possession of 25,15,49,920 shares (100% equity shares) of Reliance General Insurance Company Limited to the Administrator of Reliance Capital Limited. |
| July 12, 2023     | Application filed under Section 30(6) of the Insolvency and Bankruptcy Code, 2016 ("Code") for submission of resolution plan of IndusInd International Holdings Limited ("IIHL"), as approved by the Committee of Creditors of Reliance Capital Limited, with the Adjudicating Authority i.e. Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench via e-filing on July 12, 2023.                                                                                                       |

The Advisory Committee have met 14 (fourteen) times during the year 2022-23 and the Committee of Creditors have met 50 (fifty) times since commencement of CIRP.

## Directors' Report

### Resources and Liquidity

The Company has not borrowed any funds since August 2019.

### 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

Owing to the loss incurred by your Company for the financial year under review, no dividend has been declared/recommended on Equity Shares for the financial year ended March 31, 2023.

### 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, 2023.

### 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 Companies Act 2013 ('the Act') is not applicable to the Company.

### Promoter and Persons belonging to Promoter Group

During the year, the Company had received a request from 'Promoter and Persons belonging to Promoter Group' of the Company, seeking reclassification as 'Public' under Regulation 31A of the Listing Regulations. The Promoter and Persons belonging to Promoter Group seeking reclassification, together hold 22,26,366 equity shares of the Company constituting approximately 0.88%, which is not more than one percent of the total voting rights in the Company. The Company had submitted the application with respect to reclassification under Regulation 31A(3) of the Listing Regulations with the stock exchanges viz. BSE Limited and the National Stock Exchange of India Limited and response from the stock exchanges is awaited.

### Subsidiary and Associate companies

During the year under review, there are no companies which have become Subsidiary / Associate company of the Company. The Company had sold its holding in wholly owned subsidiary viz. Reliance Commercial Finance Limited (RCFL) to Authum Investment and Infrastructure Limited in pursuance of the implementation of the resolution plan of RCFL in terms of the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019.

Consequently, RCFL and Gulfoss Enterprises Private Limited a subsidiary of RCFL, have ceased to be subsidiaries of the Company w.e.f. October 14, 2022 and Global Wind Power Limited and Reinplast Advanced Composites Private Limited, have ceased to be associates of the Company w.e.f. October 14, 2022.

The summary of the performance and financial position of 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, 2023, 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 Reserve Bank of India (RBI) vide Press Release dated November 29, 2021 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) superseded the Board of Directors of your Company on November 29, 2021 and the RBI appointed Mr. Nageswara Rao Y as the Administrator of your Company under Section 45-IE (2) of the RBI Act.

Pursuant to Section 45-IE (4)(b) of the RBI Act, all the powers, functions and duties, which may, by or under the provisions of the RBI Act or any other law for the time being in force, be exercised and discharged by or on behalf of the Board of Directors of such non-banking financial company or by a resolution passed in general meeting of such non-banking financial company, shall, until the Board of Directors of such company is reconstituted, be exercised and discharged by the Administrator referred to in sub-section (2) of Section 45-IE of the RBI Act.

Thereafter, RBI vide its Press Release dated November 30, 2021, in exercise of the powers conferred under Section 45-IE 5(a) of the RBI Act, constituted a 3 (three) member Advisory Committee to assist the Administrator in discharge of his duties and to advise the Administrator in the operations of your Company during the Corporate Insolvency Resolution Process (CIRP). Presently, the members of the Advisory Committee are Mr. Sanjeev Nautiyal, ex-DMD, State Bank of India, Mr. Praveen P Kadle, ex-MD & CEO, Tata Capital Limited and Mr. Vikramaditya Singh Khichi ex-ED, Bank of Baroda.

### Key Managerial Personnel

During the year under review, Mr. Aman Gudral was appointed as Chief Financial Officer of the Company with effect from April 12, 2022, upon cessation of Mr. Vijesh Thota as Chief Financial Officer with effect from April 11, 2022.

### Evaluation of Directors, Board and Committees

The Reserve Bank of India in exercise of its powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934, vide its notification dated November 29, 2021, superseded the

## Directors' Report

Board of Directors of the Company and all the Directors of the Company vacated their office and Committees constituted by the Board stood dissolved on November 29, 2021. In view of the above, evaluation of performance of Directors, Board or the Committees could not be carried out and no separate meeting of Independent Directors could be held.

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

The Company has devised a policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Employees and 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

The financial statements of your Company for the financial year ended March 31, 2023 have been taken on record by the Administrator while discharging the powers of the erstwhile Board of Directors of your Company which were conferred upon him by the RBI vide its press release dated November 29, 2021 and subsequently, powers conferred upon him in accordance with the NCLT Order dated December 6, 2021 to run your Company as a going concern during CIRP. Hence the financial statements for the year ended March 31, 2023, have been prepared on "going concern" assumptions.

The Administrator has relied on information, data, and clarification provided by Key Managerial Personnel (KMP's) of the Company for the purpose of the financial results.

The Administrator has signed the financial statements solely for the purpose of compliance and discharging the powers of the Board of Directors during the CIRP period of your Company and in accordance with the provisions of the Companies Act, 2013, IBC, read with the relevant regulations and rules thereunder and subject to the following:

- (i) The Administrator has taken charge with effect from November 29, 2021 and therefore was not in control of the operations or the management of the Company prior to November 29, 2021;
- (ii) The Administrator has furnished and signed the report in good faith and accordingly, no suit, prosecution or other legal proceeding shall lie against the Administrator in terms of Section 233 of the Code;
- (iii) The Administrator, while signing this statement of financial statements for the year ended March 31, 2023, has relied solely upon the assistance provided by the existing staff and present Key Managerial Personnel (KMPs) of the Company in review of the financial statements as well as the certifications, representations and statements made by the KMPs of the Company, in relation to these financial results. The statement of financial results of the Company for the year ended March 31, 2023 have been taken on record by the Administrator solely on the basis of and on relying on the aforesaid certifications, representations and statements of the aforesaid existing staff and present key management personnel (KMPs). For all such information and data, the Administrator has assumed, without any further assessment, that such information and data are in conformity with the Companies Act, 2013 and other applicable laws with respect

to the preparation of the financial results and that they give a true and fair view of the position of the Company as of the dates and period indicated therein.

Further, in order to comply with the provisions of Section 134(5) of the Companies Act, 2013, the Administrator further confirms that:

- i. In the preparation of the annual financial statement for the financial year ended March 31, 2023, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- ii. The Administrator 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, 2023 and of the loss of the Company for the year ended on that date;
- iii. The Administrator 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 Administrator had laid down proper internal financial controls to be followed by the Company and such financial controls are adequate and are operating effectively; and
- v. The Administrator 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 for the financial year ended March 31, 2023, 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 of interest with the Company at large.

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.

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](http://www.reliancecapital.co.in/pdf/Policy_for_Related_Party_Transaction.pdf).

Your attention is drawn 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.

As part of the CIRP, your Company is required to undertake Related Party Transactions only after the approval of the Committee of Creditors as per the provisions of Section 28 of the Code. Accordingly, your Company has identified related parties as per Section 5(24) of the Code and appropriate approvals were sought from the Committee of Creditors for such transactions.

## Directors' Report

### 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

Due to supersession of Board of Directors by RBI no Board Meetings were held during the year 2022-23. Further, 14 (fourteen) Advisory Committee meetings were held during the year 2022-23.

### Audit Committee and other board committees

Pursuant to the RBI superseding the Board of Directors of the Company on November 29, 2021, all Committee's of the Company stood dissolved. Accordingly, the Administrator alongwith the Advisory Committee oversee the responsibility of the Audit Committee and other Board Committees.

### Auditors and Auditors' Report

At the 35<sup>th</sup> Annual General Meeting (AGM) of the Company held on September 14, 2021, the members of the Company had appointed M/s. Gokhale & Sathe, Chartered Accountants to hold office as Statutory Auditors for a period of three consecutive years till the conclusion of the 38<sup>th</sup> Annual General Meeting.

As per the requirements of 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 Company has received a declaration from M/s. Gokhale & Sathe, Chartered Accountants, confirming their eligibility to continue to act as Statutory Auditors of the Company.

The Auditors in their Report to the Members, have given the following qualified opinion and the response of the Administrator with respect to them are as follows:-

1. Opinion on provision for impairment loss on assets and write back of liabilities – The Company is undergoing CIRP under the provisions of IBC. As per the provisions of IBC, the fair value and liquidation value of the assets of the Company as on the insolvency commencement date is required to be determined. The valuation reports have been received. The Management and the Administrator have represented that the liquidation value of the assets is higher than the book values and therefore no impairment is called for as at March 31, 2023. However, on completion of the CIRP, the Company will consider carrying out a comprehensive review of all the assets including investments, other assets and intangible assets, liabilities and accordingly provide for impairment loss on assets and write back of liabilities, if any. Though these have been placed before the Committee of Creditors, these have not been provided for audit on grounds of confidentiality. Consequently, we are unable to comment on the impact thereof on the Statement, if any.
2. Opinion on the amount of the claims including claims on account of corporate guarantees invoked, admitted or to be admitted by the Administrator may differ from the amount reflecting in the books of account of the Company. The NCLT by its order dated April 12, 2023 has granted extension for completion of CIRP till July 16, 2023 and therefore pending final outcome of the CIRP, no adjustments have been made

in the books for the differential amounts, if any, in the claims admitted as on the date of the financial results as compared to the liabilities reflected in the books of account of the Company.

3. Opinion on Interest Expenses – In view of the ongoing CIRP, the Company has provided for interest expense on financial liabilities which may be applicable on the financial debt only upto December 6, 2021. Accordingly, interest expense pertaining to the year ended March 31, 2023 amounting to ₹ 1,60,859 lakh has not been recognised. Had such interest been recognised, the loss before tax for year ended March 31, 2023 would have been higher by ₹ 1,60,859 lakh. Further, the aggregate interest expense not recognized by the Company post December 6, 2021 is ₹ 2,09,949 lakh and had such interest been recognized, the net worth of the Company as at March 31, 2023 would have been lower by ₹ 2,09,949 lakh.
4. Opinion on CoC discussions and its implications on financial statements – Certain information including the minutes of meetings of the Committee of Creditors are confidential in nature and accordingly has not been shared with Auditors. The Administrator and the management has confirmed that the CoC discussions held during the year do not have any implications on the financial statements since resolution plan is yet to be approved by the CoC.
5. Opinion on Material Uncertainties related to Going Concern The Company has been admitted under the CIRP effective December 06, 2021 and as stipulated under Section 20 of the IBC, it is incumbent upon the Administrator to manage the operations of the Company as a going concern. The last date for completion of CIRP process has been extended by the NCLT to July 16, 2023. Accordingly, the Standalone Financial Statements for the year ended March 31, 2023 have been prepared on going concern basis. However, the Company has defaulted in repayment of the obligations to the lenders and debenture holders which are outstanding, has incurred losses during the period as well as during the previous periods, has reported negative net worth as at March 31, 2023 and previous periods and as described in Note no. 15 of the Standalone Financial Statements, the asset cover for Listed Secured Non-Convertible Debentures of the Company has fallen below one hundred per cent, which indicates that material uncertainty exists, that may cast significant doubt on the Company's ability to continue as a Going Concern.

### Response to Qualification

Your Company is under CIRP and all claims and repayment obligations to lenders and debenture holders and impairment loss on assets and write back of liabilities shall be dealt as per CIRP.

No fraud has been reported by the Auditors to the Administrator.

### 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 Company 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, 2023 are attached hereto as Annexures A1 and

## Directors' Report

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 2022-23, 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 existing ESOS Scheme and Plans are in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SEBI Regulations). The Company has received a certificate from the Secretarial 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 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, as amended, 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. No person has been denied for direct access to the Administrator. 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. Further, every individual has access to Administrator at his personal e-mail id that has been provided vide public announcement.

During the CIRP, the Administrator intends to implement the relevant guidelines in true spirit.

### 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. 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

Pursuant to the RBI superseding the Board of Directors of the Company on November 29, 2021, all Committee's of the Company stood dissolved. Accordingly, the Administrator alongwith the Advisory Committee overlook the responsibility of the CSR Committee.

Your Company has in place a Corporate Social Responsibility Policy (CSR Policy), as per the provisions of the Companies Act,

## Directors' Report

2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, which lays down the activities to be undertaken by the Company. The CSR policy may be accessed on the Company's website at the link; <https://www.reliancecapital.co.in/Policies.aspx>. The disclosures with respect to CSR activities are given in Annexure – C.

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

Reserve Bank of India ("RBI"), in exercise of its powers under Section 45-IE(1) of the Reserve Bank of India Act, 1934 ("RBI Act") superseded the Board of Directors of Reliance Capital Limited ("Company") on November 29, 2021. Accordingly, the RBI appointed Mr. Nageswara Rao Y as the administrator of the Company under Section 45-IE(2) of the RBI Act.

The Company is under CIRP in accordance with IBC code, 2016 read with IBC (Financial service Provider) Rules, 2019 and Mumbai bench of NCLT has passed order dated December 06, 2021 according to which the Company is under moratorium under Section 14 of the Code pursuant to which the following actions are prohibited;

- (a) institute suits or continue pending suits or proceedings against the corporate debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;
- (b) transfer, encumber, alienate or dispose of any of its assets or any legal right or beneficial interest therein;
- (c) any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
- (d) recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor.

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

The Administrator has taken steps for seeking confirmations from various forums where litigations have been levied on the Company for disposal of assets, that such injunctions will not be applicable during CIRP.

### 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 periodical review by the Administrator & Advisory Committee 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 the Company's Directors or Employees and one-time settlement with any Bank or Financial Institution.

On account of Company being under CIRP, trading in its equity shares has been restricted in terms of BSE notice no. 20220520-52 and NSE Notice No. NSE/SURV/52368 both dated May 20, 2022, on Additional Surveillance Measure (ASM) for Companies relating to the Insolvency Resolution Process (IRP) as per Insolvency and Bankruptcy Code (IBC).

### Acknowledgment

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

For and on behalf of  
Reliance Capital Limited

**Nageswara Rao Y**  
Administrator of Reliance Capital Limited

Mumbai  
July 30, 2023

## Directors' Report

Form No. MR-3

Secretarial Audit Report

For the financial year ended March 31, 2023

[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, 7<sup>th</sup> Floor, Kamala Mills Compound,  
Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.

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 authorized 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, 2023 complied with the statutory provisions listed hereunder except with respect to the observation as stated below and in view of the same, the adequacy of 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 book, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023, 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) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - 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 (Buy-back of Securities) Regulations, 2018 – Not Applicable;

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

- (i) The Secretarial Standards issued by the Institute of the Company Secretaries of India to the extent applicable – \*Refer Below;
- (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 into by the Company 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 that due to regulatory and technical issues, the Company was not able to transfer shares to IEPF and file Form IEPF-4 with the Registrar of Companies and there was a delay in publication of newspaper advertisement and transferring the unclaimed and unpaid amount of final dividend for financial year ended 2014-15 to Investor Education and Protection Fund (IEPF) account of the authority.

I further report that based on the compliance mechanism established by the Company and on examination of the relevant documents and records in pursuance thereof, which has been verified on test checked basis, I am of the opinion that the Company has complied with the following laws applicable specifically to the Company:

## Directors' Report

1. The 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 Corporate Insolvency Resolution Process has been initiated by the Reserve Bank of India against the Company on December 6, 2021.

I further report that:

\*The Board was superseded by Reserve Bank of India w.e.f. November 29, 2021 and Shri Nageswara Rao Y (Ex-Executive Directors, Bank of Maharashtra) was been appointed as the Administrator of the Company under Section 45-IE (2) of the RBI Act. In terms of Section 45-IE(4)(b) all the powers, functions and duties, which may, by or under the provisions of law for the time being in force, be exercised and discharged by or on behalf of the Board of Directors or by a resolution passed in general meeting shall until the Board of Directors of such company is reconstituted, be exercised and discharged by the Administrator.

The Company is under moratorium under Section 14 of the Insolvency and Bankruptcy Code, 2016 since December 2, 2021 i.e. date of filing application as prescribed under Rule 5(b)(i) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 (FSP Insolvency Rules). The Company has therefore, not made and shall not be making payment of interest or principal to any of the lenders of the Company including the NCD holders under all ISINs which will be dealt in accordance with the provisions of the Code. Any payments to the lenders or NCD holders will continue to remain in abeyance subject to the CIRP process.

I report that there are prima facie 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 in the current scenario systems, processes and reporting for compliances in

the Company, must be proportionate with its size and operations to monitor and ensure compliances with applicable Laws, Rules, Regulations, Guidelines and Standards may call for further improvement.

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) Default in payment of interest and redemption of non-convertible debentures and Term loan;
- (ii) Resignation and Appointment of Chief Financial Officer;
- (iii) The Reserve Bank of India (RBI) has superseded the Board of Directors of Company w.e.f. November 29, 2021 and appointed Shri Nageswara Rao Y (Ex-Executive Directors, Bank of Maharashtra) as the Administrator of the Company under Section 45-IE (2) of the RBI Act.;
- (iv) Corporate Insolvency Resolution Process initiated against the Company on December 6, 2021.
- (v) The Company has not been able to file Form AOC-4 (NBFC and CFS), Form CSR-2, Form MGT-7 for F.Y. 2021-2022 and MGT-14 and DIR-12 for appointment of KMP due to technical reasons and is engaged with Ministry of Corporate Affairs for resolving the technical issues for filing of the forms.
- (vi) The Company could not comply with some of the guidelines / circulars/ directions as applicable to a Core Investment Company due to initiation of CIRP.
- (vii) We are unable to comment on minutes of Committee of Creditors & Advisory Committee, as the same wasn't shared to us by the Company.

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

Place: Mumbai  
 Date: 30.07.2023

**Aashish Bhatt**  
**Proprietor**  
 UDIN: A019639E000707887  
 ACS No.: 19639, COP No.: 7023  
 Peer Review Certificate No.: 2959/2023

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

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. 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.
7. As the Company is presently under Corporate Insolvency Resolution Process (CIRP), the Management representation in matters as required for the purpose of my Audit have been obtained. As such, the Audit disclaims opinion on any aspect which could otherwise have been made depending on Management representation, including but not limited to recording, disclosing and dissemination of information; record-keeping and preservation, identification of related parties and related party transactions; and other compliance systems and procedures in general, as may be required under applicable laws.
8. Due to the inherent limitations of an Audit including internal, financial and operating controls as well as specific circumstances noted above, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.

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

Place: Mumbai  
Date: 30.07.2023

**Aashish Bhatt**  
**Proprietor**  
UDIN: A019639E000707887  
ACS No.: 19639, COP No.: 7023  
Peer Review Certificate No.: 2959/2023

Directors' Report

Annexure – A2

**Form MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

[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 31<sup>st</sup> March, 2023, 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 31<sup>st</sup> March, 2023, 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, 2018.
    - d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
    - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2021.
    - 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, 2021.
    - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

Further, I report that, based on the compliance mechanism established by the Company, which has been verified on test check basis and the Compliance certificate 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 provisions of the Insurance Act, 1938 as amended from time to time, the Insurance Laws (Amendment) Act, 2015 and the rules, regulations, circulars, guidelines, instructions, etc. issued by IRDAI.

I have examined compliances with applicable clauses of the following:

- i. Secretarial Standards issued by the Institute of the Company Secretaries of India,
- ii. The Listing Agreements entered into by the Company with Stock Exchange(s) – 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:

Except as stated above, the Board of Directors of the Company is constituted with 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.

## Directors' Report

Adequate notice, agenda and detailed notes have been given to all Directors to schedule the Board Meetings at least seven days in advance or on a shorter notice 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 review, 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) Appointment of Director;
- (ii) Re-constitution of Board and its committees;
- (iii) Approval of Board and Members for annual bonus for Financial Year 2021-22, increase in remuneration, granting of ESOPs under 2021 RNLIC Phantom ESOP scheme, pay-outs based on vested Phantom ESOPs and payment of the FY 2023 KPIs and FY 2023 bonus grid to Shri. Ashish Vohra (DIN: 07587724), Executive Director & Chief Executive Officer.

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

**Aashish Bhatt  
Proprietor**

ACS No.: 19639, COP No.: 7023

UDIN: A019639E000233853

ICSI Unique Code S2008MH100200

Peer Review Certificate No.: 2959/2023

Place: Mumbai

Date: April 28, 2023

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 Ashish K. Bhatt & Associates  
Company Secretaries**

**Aashish Bhatt  
Proprietor**

ACS No.: 19639, COP No.: 7023

UDIN: A019639E000233853

ICSI Unique Code S2008MH100200

Peer Review Certificate No.: 2959/2023

Place: Mumbai

Date: April 28, 2023

Directors' Report

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

(b) Technology Absorption, Adoption and Innovation:

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

(c) Total foreign exchange earnings and outgo:

|                                    |   |           |
|------------------------------------|---|-----------|
| a. Total Foreign Exchange earnings | : | Nil       |
| b. Total Foreign Exchange outgo    | : | ₹ 99 lakh |

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:

Pursuant to the RBI superseding the Board of Directors of the Company on November 29, 2021, all Committee's of the Company stood dissolved. Accordingly, the Administrator alongwith the Advisory Committee overlook the responsibility of the CSR Committee.

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/Policies.aspx>.

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 ₹ 1,70,770 lakh)

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 lakh)

| (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                                                  |

## Directors' Report

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

(₹ in lakh)

| (1)     | (2)                 | (3)                                                         | (4)                 | (5)                     | (6)                                               | (7)                                      | (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 | Amount spent in the current financial year (in ₹) | Mode of Implementation – Direct (Yes/No) | 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.      | 2021-22                  | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                     |                                                                                           |               |                  |                                                                   |
| 2.      | 2020-21                  | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                     |                                                                                           |               |                  |                                                                   |
| 3.      | 2019-20                  | The Company in FY 2014-15 had committed to contribute by way of Corpus Donation an amount of ₹ 15,000 lakh over a period of 7 financial years to the Hospital Project towards Company's CSR initiative in the area of healthcare. Further, the Company extended an interest free loan towards CSR and the same is appropriately reflected in note no. 7 under gross advances. Any shortfall in the CSR spend is to be fully appropriated from the said interest free loan. The unspent CSR amount of ₹ 376 lakh 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. |                                                     |                                                                                           |               |                  |                                                                   |

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

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

Nageswara Rao Y  
Administrator of Reliance Capital Limited

July 30, 2023

## Management Discussion and Analysis

### Forward looking statements

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements, based on 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 have been prepared on a historical cost basis and on the accrual basis and are prepared in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006, as amended, and other relevant provisions of the Companies Act, 2013 (the 'Act'). The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Act read with the [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions 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 for the year.

The following discussions on our financial condition and result of operations should be read together with our audited 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 Limited" are to Reliance Capital Limited.

### Global Economic Environment

According to International Monetary Fund, World Economic Outlook, April 2023 <sup>1</sup>, growth is expected to fall from 3.4 percent in 2022 to 2.8 percent in 2023, before settling at 3.0 percent in 2024. Advanced economies are expected to see an especially pronounced growth slowdown, from 2.7 percent in 2022 to 1.3 percent in 2023. Global headline inflation is expected to fall from 8.7 percent in 2022 to 7.0 percent in 2023 on the back of lower commodity prices but underlying (core) inflation is likely to decline more slowly.

### Indian Economic Environment<sup>2</sup>

India's economy grew by 7.2% in FY23 as against the National Statistics Office's earlier estimate of 7.0%. The better than expected growth is primarily due to 6.1% GDP growth in Q4 FY23 GDP. GVA growth for Q4 GDP was higher than the GDP growth perhaps as net indirect taxes came lower than expected, possibly because of higher subsidies in Q4FY24.

During FY23, Manufacturing was the only sector which exhibited muted growth of 1.3%, though in Q4 Manufacturing growth rate jumped by 4.5% (partly aided by a low base) and Agriculture grew by 4.0%. Mining & Quarrying and construction grew by

4.6% and 10.0%, respectively. Among services, 'Financial, Real Estate & Professional Services' grew by 7.1% and 'Trade, Hotels, Transport, Communication & Services related to Broadcasting' grew by 14.0%.

Scheduled commercial banks' (SCBs) credit growth remained strong at 15.5% as on May 5, 2023, albeit down from the peak of 17.8% recorded in October 2022 due to an unfavourable base effect and moderation in credit growth to the industrial sector. The sector-wise credit for April 2023 indicates that except Industry, credit to all other sectors has jumped significantly. The credit-to-GDP gap narrowed, reflecting the improved credit demand in the economy in the face of rising capacity utilisation in the manufacturing sector.

The construction sector has remained upbeat due to sustained impetus on infrastructure spending by the Government. Healthy order book position of construction sector, aided by ~11% growth in FY23 (to around Rs 7 trillion for nine construction players), reflects medium term revenue visibility in the space and improvement in rural employment. Investment activities, driven by Government's capex push, is at all-time high. Led by private sectors new investment announcements, as per projects today, touched all time high of Rs 37 trillion in FY23 as compared to Rs 20 trillion in FY22. The construction sector remained upbeat due to sustained impetus on infrastructure spending by the Government.

Overall despite some slowdown in demand, the overall economic strength remains intact. The rebalancing of demand from private consumption to investments supported by government capex needs further support. The private investment activity looks robust and domestic monetary and credit conditions remains supportive of growth in FY24. Economists are now factoring in a pick up in growth momentum in FY24 and have upgraded forecast from 6.2% to 6.7% for FY24.

### About Reliance Capital Limited

The Reserve Bank of India (RBI) vide Press Release dated November 29, 2021 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) superseded the Board of Directors of your Company on November 29, 2021 and thereafter appointed Mr. Nageswara Rao Y, ex-Executive Director of Bank of Maharashtra as the Administrator of your Company under Section 45-IE (2) of the RBI Act. Thereafter, RBI vide its Press Release dated November 30, 2021, in exercise of the powers conferred under Section 45-IE 5(a) of the RBI Act, constituted a three (3) member Advisory Committee to assist the Administrator in discharge of his duties and further to also advise the Administrator in the operations of your Company during the Corporate Insolvency Resolution Process (CIRP). The Advisory Committee initially comprised of Mr. Sanjeev Nautiyal, Mr. Praveen P Kadle and Mr. Srinivasan Varadarajan. The Advisory Committee was reconstituted on February 17, 2023 upon resignation of Mr. Srinivasan Varadarajan and now comprises of Mr. Sanjeev Nautiyal, ex-DMD, State Bank of India, Mr. Praveen P Kadle, ex-MD & CEO, Tata Capital Limited and Mr. Vikramaditya Singh Khichi ex-ED, Bank of Baroda. As per the framework of the Advisory Committee as approved by RBI, primary responsibility of the Advisory Committee is to guide the Administrator to undertake all steps that will maximize the value for all stakeholders of your Company through a successful resolution.

On December 2, 2021, the RBI had filed the Petition before

<sup>1</sup> Source: <https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023>

<sup>2</sup> Source: [https://sbi.co.in/documents/13958/36530824/Ecowrap\\_20230531.pdf/ff6308ee-091b-cc6e-c507-222f9490628e?t=1685596866235](https://sbi.co.in/documents/13958/36530824/Ecowrap_20230531.pdf/ff6308ee-091b-cc6e-c507-222f9490628e?t=1685596866235)

**Management Discussion and Analysis**

the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT/Adjudicating Authority") under sub-Clause (i) of clause (a) of Rule 5 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 (FSP Rules) to initiate Corporate Insolvency Resolution Process ("CIRP") against your Company read with Section 227 of the Insolvency and Bankruptcy Code, 2016 read with the Rules and Regulations framed there under and amended from time to time (the "Code"). Further, CIRP was initiated against the Company under Section 227 read with clause (zk) of sub section (2) of Section 239 of the Code and read with Rules 5 and 6 of the FSP Rules by an order dated December 6, 2021, of the NCLT. In accordance with Section 4 of the Code read with the FSP Insolvency Rules, a moratorium has been effective on and from December 6, 2021, i.e. the date of admission of the Company in the CIRP process for prohibiting institution of suits or continuation of pending suits or proceedings against the Company including execution of any judgement, decree or order in any court of law, tribunal, arbitration panel or other authority. The Administrator has taken steps for seeking confirmations from various forums where litigations have been levied on the Company for disposal of assets, that such injunctions will not be applicable during CIRP. The Adjudicating Authority vide the above order, appointed the Administrator to perform all the functions of a Resolution Professional to complete the CIRP of the Company as required under the provisions of the Code. It is also incumbent upon the Administrator, (exercising same powers as Resolution Professional under the Code), under Section 20 of the Code, to manage the operations of the Company as a going concern.

**Key Events:**

| Date             | Particulars                                                                                                                                                                                                                                      |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| June 2, 2022     | The Hon'ble National Company Law Tribunal, Mumbai, vide its order dated June 2, 2022 in IA 1240/2022 of CP(IB)1231/MB/2021, extended the timeline for completion of CIRP by a period of 90 days i.e. till September 2, 2022.                     |
| August 12, 2022  | The Hon'ble National Company Law Tribunal, Mumbai, vide its order dated August 12, 2022 in IA 2186/2022 IA 2207/2022 in C.P. (IB)/1231(MB)2021, extended the timeline for completion of CIRP by a period of 60 days i.e., till November 1, 2022. |
| October 18, 2022 | The Hon'ble National Company Law Tribunal, Mumbai, vide its order dated October 18, 2022 in IA 1838/2022 IA 2186/2022 IA 2901/2022 IN C.P./ (IB)/1231/(MB)2021, has granted exclusion of 90 days for completion of CIRP till January 31, 2023.   |
| October 20, 2022 | Revised Final List of Eligible Prospective Resolution Applicants pursuant to the Regulation 36A (12) of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations 2016                                                              |
| October 22, 2022 | Applications filed before the NCLT under Section 60(5) and Section 66(2) of the Code on October 22, 2022.                                                                                                                                        |

| Date              | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| January 3, 2023   | Interim order passed by the Hon'ble National Company Law Tribunal, Mumbai Bench ("Hon'ble NCLT") in the matter of Petition no. I.A 1 of 2023 filed by Torrent Investment Private Limited.                                                                                                                                                                                                                                                                                                       |
| January 31, 2023  | The Hon'ble National Company Law Tribunal, Mumbai, vide its order dated January 31, 2023 in matter IA 370 /2023 C.P. (IB) / 1231 (MB) 2021, granted 45 days exclusion from the date of CIRP i.e., till March 17, 2023                                                                                                                                                                                                                                                                           |
| February 2, 2023  | The Hon'ble National Company Law Tribunal, Mumbai Bench disposed of Interlocutory Application ("IA") No.01 of 2023, IA No. 99 of 2023 and IA No. 150 of 2023, pursuant to its order dated February 2, 2023 and subsequently corrected by its order dated February 3, 2023                                                                                                                                                                                                                       |
| February 17, 2023 | RBI press release 2022-2023/1744 dated February 17, 2023, re-constituted the Advisory Committee. Mr. Vikramaditya Singh Khichi was appointed upon the resignation of Mr. Srinivasan Varadarajan                                                                                                                                                                                                                                                                                                 |
| March 2, 2023     | Order passed by the Adjudicating Authority (National Company Law Tribunal), Mumbai Bench in I.A. No. 1/MB/C-I/2023 and I.A. No. 99/MB/C-I/2023 and I.A. No. 150/MB/CI/ 2023 in C.P. (IB) No.1231/ MB/C-I/2021 granting 30 days exclusion for completion of CIRP till April 16, 2023.                                                                                                                                                                                                            |
| April 12, 2023    | The Hon'ble National Company Law Tribunal, Mumbai, vide its order dated April 12, 2023 in matter IA No. 1362 of 2023 in CP(IB) 1231 of 2021, granted exclusion of 90 days for completion of CIRP till July 16, 2023.                                                                                                                                                                                                                                                                            |
| April 26, 2023    | Extended challenge mechanism process of the Company ("ECM") was duly conducted.                                                                                                                                                                                                                                                                                                                                                                                                                 |
| May 4, 2023       | Hon'ble National Company Law Tribunal bench at Mumbai ("NCLT") by its Order dated May 4, 2023 in the case of Reliance Capital Limited, Through its Administrator Mr. Nageswara Rao Y v. IDBI Trusteeship Services Limited in IA No. 1286/MB/2022 in C.P (IB) No. 1231/MB/2021 directed IDBI Trusteeship Services Limited to handover the possession of 25,15,49,920 shares (100% equity shares) of Reliance General Insurance Company Limited to the Administrator of Reliance Capital Limited. |

## Management Discussion and Analysis

| Date          | Particulars                                                                                                                                                                                                                                                                                                                                                                               |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| July 12, 2023 | Application filed under Section 30(6) of the Insolvency and Bankruptcy Code, 2016 ("Code") for submission of resolution plan of IndusInd International Holdings Limited ("IIHL"), as approved by the Committee of Creditors of Reliance Capital Limited, with the Adjudicating Authority i.e. Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench via e-filing on July 12, 2023. |

The Advisory Committee have met 14 (fourteen) times during the year 2022-23 and the Committee of Creditors have met 50 (fifty) times since commencement of CIRP.

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, 2023, was at ₹ 19,31,295 lakh as against ₹ 19,30,132 lakh. Staff costs for the year were ₹ 1,56,755 lakh as against ₹ 1,46,921 lakh in the previous year, an increase of 6.7 per cent. Selling, administrative and other expenses in the year were ₹ 18,98,998 lakh as against ₹ 23,10,998 lakh in the previous year, a decrease of 17.8 per cent. Interest & finance charges for the year were ₹ 29,942 lakh as against ₹ 2,18,981 lakh in the previous year, a decrease of 86.3 per cent. Depreciation for the year stood flat at ₹ 11,593 lakh. Tax expenses for the year were ₹ 10,514 lakh as against ₹ 14,694 lakh in the previous year. Total comprehensive income attributable to owners and excluding non-controlling interest for the year was (₹ 2,05,775 lakh) as against (₹ 8,28,970 lakh) in the previous year.

### Key financial ratios:

Debt Equity Ratio: (1.44), Net Profit Margin (%): (8139) %. The Interest Coverage Ratio, Debtors Turnover, Inventory Turnover, Current Ratio and Operating Profit Margin (%) are not applicable. Networth for the financial year ended March 31, 2023, was at ₹ (10,43,132) lakh as against ₹ (8,71,577) lakh in the previous year increase in erosion with 16.45% which is due to the loss incurred by the Company in the current financial year.

The Company is currently undergoing Corporate Insolvency Resolution Process under the provisions of the Insolvency and Bankruptcy Code, 2016 and is under moratorium under Section 14 of the Code since December 6, 2021. Further, on completion of CIRP, the Company is expected to be compliant with the prudential norms prescribed as per CIC Master Direction – Core Investment Companies (Reserve Bank) Directions, 2016.

### Legal Matters

Pursuant to an application filed by the RBI on December 2, 2021, the Hon'ble National Company Law Tribunal bench at Mumbai ("NCLT"), by its order dated December 6, 2021 ("NCLT Order") in CP (IB) No. 1231/MB/2021 has commenced the corporate insolvency resolution process ("CIRP") of the Company as per the provisions of the Insolvency and Bankruptcy Code, 2016 ("Code") read with the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 ("FSP Insolvency Rules") and Mr. Nageswara Rao Y has been further appointed as the administrator of RCL ("Administrator") as per the applicable provisions under the Code read with the FSP Insolvency Rules.

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

The Administrator, on behalf of the Company has obtained orders clarifying that the above-mentioned orders will not come in the way of the Company's CIRP.

### Resources and Liquidity

As of March 31, 2023, the consolidated total assets stood at ₹ 66,43,118 lakh.

### Reliance General Insurance

Reliance General Insurance (RGI) offers insurance solutions for auto, health, home, property, travel, marine, commercial and other specialty products. RGI is amongst the leading private sector general insurance players in India with a private sector market share of 7.8 per cent. During 2022-23, gross direct premium of the total general insurance industry increased by 16.4 per cent to ₹ 2,56,912 crore. During 2022-23, gross direct premium of the private Indian general insurance industry increased by 20.2 per cent to ₹ 1,31,941 crore (Source: IRDAI website). RGI's gross written premium for the year ended March 31, 2023 was ₹ 10,489 crore, an increase of 10 per cent over the previous year.

### Sector wise Premium Contribution

Profit before tax for the year ended March 31, 2023, stood at ₹ 415 crore as against ₹ 381 crore in the corresponding period of the previous year, an increase of 9 per cent over the previous year. The distribution network comprised of 130 branches and approx. 91,974 agents and point of sales person (POSP) at the end of March 31, 2023. At the end of March 31, 2023, the investment book increased by 17 per cent to ₹ 16,935 crore.

### Reliance Nippon Life Insurance (RNLI)

Reliance Nippon Life Insurance currently offers a total of 28 products that fulfill the savings and protection needs of customers. Of these, 25 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. In FY23, the Indian life insurance industry recorded new business premium of ₹ 3,70,543 crore as against ₹ 3,14,263 crore in the previous year, an increase of 17.91 per cent. During the year, the Indian private sector life insurance industry recorded new business premium of ₹ 1,38,644 crore as against ₹ 1,15,503 crore in the previous year, an increase of 20 per cent. RNLI is amongst the leading private sector life insurers with a private sector market share of 1.5 per cent, in terms of individual weighted new business premium. (Source: Financial Year 2022-23 data, Life Insurance Council website). The total premium for FY23 stood at ₹ 5,122 crore as against ₹ 5,037 crore. The new business premium income for the year ended March 31, 2023, was ₹ 1,126 crore as against ₹ 1,282 crore for the previous year. The individual weighted new business premium income for the year ended March 31, 2023, was ₹ 1,006 crore as against ₹ 944 crore for the previous year. For the year ended March 31, 2023, the renewal premium was ₹ 3,997 crore as against ₹ 3,754 crore. The new business

## Management Discussion and Analysis

achieved profit for the year ended March 31, 2023 was ₹ 372 crore as against ₹ 331 crore in the previous year.

The total assets under management were at ₹ 30,609 crore as on March 31, 2023, as against ₹ 27,619 crore as on March 31, 2022. The number of policies sold during the year was approximately 1.49 lakh. The distribution network stood at 713 branches and over 54,000 active advisors at the end of March 2023.

### 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, 2023, was ₹ 2,208 crore as against ₹ 2,230 crore as on March 31, 2022. Its own investment in NPAs stood at ₹ 347 crore as on March 31, 2023 as against ₹ 349 crore as on March 31, 2022.

### Broking and Distribution business

Reliance Capital's broking and distribution 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, commodities, derivatives and wealth management solutions. As of March 31, 2023, the equity broking business had over 10,65,892 (March 2022 10,32,377) equity broking accounts and achieved average equity cash daily turnover of ₹ 61.57 Crore for the year March 2023 (March 2022, 71.93 crore). As of March 31, 2023, the commodity broking business had over 1,17,375 (March 2022 1,18,559) commodity broking accounts and recorded average daily commodities broking turnover of ₹ 8.72 crore for the year March 2023 (March 2022, ₹ 12.69 Crore). 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 51 Branches and over 1,161 customer touch points (March 2022, 56 Branches and over 1,293) across India. Broking & Distribution business reported a profit after tax of ₹ 20.28 crore for the year ended March 31, 2023 (March 2022, ₹ 18.18 crore).

### Reliance Home Finance (RHFL)

RHFL's Net Worth as on March 31, 2023, stood at ₹ (73.83) crore, as against ₹ (5,481.56) crore for the previous year. The Total Income for the year ended March 31, 2023, was at ₹ 391 crore, as against ₹ 293 crore for the previous year. As on March 31, 2023, the outstanding loan book was Nil as against ₹ 12.352 crore for the previous year. The business reported a net profit of ₹ 5,419 crore for the year ended March 31, 2023 as against net loss of ₹ 5,440 crore in the previous year.

Certain lenders of RHFL (Banks and other Financial Institutions) had entered into an Inter-Creditor Agreement (ICA) on July 6, 2019 with Bank of Baroda acting as the Lead Lender for arriving at the debt resolution plan 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 (RBI Circular), by way of Change in Management. The Lead Bank and the lenders forming part of ICA had appointed resolution advisors, cashflow monitoring agency, valuers and legal counsel. Bank of Baroda as the Lead Lender and on behalf of the ICA lenders had as part of the debt resolution process invited the Expression of Interest (EOI) and bids from interested bidders vide newspaper advertisement dated July 29, 2020 and through the Lead Bank's website. Initially nineteen investors had expressed interest

through submission of EOI's. The ICA lenders after completing the transparent process of inviting bids from eligible bidders and evaluation, voted upon and selected with overwhelming majority Authum Investment & Infrastructure Limited (Authum) as the final bidder on June 19, 2021.

The entire Resolution Plan has been finalised in terms of RBI Circular No. RBI/2018-19/203, DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets by the Lenders of RHFL, has also been approved by the Hon'ble Supreme Court of India by its order dated March 3, 2023 and the special resolution approved by the shareholders dated March 25, 2023. In view of the same RHFL took all appropriate steps towards implementation of the Resolution Plan in compliance with the Order of Hon'ble Supreme Court of India.

Accordingly, in terms of the RBI Circular and in pursuance of the order of the Hon'ble Supreme Court of India dated March 3, 2023, the total Resolution amount of ₹ 3,351 crore has duly been paid to all the financial creditors including debenture holders as per their respective approved entitlements under the Resolution Plan in full and final settlement of their dues and the Resolution Plan stood duly implemented.

### 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 provide. 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

## Management Discussion and Analysis

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.

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 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. 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. 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.

### 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 consume

### 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

## Management Discussion and Analysis

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.

### 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

- 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.

## Corporate Governance Report

In pursuance of Regulation 34(3) and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "SEBI Listing Regulations") and Master Direction – Core Investment Companies (Reserve Bank) Directions, 2016, a Report on Corporate Governance for the Financial Year 2022-23 is presented below:

The Reserve Bank of India (RBI) vide Press Release dated November 29, 2021 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) superseded the Board of Directors of your Company on November 29, 2021 and thereafter appointed Mr. Nageswara Rao Y, ex-Executive Director of Bank of Maharashtra as the Administrator of your Company under Section 45-IE (2) of the RBI Act. Thereafter, RBI vide its Press Release dated November 30, 2021, in exercise of the powers conferred under Section 45-IE 5(a) of the RBI Act, constituted a three (3) member Advisory Committee to assist the Administrator in discharge of his duties and further to also advise the Administrator in the operations of your Company during the Corporate Insolvency Resolution Process (CIRP). The Advisory Committee presently comprises of Mr. Sanjeev Nautiyal, ex-DMD, State Bank of India, Mr. Praveen P Kadle, ex-MD & CEO, Tata Capital Limited and Mr. Vikramaditya Singh Khichi ex-ED, Bank of Baroda. As per the framework of the Advisory Committee as approved by RBI, primary responsibility of the Advisory Committee is to guide the Administrator to undertake all steps that will maximize the value for all stakeholders of your Company through a successful resolution.

On December 2, 2021, the RBI had filed the Petition before the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT/Adjudicating Authority") under sub-Clause (i) of clause (a) of Rule 5 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 (FSP Rules) to initiate Corporate Insolvency Resolution Process ("CIRP") against your Company read with Section 227 of the Insolvency and Bankruptcy Code, 2016 read with the Rules and Regulations framed there under and amended from time to time (the "Code"). Further, CIRP was initiated against the Company under Section 227 read with clause (zk) of sub section (2) of Section 239 of the Code and read with Rules 5 and 6 of the FSP Rules by an order dated December 6, 2021, of the NCLT. In accordance with Section 14 of the Code read with the FSP Insolvency Rules, a moratorium has been effective on and from December 6, 2021, i.e. the date of admission of the Company in the CIRP process for prohibiting institution of suits or continuation of pending suits or proceedings against the Company including execution of any judgement, decree or order in any court of law, tribunal, arbitration panel or other authority. The Administrator has taken steps for seeking confirmations from various forums where litigations have been levied on the Company for disposal of assets, that such injunctions will not be applicable during CIRP. The Adjudicating Authority vide the above order, appointed the Administrator to perform all the functions of a Resolution Professional to complete the CIRP of the Company as required under the provisions of the Code. It is also incumbent upon the Administrator, (exercising same powers as Resolution Professional under the Code), under Section 20 of the Code, to manage the operations of the Company as a going concern.

### 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.

### I. Disclosures

#### A. Compliance with the Listing Regulations

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

#### B. There has been no non-compliance by the Company on any matter related to capital markets during the last three financial years. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority

#### C. Related party transactions

During the financial year 2022-23, 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](http://www.reliancecapital.co.in/pdf/Policy_for_Related_Party_Transaction.pdf).

#### D. 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.

#### E. Risk management

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

#### F. 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.

#### G. Ombudspersons & Whistle Blower (Vigil Mechanism) policy

Our Ombudspersons & Whistle Blower (Vigil Mechanism) policy encourages disclosure in good faith of any

## Corporate Governance Report

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 Administrator.

It is affirmed that no person has been denied direct access to the Administrator.

### H. Code of Conduct

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

"It is hereby declared that the Company has obtained from all members of the senior management personnel affirmation that they have complied with the Code of Conduct for Senior Management of the Company for the financial year 2022-23."

Nageswara Rao Y  
Administrator

### I. CFO certification

Mr. Aman Gudral, Chief Financial Officer of the Company have provided certification on financial reporting and internal controls to the Administrator as required under Regulation 17(8) of the Listing Regulations.

### II. 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.

### III. 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.

### IV. 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 Company 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 Administrator. 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.

### V. 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, 2022                               | 212                 | 3 402         |
| (ii) Number of shareholders who approached listed entity for transfer of shares from suspense account during April 1, 2022 to March 31, 2023 | -                   | -             |
| (iii) Number of shareholders to whom shares were transferred from suspense account during the April 1, 2022 to March 31, 2023                | -                   | -             |
| (iv) Number of Shares Transfer to IEPF                                                                                                       | 69                  | 579           |
| (v) Aggregate number of shareholders and the outstanding shares in the suspense account lying at March 31, 2023                              | 143                 | 2823          |

The voting rights on the shares outstanding in the "Reliance Capital Limited – Unclaimed Suspense Account" as on March 31, 2023 shall remain frozen till the rightful owner of such shares claims the share(s).

Any shareholders who claim the share(s), the share(s) are credited to the respective beneficiary account after proper verifications.

### VI. Fees to Statutory Auditors

The details of fees paid to M/s. Gokhale & Sathe, Chartered Accountants, Statutory Auditors and their network entities by the Company during the year ended March 31, 2022 are as follows:

|         |                                                | (₹ in lakh) |
|---------|------------------------------------------------|-------------|
| Sr. No. | Particulars                                    | 2022-23     |
| 1.      | Audit Fees*                                    | 34          |
| 2.      | Certification and other reimbursement charges* | 1           |
|         | Total                                          | 35          |

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

## Corporate Governance Report

### VII. Investors' Grievances Attended

| Received from         | Received during |         | Redressed during |         | Pending as on |         |
|-----------------------|-----------------|---------|------------------|---------|---------------|---------|
|                       | 2022-23         | 2021-22 | 2022-23          | 2022-23 | 2021-22       | 2022-23 |
| SEBI                  | 11              | 7       | 11               | 7       | Nil           | Nil     |
| Stock Exchanges       | 17              | 4       | 17               | 4       | Nil           | Nil     |
| NSDL/CDSL             | 0               | 3       | 0                | 3       | Nil           | Nil     |
| Direct from investors | 1119            | 718     | 1119             | 718     | Nil           | Nil     |
| Total                 | 1147            | 732     | 1147             | 732     | Nil           | Nil     |

#### Analysis of Grievances

|                                   | 2022-23 |        | 2021-22 |        |
|-----------------------------------|---------|--------|---------|--------|
|                                   | Numbers | %      | Numbers | %      |
| Non-receipt of dividend           | 925     | 80.64  | 517     | 70.63  |
| Non-receipt of share certificates | 150     | 13.08  | 148     | 20.22  |
| Others                            | 72      | 6.28   | 67      | 9.15   |
| Total                             | 1147    | 100.00 | 732     | 100.00 |

There was no complaint pending as on March 31, 2023

#### Notes :

- The shareholder base was 7,83,443 as of March 31, 2023 and 7,89,806 as of March 31, 2022.
- 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.

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

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

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     |

### IX. 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.

### X. 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, the Administrator has nominated Mr. Venkatarao Yadagani and Mr. Mrutinjay Mahapatra on the Board of RNLIC.

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

- Financial statements, in particular the investments made by unlisted subsidiary companies are reviewed quarterly by the Audit Committee / Administrator of the Company.
- Minutes of the meetings of the board of directors of all unlisted subsidiary companies are placed before the Company's Board / Administrator regularly.
- 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 / Administrator.

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 its Secretarial Audit Report is available on the website of the Company.

### XI. Means of communication

- Financial Results:** Financial Results for the quarter, half year, and Financial Year 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.
- 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.
- Website:** The Company's website contains a separate dedicated sections on 'Corporate Insolvency Resolution Process' (CIRP) and 'Investor Relations'. The CIRP section provides the details about the Management Team, initiation of CIRP, List of Creditors, Expression of Interest, Provisional list of prospective resolution applicants and final list of prospective resolution applicants. Further, the Investor Relations sections contains comprehensive database of information of interest to our investors including the financial results and Annual Report of the Company, information on dividend declared by the Company in previous years, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered / facilities extended by the Company to our investors, in a user friendly manner. The basic information about the Company is provided on the Company's website and the same is updated regularly.
- Annual Report:** The Annual Report containing, inter alia, Notice of Annual General Meeting, Audited Financial Statement, Consolidated Financial Statement, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis Report and Corporate Governance Report forms part of the Annual Report and are displayed on the Company's website.

## Corporate Governance Report

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, the Company has 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) and New Digital Exchange Platform:** The NEAPS and New Digital Exchange Platform are web-based systems 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 the respective platforms, as applicable.
- 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 Fax: +91 40 6716 1791 E-mail: rclinvestor@kfintech.com
- h. **Designated E-mail id:** The Company has also designated E-mail id: rclinvestor@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. 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.

### XIII. 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 and provisions of RBI Directions relating to corporate governance is published in this Annual Report.

### XIV. 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.

## XV. Board of Directors

### 1. Board Committees and Remuneration of Directors

The Reserve Bank of India in exercise of its powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934, vide its notification dated November 29, 2021, superseded the Board of Directors of the Company and all the Directors of the Company vacated their office.

Further, Audit Committee, Nomination and Remuneration Committee, Group Risk Management Committee, Stakeholders Relationship Committee, Corporate Social Responsibility (CSR) Committee, ALCO Committee and IT Strategy Committee of the Company constituted under the various provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Master Direction – Core Investment Companies (Reserve Bank) Directions, 2016 stand dissolved w.e.f November 29, 2021.

Disclosures relating to Directorship of Director is not applicable in view of supersession of the Board by the RBI

### 2. Insurance coverage

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

### 3. 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 were 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 are in compliance with the requirements of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

### 4. Compliance with non-mandatory requirements

#### a. The Board

The Company is under CIRP and Board has been superseded by RBI.

#### b. Audit qualifications

The qualification and management response to it are mentioned in the Director's Report forming part of this report.

#### c. Reporting of Internal Auditor

Post admission of the Company into CIRP, the Internal Auditor reported directly to the RBI Administrator.

### 5. General Body Meetings

#### 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 |
|----------------|----------------------------------|------------------------------------------|
| 2021-22        | September 26, 2022<br>11:00 A.M. | No                                       |
| 2020-21        | September 14, 2021<br>11:00 A.M. | No                                       |
| 2019-20        | June 23, 2020<br>12:00 Noon      | No                                       |

## Corporate Governance Report

The Annual General Meetings for the year 2019-20, 2020-21 and 2021-22 were held through Video Conferencing (VC).

### Extra-ordinary General Meeting

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

### 6. Postal Ballot

The Company had not conducted any business through Postal Ballot during the financial year 2022-23. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing of a special resolution through postal ballot.

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

- (a) The Reserve Bank of India (RBI) vide Press Release dated November 29, 2021 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) superseded the Board of Directors of your Company on November 29, 2021 and the RBI appointed Mr. Nageswara Rao Y as the Administrator of your Company under Section 45-IE (2) of the RBI Act; and
- (b) As per Securities and Exchange Board of India (Listing

Obligations and Disclosure Requirements) Regulations, 2015, Regulation 15 :

"(2A) The provisions as specified in regulation 17 shall not be applicable during the insolvency resolution process period in respect of a listed entity or a 'high value debt listed entity' which is undergoing corporate insolvency resolution process under the Insolvency Code, Provided that the role and responsibilities of the board of directors as specified under regulation 17 shall be fulfilled by the interim resolution professional or resolution professional in accordance with sections 17 and 23 of the Insolvency Code.

(2B) The provisions as specified in regulations 18, 19, 20 and 21 shall not be applicable during the insolvency resolution process period in respect of a listed entity [or a 'high value debt listed entity'] which is undergoing corporate insolvency resolution process under the Insolvency Code:

Provided that the roles and responsibilities of the committees specified in the respective regulations shall be fulfilled by the interim resolution professional or resolution professional."

| Sr. No. | Particulars                           | Regulation | Compliance Status | Compliance Observed                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------|---------------------------------------|------------|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | Board of Directors                    | 17*        | NA                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 2.      | Maximum number of Directorship        | 17A        | NA                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 3.      | Audit Committee                       | 18*        | NA                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 4.      | Nomination and Remuneration Committee | 19*        | NA                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 5.      | Stakeholders Relationship Committee   | 20*        | NA                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 6.      | Risk Management Committee             | 21*        | NA                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 7.      | Vigil Mechanism                       | 22         | Yes               | <ul style="list-style-type: none"> <li>Review of Vigil Mechanism for Directors and employees</li> <li>Direct access to Chairperson of Audit Committee</li> </ul>                                                                                                                                                                                                                                                                                               |
| 8.      | Related Party Transactions            | 23*        | Yes               | <ul style="list-style-type: none"> <li>Policy of Materiality of Related Party Transactions and dealing with Related Party Transactions</li> <li>Approval including omnibus approval of Committee of Creditors</li> <li>Review of Related Party Transactions</li> <li>No material Related Party Transactions</li> <li>Disclosure of Related Party Transactions on consolidated basis</li> <li>Disclosure to Stock Exchanges and on Company's website</li> </ul> |
| 9.      | Subsidiaries of the Company           | 24         | Yes<br>Yes        | <ul style="list-style-type: none"> <li>Review of financial statements and Investment of unlisted subsidiaries by the Administrator</li> <li>Minutes of the board of directors of the unlisted subsidiaries are placed before the Administrator</li> <li>Significant transactions and arrangements of unlisted subsidiaries are placed before the Administrator</li> </ul>                                                                                      |

**Corporate Governance Report**

| Sr. No. | Particulars                                                                                                          | Regulation      | Compliance Status | Compliance Observed                                                                                                                                                                                                                                                                                                                                                       |
|---------|----------------------------------------------------------------------------------------------------------------------|-----------------|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10.     | Secretarial Compliance Report                                                                                        | 24A             | Yes               | <ul style="list-style-type: none"> <li>Secretarial Compliance Report / Secretarial Audit Report</li> <li>Secretarial Audit of unlisted Material Subsidiary</li> </ul>                                                                                                                                                                                                     |
| 11.     | Obligations with respect to Independent Directors                                                                    | 25*             | NA                |                                                                                                                                                                                                                                                                                                                                                                           |
| 12.     | Obligations with respect to employees including Senior Management, Key Managerial Personnel, Directors and Promoters | 26              | Yes               | <ul style="list-style-type: none"> <li>Affirmation on compliance of Code of Conduct by Senior Management</li> <li>Disclosures by Senior Management about potential conflicts of interest</li> <li>No agreement with regard to compensation or profit sharing in connection with dealings in securities of the Company by Key Managerial Personnel and Promoter</li> </ul> |
| 13.     | Other Corporate Governance Requirements                                                                              | 27              | Yes               | <ul style="list-style-type: none"> <li>Filing of compliance report on Corporate Governance</li> </ul>                                                                                                                                                                                                                                                                     |
| 14.     | Website                                                                                                              | 46(2)(b) to (i) | Yes               | <ul style="list-style-type: none"> <li>Code of Conduct of Board of Directors and Senior Management</li> <li>Details of establishment of Vigil Mechanism / Whistle-blower policy</li> <li>Criteria of making payment to Non-executive Director</li> <li>Policy on dealing with Related Party Transactions</li> <li>Policy for determining material subsidiaries</li> </ul> |

\*Kindly refer note (b) above.

**Certificate on Corporate Governance by Practicing Company Secretary**

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

Kamala Mills Compound,  
Trade World, B Wing, 7<sup>th</sup> Floor  
S B Marg, Lower Parel  
Mumbai 400 013

I have examined the compliance of conditions of Corporate Governance by Reliance Capital Limited ('the Company') for the year ended March 31, 2023, 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 1, 2022 to March 31, 2023.

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  
PR No.: 563/2018  
UDIN: A019639E000707931  
Mumbai, July 30, 2023

## Investor Information

### General Shareholders Information

#### Annual General Meeting

The 37<sup>th</sup> Annual General Meeting (AGM) of the Members of **Reliance Capital Limited** will be held on Thursday, September 28, 2023 at 2:00 P.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. on Sunday, September 24, 2023 to 5:00 P.M. on Wednesday, September 27, 2023. Further, the e-voting facility shall also be made available to the shareholders present at the meeting through Video Conferencing and have not cast their vote on resolution through remote e-voting.

The Members who have cast their votes by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their votes again at the Meeting.

The Members shall refer to the detailed procedure on remote e-voting are given in the Notice and the e-voting instruction slip. 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](http://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 in past, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered / facilities extended to our investor.

#### 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](mailto:rcl.investor@relianceada.com) for investor.

#### Furnishing of PAN, KYC details and Nomination by holders of physical securities

The Securities and Exchange Board of India (SEBI) vide their circulars SEBI / HO / MIRSD / MIRSD\_RTAMB / P / CIR / 2021 / 655 dated November 3, 2021, SEBI / HO / MIRSD / MIRSD\_RTAMB / P / CIR / 2021 / 687 dated December 14, 2021 and SEBI / HO / MIRSD / MIRSD-PoD-1 / P / CIR / 2023 / 37 dated March 16, 2023 have mandated compulsory furnishing details of PAN, bank account details, contact details viz. e-mail address & mobile number and nomination by the holders of securities in physical mode. Dividend, if any, would be paid only through electronic mode with effect from April 1, 2024.

The circular further stated that if the KYC was not completed on or before September 30, 2023 and that even if any one of the above cited documents / details was not available, the folio

would be frozen by the KFin Technologies Limited, Registrar and Transfer Agent of the Company (RTA).

The frozen folios after December 31, 2025, would be referred by Company / RTA to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and /or Prevention of Money Laundering Act, 2002.

The Company in the month of May, 2023 had sent communication to those shareholders' holding securities in physical form with a request to complete their KYC on or before September 30, 2023.

Shareholders are requested to comply with the requirements and complete KYC at the earliest.

#### Registrar and Transfer Agent (RTA)

Unit: Reliance Capital Limited  
Selenium Building, Tower-B, Plot No 31 & 32  
Financial District, Nanakramguda  
Hyderabad 500 032, Telangana, India.

Toll Free/Phone Number :1800 309 4001

Whatsapp Number: (91) 910 009 4099

Kfintech Corporate Website: <https://www.kfintech.com>

RTA Website: <https://ris.kfintech.com>

Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

Investor Support Centre(DIY Link): <https://ris.kfintech.com/clientervices/isc>

#### 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 the 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.

#### 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 2014-15 remaining unclaimed for seven years from the date of declaration to IEPF.

During the year under review, the Company has transferred ₹ 2,79,88,983/- from the unclaimed dividend account 2014-15 pursuant to the provisions of the Companies Act, 2013. Unclaimed dividend amount of ₹ 5,97,591/- has been retained in the unpaid dividend account 2014-15 on account of pending legal cases.

## Investor Information

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 ₹) |
|----------------------|------------------------|---------------------|---------------------|----------------------------------------------------|
| 31-03-2016           | 10.00                  | 27-09-2016          | 26-10-2023          | 3 35 53 225                                        |
| 31-03-2017           | 10.50                  | 26-09-2017          | 25-10-2024          | 3 69 88 896                                        |
| 31-03-2018           | 11.00                  | 18-09-2018          | 17-10-2025          | 2 71 67 382                                        |

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 Limited immediately. The Company shall transfer to IEPF within the stipulated period (a) the unpaid or unclaimed dividend for the financial year 2015-16; (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

### Shareholding pattern

| Category of shareholders                                                             | As on 31.03.2023    |               | As on 31.03.2022    |               |
|--------------------------------------------------------------------------------------|---------------------|---------------|---------------------|---------------|
|                                                                                      | Number of Shares    | %             | Number of Shares    | %             |
| (A) Shareholding of promoter and promoter group                                      |                     |               |                     |               |
| (i) Indian                                                                           | 22 26 366           | 0.88          | 38 00 419           | 1.50          |
| (ii) Foreign                                                                         | -                   | -             | -                   | -             |
| <b>Total shareholding of promoter and promoter group</b>                             | <b>22 26 366</b>    | <b>0.88</b>   | 38 00 419           | 1.50          |
| (B) Public shareholding                                                              |                     |               |                     |               |
| (i) Institutions                                                                     | 81 344 19           | 3.22          | 99 15 931           | 3.93          |
| (ii) Non-institutions                                                                | 23 96 51 354        | 94.84         | 23 62 95 789        | 93.51         |
| <b>Total public shareholding</b>                                                     | <b>24 77 85 773</b> | <b>98.06</b>  | <b>24 62 11 720</b> | <b>97.44</b>  |
| (C) Shares held by custodians and against which depository receipts have been issued | 10 96 763           | 0.43          | 10 96 763           | 0.43          |
| (D) ESOS Trust                                                                       | 16 00 000           | 0.63          | 16 00 000           | 0.63          |
| <b>Grand Total (A)+(B)+(C)+(D)</b>                                                   | <b>25 27 08 902</b> | <b>100.00</b> | <b>25 27 08 902</b> | <b>100.00</b> |

### Distribution of Shareholding

| Number of shares | Number of shareholders as on 31.03.2023 |               | Total shares as on 31.03.2023 |               | Number of shareholders as on 31.03.2022 |               | Total shares as on 31.03.2022 |               |
|------------------|-----------------------------------------|---------------|-------------------------------|---------------|-----------------------------------------|---------------|-------------------------------|---------------|
|                  | Number                                  | %             | Number                        | %             | Number                                  | %             | Number                        | %             |
| Upto 500         | 7 25 679                                | 92.63         | 3 68 79 774                   | 14.59         | 7 34 607                                | 93.01         | 3 60 25 889                   | 14.26         |
| 501 to 5000      | 51 814                                  | 6.61          | 7 77 80 867                   | 30.78         | 49 336                                  | 6.25          | 7 39 76 255                   | 29.27         |
| 5001 to 100000   | 5 821                                   | 0.74          | 8 55 58 645                   | 33.86         | 5 723                                   | 0.72          | 8 47 36 235                   | 33.53         |
| Above 100000     | 129                                     | 0.02          | 5 24 89 616                   | 20.77         | 140                                     | 0.02          | 5 79 70 523                   | 22.94         |
| <b>Total</b>     | <b>7 83 443</b>                         | <b>100.00</b> | <b>25 27 08 902</b>           | <b>100.00</b> | <b>7 89 806</b>                         | <b>100.00</b> | <b>25 27 08 902</b>           | <b>100.00</b> |

### 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.

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](http://www.iepf.gov.in) along with the applicable fee.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 26, 2022 (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.

### Status of dematerialisation of shares

As on March 31, 2023, 99.04 per cent of the Company's equity 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.

## Investor Information

### 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     |

### Credit Rating & Details of Revision

| Rating Agency        | Type of Instrument                           | Rating as on March 31, 2023                                                        |
|----------------------|----------------------------------------------|------------------------------------------------------------------------------------|
| CARE Ratings Limited | Long Term Debt Programme                     | CARE D; Issuer not cooperating<br>(Single D; Issuer not cooperating)               |
|                      | Principal Protected Market Linked Debentures | CARE PP-MLD D; Issuer not cooperating<br>(PP-MLD Single D; Issuer not cooperating) |
|                      | Subordinated Debt                            | CARE D; Issuer not cooperating<br>(Single D; Issuer not cooperating)               |

There is no revision in the Credit Ratings since September 21, 2020.

## Investor Information

### Stock Price and Volume

| 2022-23        | BSE Limited |         |                          | National Stock Exchange of India Limited |         |                          |
|----------------|-------------|---------|--------------------------|------------------------------------------|---------|--------------------------|
|                | High (₹)    | Low (₹) | Volume Nos.<br>(in lakh) | High (₹)                                 | Low (₹) | Volume Nos.<br>(in lakh) |
| April 2022     | 23.30       | 16.50   | 183.12                   | 23.30                                    | 16.50   | 827.34                   |
| May 2022       | 17.00       | 13.35   | 42.72                    | 16.95                                    | 13.30   | 203.29                   |
| June 2022      | 15.29       | 11.62   | 22.37                    | 15.20                                    | 11.45   | 89.93                    |
| July 2022      | 13.00       | 11.75   | 19.78                    | 13.20                                    | 11.80   | 12.40                    |
| August 2022    | 15.00       | 12.00   | 38.84                    | 14.95                                    | 12.25   | 142.96                   |
| September 2022 | 18.82       | 13.73   | 55.92                    | 18.45                                    | 13.90   | 81.28                    |
| October 2022   | 13.90       | 11.34   | 1.95                     | 13.75                                    | 11.30   | 7.49                     |
| November 2022  | 12.39       | 8.80    | 47.77                    | 12.30                                    | 8.85    | 103.23                   |
| December 2022  | 10.64       | 9.13    | 4.79                     | 10.60                                    | 9.15    | 14.79                    |
| January 2023   | 11.80       | 8.68    | 45.06                    | 11.70                                    | 8.70    | 98.51                    |
| February 2023  | 9.62        | 8.26    | 4.71                     | 9.60                                     | 8.30    | 5.84                     |
| March 2023     | 10.50       | 7.60    | 37.67                    | 10.45                                    | 7.65    | 146.29                   |

[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 listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), the Indian Stock Exchanges.

On account of Company being under CIRP, trading in its equity shares has been restricted in terms of BSE Notice No. 20220520-52 and NSE Notice No. NSE/SURV/52368 both dated May 20, 2022, on Additional Surveillance Measure (ASM) for Companies relating to the Insolvency Resolution Process (IRP) as per Insolvency and Bankruptcy Code (IBC).

### Listing on stock exchanges

#### Equity shares

##### BSE Limited

Phiroze Jeejeebhoy Towers  
Dalal Street, Fort, Mumbai 400 001  
Website: [www.bseindia.com](http://www.bseindia.com)

##### National Stock Exchange of India Limited

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

#### Stock codes

BSE Limited : 500111  
National Stock Exchange of India Limited : RELCAPITAL  
ISIN for equity shares : INE013A01015

### Global Depository Receipts (GDRs)

GDRs of the Company have been delisted from the Luxembourg Stock Exchange Societe De La Bourse w.e.f March 17, 2023 and settled on April 25, 2023, hence there are no outstanding GDR as on the date of this report.

### 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](http://www.vistraitcl.com)

### Payment of listing fees

Annual listing fee for the year 2023-24 has been paid by the Company to the stock exchanges.

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

|              | RCL<br>% | Sensex BSE<br>% | Nifty NSE<br>% |
|--------------|----------|-----------------|----------------|
| F.Y. 2022-24 | (51.95)  | 0.72            | (0.60)         |
| 2 years      | (25.58)  | 19.15           | 18.17          |
| 3 years      | 77.78    | 100.19          | 101.91         |

### Key financial reporting dates for the financial year 2023-24

Unaudited results for the first quarter ending June 30, 2023 : On or before August 14, 2023  
Unaudited results for the second quarter/ half year ending September 30, 2023 : On or before November 14, 2023  
Unaudited results for the third quarter/ nine months ending December 31, 2023 : On or before February 14, 2024  
Audited results for the financial year 2023-24 : On or before May 30, 2024

## Investor Information

### Depository services

For guidance on depository services shareholders may write to the Company's RTA or to the Depositories at the following address:

#### National Securities Depository Limited

Trade World, A Wing, 4<sup>th</sup> Floor  
Kamala Mills Compound, Senapati Bapat Marg  
Lower Parel (West), Mumbai 400 013  
website: [www.nsdl.co.in](http://www.nsdl.co.in)

#### Central Depository Services (India) Limited

Marathon Futurex, A-Wing, 25<sup>th</sup> Floor,  
N. M. Joshi Marg, Lower Parel,  
Mumbai 400 013 website: [www.cdslindia.com](http://www.cdslindia.com).

### Communication to Members

The Company's quarterly financial results, audited accounts, corporate announcements, media releases and details of significant developments are also made available on the Company's website: [www.reliancecapital.co.in](http://www.reliancecapital.co.in).

### 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 Administrator.

### 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 Limited at the below mentioned address for speedy response:

#### KFin Technologies Limited

Unit: Reliance Capital Limited  
Selenium Building, Tower-B,  
Plot No 31 & 32, Financial District,  
Nanakramguda, Hyderabad 500 032,  
Telangana, India

Toll Free/Phone Number :1800 309 4001

Whatsapp Number: (91) 910 009 4099

KPRISM (Mobile Application): <https://kprism.kfintech.com/>

Kfintech Corporate Website: <https://www.kfintech.com>

RTA Website: <https://ris.kfintech.com>

Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

Investor Support Centre(DIY Link): <https://ris.kfintech.com/clientservices/isc>

### Investor Centre

As an ongoing endeavour to enhance Investor experience and leverage new technology, Company's RTA have been continuously developing new applications, a list of which is given below:

- (i) Investor Support Centre: A webpage accessible via any browser-enabled system, Investors can use a host of services like Post a query, Raise a service request, Track the status of their DEMAT and REMAT request, Dividend status, Interest and Redemption status, Upload exemption forms (TDS), Download all ISR and other related forms

URL:<https://ris.kfintech.com/clientservices/isc/default.aspx>

- (ii) eSign Facility: Common and simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination require that the eSign option be provided to Investors for raising service requests. KFIN is the only RTA which has enabled the option and can be accessed via this link:

<https://ris.kfintech.com/clientservices/isr/isr1.aspx?mode=f3Y5zP9DDN%3d>

- (iii) KYC Status: Shareholders can access the KYC status of their folio. The webpage has been created to ensure that shareholders have requisite information regarding the folios: URL: <https://ris.kfintech.com/clientservices/isc/kycqry.aspx>

- (iv) KPRISM: A mobile application as well as a webpage which allows users to access Folio details, Interest and Dividend status, FAQs, ISR Forms and a full suite of other investor services.

URL: <https://kprism.kfintech.com/signin.aspx>.

### 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, 7<sup>th</sup> Floor, S. B. Marg  
Lower Parel, Mumbai 400 013  
Tel : +91 22 4158 4000  
Fax: +91 22 2490 5125  
Email: [rcl.investor@relianceada.com](mailto: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, 7<sup>th</sup> Floor, S. B. Marg  
Lower Parel, Mumbai 400 013  
Tel : +91 22 4158 4000  
Fax: +91 22 2490 5125  
Email: [rcl.investor@relianceada.com](mailto: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

### To the Members of Reliance Capital Limited

### Report on the audit of standalone financial statements

#### Introduction

The Reserve Bank of India ("RBI") vide its letter and press release dated November 29, 2021 ("RBI Order") issued under Section 45-IE(1) of the Reserve Bank of India Act, 1934, superseded the Board of Directors of Reliance Capital Limited ("the Company") and appointed an Administrator to run the Company. Subsequently, in accordance with the order dated December 06, 2021 passed by the National Company Law Tribunal (Mumbai Bench) ("NCLT Order"), the application for commencement of Corporate Insolvency Resolution Process ("CIRP") of the Company under the Insolvency and Bankruptcy Code, 2016 ("IBC") was admitted.

#### Qualified opinion

We have audited the standalone financial statements of Reliance Capital Limited, which comprise the Standalone Balance Sheet as at March 31, 2023, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information ("the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the "Basis for qualified opinion" paragraph of our report, the aforesaid financial statements give the information required by Companies Act, 2013 (the "Act") in the manner so required and give true and fair view in conformity with the accounting principle generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and loss, other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

#### Basis for qualified opinion

- a. We draw attention to Note no. 1 of the financial statements which explains that the Company is undergoing CIRP under the provisions of IBC. As per the provisions of IBC, the fair value and liquidation value of the assets of the Company as on the insolvency commencement date is required to be determined. As stated in Note no. 1, the valuation reports have been received. The Management and the Administrator have represented that the liquidation value of the assets is higher than the book values and therefore no impairment charge is called for as at March 31, 2023. However, on completion of the CIRP, the Company will consider carrying out a comprehensive review of all the assets including investments, other assets and intangible assets, liabilities and accordingly provide for impairment loss on assets and write back of liabilities, if any. Though these have been placed before the Committee of Creditors, these have not been provided for audit on grounds of confidentiality. Consequently, we are unable to comment on the impact thereof on the financial statements, if any.
- b. We draw attention to Note no. 1 to the financial statements which explains that the amount of the claims including claims on account of corporate guarantees invoked, admitted or to be admitted by the Administrator may differ from the amount reflecting in the books of account of the Company. The NCLT by its order dated April 12, 2023 has granted extension for completion of CIRP till July 16, 2023 and therefore pending final outcome of the CIRP, no adjustments have been made in the books for the differential amounts, if any, in the claims admitted as on the date of the financial

statements as compared to the liabilities reflected in the books of account of the Company.

- c. We draw attention to Note no. 1 to the financial statements which explains that in view of the ongoing CIRP, the Company has provided for interest expense on financial liabilities which may be applicable on the financial debt only upto December 06, 2021. Accordingly, interest expense pertaining to the year ended March 31, 2023 amounting to ₹1,60,859 lakh has not been recognised. Had such interest been recognised, the loss before tax for the year ended March 31, 2023 would have been higher by ₹1,60,859 lakh. Further, the aggregate interest expense not recognized by the Company post December 06, 2021 is ₹2,09,949 lakh and had such interest been recognized, the net worth of the Company as at March 31, 2023 would have been lower by ₹2,09,949 lakh.
- d. We have been informed that certain information, including the minutes of meetings of the Committee of Creditors are confidential in nature and accordingly have not been shared with us. The Administrator and the management has confirmed that the CoC discussions held during the year do not have any implications on the financial statements since resolution plan is yet to be approved by the CoC as on the date of this report.

We conducted our audit in accordance with the Standards on Auditing ("the 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 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the 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 ICAI's 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. 1 of the standalone financial statements which explains that the Company has been admitted under the CIRP effective December 06, 2021 and as stipulated under Section 20 of the IBC, it is incumbent upon the Administrator to manage the operations of the Company as a going concern. The last date for completion of CIRP process has been extended by the NCLT to July 16, 2023. Accordingly, the standalone financial statements for the year ended March 31, 2023 have been prepared on going concern basis. However, the Company has defaulted in repayment of the obligations to the lenders and debenture holders which are outstanding, has incurred losses during the period as well as during the previous periods, has reported negative net worth as at March 31, 2023 and previous periods and as described in Note no. 15 of the standalone financial statements, the asset cover for listed secured non-convertible debentures of the Company has fallen below one hundred percent, which indicates that material uncertainty exists, that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion on the standalone financial statements is not modified in respect of the above matter.

#### Emphasis of Matter

- a. We draw attention to Note no. 40(e) of the standalone financial statements which refers to filing under Section 143(12) of the Act of Ministry of Corporate Affairs by one

## Independent Auditors' Report

of the previous auditors for the financial year 2018-19. Based on the facts as described in the aforesaid, the Company has concluded that there were no matters attracting the said Section and the matter is under consideration with the Ministry of Corporate Affairs.

- b. We draw attention to Note no. 40(a) of the financial statements which refers to disposal of the Company's wholly owned subsidiary viz. Reliance Commercial Finance Limited on October 14, 2022 for a total consideration of ₹100 lakh.

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

### Key audit matters

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

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Impairment of loans and corporate guarantee issued (Expected Credit Losses)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Refer to the accounting policy and other information in Note No. 2.e Financial Instruments, Note No.2.h Financial Guarantee Contracts, Note No.3 Critical estimates and judgements, Note No. 7 Loans and Advances and Note No. 49 Financial Risk Management of the standalone financial statements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p>The Company has maintained impairment loss allowance of ₹ 8,31,335 Lakh for loans and ₹38,058 lakh for financial guarantee obligation / corporate guarantee as at March 31, 2023. The ECL provisions held as at March 31, 2023 are 100% of gross Stage 3 loans.</p> <p>Under Ind AS 109, Financial Instruments, allowance for losses on financial assets are determined using expected credit loss ("ECL") model. The estimation of impairment loss allowance on financial instruments involves significant judgement and estimates.</p> <p>The ECL Allowance is required to be measured considering the guiding principles of Ind AS 109 including:</p> <ul style="list-style-type: none"> <li>unbiased, probability weighted outcome under various scenarios;</li> <li>time value of money;</li> <li>impact arising from forward looking macro-economic factors and;</li> <li>availability of reasonable and supportable information without undue costs.</li> </ul> <p>Applying these principles involves significant estimation in various aspects, such as:</p> <ul style="list-style-type: none"> <li>grouping of borrowers based on homogeneity by using appropriate statistical techniques;</li> <li>staging of loans and estimation of behavioural life;</li> <li>determining macro-economic factors impacting credit quality of receivables;</li> <li>estimation of losses for loan products / corporate guarantee with no / minimal historical defaults.</li> </ul> <p>Considering the significance of such allowance to the overall standalone financial statements, the level of management's judgement and the degree of estimation involved in computation of expected credit losses, this area is considered as a key audit matter.</p> | <ul style="list-style-type: none"> <li>We read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109.</li> <li>We tested the criteria for staging of loans/guarantees issued based on their past-due status to check compliance with requirements of Ind AS 109. All loans as at March 31, 2023 are classified under Stage 3.</li> <li>We evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and tested the controls around data extraction and validation.</li> <li>Tested the ECL model, including assumptions and underlying computation.</li> <li>We also considered management assumption that the underlying securities may not be readily realisable and therefore 100% ECL is required to be maintained on the gross Stage 3 loans.</li> <li>The ECL provisions on corporate guarantees invoked amount to ₹ 38,058 lakh as at March 31, 2023 which is 13.33% of gross corporate guarantees invoked. No assessment of additional ECL provisions required has been made since the amount of the claims including claims on account of corporate guarantees invoked may differ from those reflected in the financial statements after these have been admitted by the Administrator under the CIRP, we have also modified our opinion on the financial statements.</li> <li>We have also obtained management representations wherever considered necessary.</li> </ul> |

### Information other than the standalone financial statements and auditor's report thereon

The Company's management and the Administrator are responsible for the preparation of the other information. The other information comprises the information included in the Annual Report but does not include the Standalone Financial Statements, Consolidated Financial Statements and our report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available 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.

## Independent Auditors' Report

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.

### Responsibilities of Management and Administrator for the standalone financial statements

The standalone financial statements of the Company for the year ended March 31, 2023 have been taken on record by the Administrator while discharging the powers of the Board of Directors of the Company which were conferred by the RBI Order and in accordance with the NCLT Order. For the said purpose, as explained in Note no. 1 of the standalone financial statements, the Administrator has relied upon the assistance provided by the existing staff and present key management personnel ("KMPs") and has assumed, without any further assessment, that information and data provided by the existing staff and present KMPs are in the conformity with the Act and other applicable laws and regulations with respect to the preparation of the standalone financial statements. The standalone financial statements are the responsibility of the Company's management and the Administrator under the provisions of Section 45-IE (4) of the Reserve Bank of India Act, 1934, and has been approved by them for issuance.

The Company's management and the Administrator are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the state of affairs, loss and other comprehensive loss, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") 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 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements 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 and the Administrator, are 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 the Administrator either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Administrator is also responsible for overseeing the Company's financial reporting process.

### Auditors' 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 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 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the management and the Administrator.
- Conclude on the appropriateness of the management's and Administrator'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 appropriateness of this assumption and on the ability of the Company 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 financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Independent Auditors' Report

### Report on other legal and regulatory requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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, except wherever stated otherwise;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as 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. Except for the effects of the matters described in the basis for qualified opinion section the standalone financial statements comply with the Ind AS specified under Section 133 of the Act;
  - e. The matters described in the paragraph "a to d" under "Basis of Qualified Opinion" section and "Material Uncertainty related to Going Concern" section, in our opinion, may have an adverse effect on the functioning of the Company.
  - f. As explained in the "Introduction" section of our report, the RBI vide its letter and press release dated November 29, 2021 issued under Section 45-IE(1) of the Reserve Bank of India Act, 1934, superseded the Board of Directors of the Company and appointed an Administrator to run the Company. Hence, we do not comment on whether any Director is disqualified from being appointed as a Director under Section 164(2).
  - 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 B";
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note no. 38 to the standalone financial statements.
  - ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. Refer Note no. 47 to the standalone financial statements.
  - iii. Other than for dividend amounting to ₹ 22 lakh pertaining to financial year 2010-11 to financial year 2013-14 which could not be transferred on account of pendency of various investor legal cases and ₹ 286 lakh which were due for transfer as on October 29, 2022 but were not transferred, there has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. In respect of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014,
  - a. The Administrator and management has represented that, to the best of its knowledge and belief, as disclosed in Note no. 52(a) of the standalone financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b. Further, the Administrator and management has represented, that, to the best of its knowledge and belief, as disclosed in Note no. 52(b) of the standalone financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under (a) and (b) above, contain any material misstatement.
- v. In respect of Rule 11(g) of the Companies (Audit and Auditors) Rule, 2014, since proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable for the company only w.e.f April 01, 2023, reporting under this clause is not applicable for the year ended March 31, 2023.
- vi. In our opinion and according to the information and explanations given to us, the Company has not declared or paid dividend during the year.
3. The RBI vide its letter and press release dated November 29, 2021 issued under Section 45-IE(1) of the Reserve Bank of India Act, 1934, superseded the Board of Directors of the Company and appointed an Administrator to run the Company. Hence, section 197 of the Act is not applicable.

### For Gokhale & Sathe

Chartered Accountants  
Firm Regn. No.103264W

### Rahul Jogtekar

Partner  
Membership No.:129389  
UDIN:

Place: Mumbai  
Date: May 29, 2023

## Independent Auditors' Report

### Annexure A to Independent Auditor's Report

**(Referred to in the Independent Auditors' Report of even date to the members of Reliance Capital Limited on the Standalone Financial Statements as of and for the year ended March 31, 2023)**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property plant and equipment including intangible assets.
- (b) The property, plant and equipment of the Company have been physically verified by the management during the year 2022-2023.
- (c) The title deeds (comprising of registered sale deeds/ transfer deeds/conveyance deeds) of all immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) provided to us, are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The nature of the Company's business is such that it is not required to hold any inventories and, hence, reporting under clause 3(ii)(a) of the order is not applicable to the Company.
- (b) As per the standalone financial statements and data made available to us, no new working capital limits have been sanctioned to the Company during the year and, hence, reporting under clause 3(ii)(b) of the order is not applicable to the Company.
- (iii) (a) Since the principal business of the Company is to give loans, reporting under clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) The Company during the year has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans. Hence, reporting under clause 3(iii)(b) of the order is not applicable to the Company.
- (c) In respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated. Note no. 49 of the standalone financial statements explains the Company's policy relating to expected credit loss measurement and impairment of financial assets. In accordance with that policy, loans as at the year-end aggregating to ₹8,31,335 lakh were categorized as credit impaired ("Stage 3") where the repayment of principal and payment of interest is not regular. Disclosures in respect of such loans have been provided in Note No. 7 to the standalone financial statements. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide

an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.

- (d) The total overdue amount for more than 90 days as on March 31, 2023 are as below:

(₹ In lakh)

| No. of cases | Principal amount overdue | Interest overdue | Total overdue | Remarks (if any) |
|--------------|--------------------------|------------------|---------------|------------------|
| 26           | 8,31,335                 | 1,37,486         | 9,68,821      | None             |

With effect from December 06, 2021, the Company has been admitted under CIRP and the Administrator has taken various steps for the recovery of the principal and interest which includes initiation of the process of inviting bids for the purpose of resolution process under CIRP.

- (e) Since the principal business of the Company is to give loans, reporting under clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) During the year 2022-2023, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) There are no loans, investments, guarantees and securities granted in respect of which provisions of Section 185 and 186 of the Act are attracted. Accordingly, clause 3(iv) of the Order is not applicable to the Company.
- (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 to 76 of the Act and the rules framed there under to the extent notified. Therefore, the provisions of clause 3(v) of the 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) In our opinion, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, goods and service tax, cess and other material statutory dues applicable to it, except an amount of ₹308 lakh of unclaimed dividend not transferred to the Investor Education and Protection Fund. According to information and explanations given to us, no undisputed amounts payable were outstanding, at the year end, for a period of more than six months from the date they became payable, except ₹22 lakh of unclaimed dividend not transferred on account of various investor legal cases.

# Independent Auditors' Report

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

| Name of the statute  | Nature of dues | Amount (₹ in lakh) | Period to which the amount relates | Forum where the dispute is pending                           |
|----------------------|----------------|--------------------|------------------------------------|--------------------------------------------------------------|
| CGST/ SGST Act, 2017 | GST            | 36                 | F.Y. 2018-19                       | Office of Joint Commissioner of State Tax (Appeal-1), Mumbai |
| Income tax Act, 1961 | Income Tax     | 2,919              | F.Y. 2017-18                       | Commissioner of Income Tax (Appeals), Mumbai                 |
| Income tax Act, 1961 | Income Tax     | 97                 | F.Y. 2017-18                       | Commissioner of Income Tax (Appeals), Mumbai                 |
| Income tax Act, 1961 | Income Tax     | 1,216              | F.Y. 2016-17                       | Commissioner of Income Tax (Appeals), Mumbai                 |
| Income tax Act, 1961 | Income Tax     | 632                | F.Y. 2015-16                       | Commissioner of Income Tax (Appeals), Mumbai                 |
| Income tax Act, 1961 | Income Tax     | 4,743              | F.Y. 2011-12                       | High Court, Mumbai                                           |
| Income tax Act, 1961 | Income Tax     | 775                | F.Y. 2011-12                       | High Court, Mumbai                                           |
| Income tax Act, 1961 | Income Tax     | 59,943             | F.Y. 2010-11                       | High Court, Mumbai                                           |
| Income tax Act, 1961 | Income Tax     | 433                | F.Y. 2010-11                       | High Court, Mumbai                                           |
| Income tax Act, 1961 | Income Tax     | 942                | F.Y. 2009-10                       | High Court, Mumbai                                           |
| Income tax Act, 1961 | Income Tax     | 553                | F.Y. 2008-09                       | High Court, Mumbai                                           |
| Income tax Act, 1961 | Income Tax     | 275                | F.Y. 2007-08                       | High Court, Mumbai                                           |

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) According to the information and explanation given to us, the Company has defaulted repayment of loans and other borrowings and in the payment of interest thereon to debenture holders, banks or financial institutions and other lenders. The amount and period of default is given below:

(₹ in lakh)

| Name of lender                                                             | Amount not paid on due date | Whether principal or interest | No. of Days delay or unpaid | Remarks |
|----------------------------------------------------------------------------|-----------------------------|-------------------------------|-----------------------------|---------|
| <b>A. Non-Convertible Debentures and Market Linked Debentures</b>          |                             |                               |                             |         |
| Non-Convertible Debentures and Market Linked Debentures (Refer note below) | 16,25,956                   | Principal                     | 1278                        | None    |
| Non-Convertible Debentures and Market Linked Debentures (Refer note Below) | 4,17,631                    | Interest                      | 1278                        | None    |
| <b>B. Loans from Banks / Financial Institutions</b>                        |                             |                               |                             |         |
| Assets Care & Reconstruction Enterprise Limited-108-Trust                  | 52,398                      | Principal                     | 1186                        | None    |
| Assets Care & Reconstruction Enterprise Limited-108-Trust                  | 11,792                      | Interest                      | 1227                        | None    |
| Assets Care & Reconstruction Enterprise Limited-116-Trust                  | 10,048                      | Principal                     | 1223                        | None    |
| Assets Care & Reconstruction Enterprise Limited-116-Trust                  | 1,823                       | Interest                      | 1247                        | None    |
| <b>C. Inter Corporate Deposits</b>                                         |                             |                               |                             |         |
| VSJ Investments Private Limited                                            | 12,385                      | Principal                     | 1247                        | None    |
| VSJ Investments Private Limited                                            | 2,928                       | Interest                      | 1247                        | None    |
| Mazson Builders and Developers                                             | 7,295                       | Principal                     | 1237                        | None    |
| Mazson Builders and Developers                                             | 2,168                       | Interest                      | 1237                        | None    |
| Shrikrishna Tradecom LLP                                                   | 18,200                      | Principal                     | 1297                        | None    |
| Shrikrishna Tradecom LLP                                                   | 6,110                       | Interest                      | 1297                        | None    |
| Guruvas Commercials LLP                                                    | 17,400                      | Principal                     | 1297                        | None    |
| Guruvas Commercials LLP                                                    | 5,842                       | Interest                      | 1297                        | None    |
| Shreeji Comtrade LLP                                                       | 900                         | Principal                     | 1297                        | None    |
| Shreeji Comtrade LLP                                                       | 302                         | Interest                      | 1297                        | None    |

Note: The Company has issued the Non-convertible Debentures and Market Linked Debentures on private placement basis which is being held by 1,227 debenture holders. Hence, it is not practical to provide detailed listing of individual holders of non-convertible debentures. Further the interest amount is considered for the period upto December 06, 2021, i.e. the date on which the Company has been admitted into CIRP, the period of default has been considered till March 31, 2023.

- (b) The Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) During the year, the Company has not raised term loans. Hence, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

## Independent Auditors' Report

- (d) During the year, the Company has not raised funds on short term basis. Hence, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) During the year, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) During the year, the Company has not raised loans on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, reporting under clause 3(ix)(f) of the order is not applicable to the Company.
- (x) (a) The Company has not raised monies by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across any instance of material fraud by or on the Company, noticed or reported during the year, nor have we been informed of such case by management.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) No whistle blower complaints have been received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence, reporting under clause 3 (xii) of the Order is not applicable.
- (xiii) The RBI vide its letter and press release dated November 29, 2021 issued under Section 45-IE(1) of the Reserve Bank of India Act, 1934, superseded the Board of Directors of the Company and appointed an Administrator to run the Company. Therefore provisions of Section 177 and 188 are not applicable. The details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) RBI vide the RBI Order issued under Section 45-IE(1) of the Reserve Bank of India Act, 1934, superseded the Board of Directors of the Company and appointed an Administrator. Thus, reporting under clause (xv) of the order is not applicable.
- (xvi) (a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and the said registration has been obtained.
- (b) The Company is not conducting any non-banking financial activity without a valid Certificate of Registration (CoR) from the Reserve Bank of India.
- (c) The Company is a Core Investment Company as defined in the regulations of the RBI. The Company has obtained the required registration with Reserve Bank of India and continues to fulfil the criteria of a CIC.
- (d) According to the information and explanations given to us and on the basis of our examination of the records, there is no other Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has incurred cash loss of ₹ 2,64,746 lakh during the current financial year and of ₹ 1,12,457 lakh during the immediately preceding financial year.
- (xviii) During the year, there is no resignation of the statutory auditors and accordingly reporting under clause 3(xviii) of the Order is not applicable.
- (xix) The Company has defaulted in repayment of the obligations to the lenders and debenture holders which is outstanding, has incurred losses during the period as well as during the previous periods, has reported negative net worth as at March 31, 2023 and previous periods and the asset cover for listed secured non-convertible debentures of the Company has fallen below one hundred percent, which indicates that material uncertainty exists as on the date of the audit report. Pursuant to the admission and commencement of CIRP of the Company under Insolvency and Bankruptcy Code, 2016 (IBC) with effect from December 06, 2021, there are various claims submitted by the operational creditors, the financial creditors, employees and other creditors. The overall obligations and liabilities including obligation for interest on loans and the principal rupee amount in respect of loans shall be determined during the CIRP. Considering the uncertainty of the outcome of the CIRP process we are not in a position to comment whether the company would be capable of meeting its liabilities existing as at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) (a) 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 profit in the last 3 years calculated as per the provisions of the Act. Hence reporting under clause 3(xx)(a) of the order is not required.
- (b) There are no unspent amounts under sub-section (5) of Section 135 of the Act, pursuant to any ongoing project requiring transfer to special account in compliance with the provision of sub-section (6) of section 135 of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (xxi) Clause 3(xxi) of the Order is not applicable to the standalone financial statements.

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

**Rahul Joglekar**  
Partner  
Membership No.:129389  
UDIN:

Place: Mumbai  
Date: May 29, 2023

## Independent Auditors' Report

### Annexure B to the Independent Auditors' Report

(Referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" section of our report to the members of Reliance Capital Limited of even date)

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

#### Introduction

The Reserve Bank of India ("RBI") vide its letter and press release dated November 29, 2021 ("RBI Order") issued under Section 45-IE(1) of the Reserve Bank of India Act, 1934, superseded the Board of Directors of Reliance Capital Ltd. ("the Company") and appointed an Administrator to run the Company. Subsequently, in accordance with the order dated December 06, 2021 passed by the National Company Law Tribunal (Mumbai Bench) ("NCLT Order"), the application for commencement of Corporate Insolvency Resolution Process ("CIRP") of the Company under the Insolvency and Bankruptcy Code, 2016 ("IBC") was admitted. We have audited the internal financial controls with reference to standalone financial statements of Reliance Capital Limited as of March 31, 2023 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

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

#### Auditors' responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under sub-section (10) of Section 143 of the Act, to the extent applicable to an audit of internal financial control, 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.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone 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 judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

#### Meaning of internal financial controls with reference to standalone financial statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements include those policies and procedures that –

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management of the Company and the Administrator; and
- 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 financial statements.

#### Inherent limitations of internal financial controls with reference to standalone financial statements

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

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**Independent Auditors' Report****Opinion**

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, 2023 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 the Company's internal financial control with reference to standalone financial statements were operating effectively as at March 31, 2023.

**For Gokhale & Sathe**

Chartered Accountants

Firm Regn. No.103264W

**Rahul Joglekar**

Partner

Membership No.:129389

UDIN:

Place: Mumbai

Date: May 29, 2023

**Standalone Balance Sheet as at March 31, 2023**

| (₹ in lakh)                                                                                 |          |                      |                      |
|---------------------------------------------------------------------------------------------|----------|----------------------|----------------------|
| Particulars                                                                                 | Note No. | As at March 31, 2023 | As at March 31, 2022 |
| <b>ASSETS</b>                                                                               |          |                      |                      |
| <b>Financial Assets</b>                                                                     |          |                      |                      |
| Cash and cash equivalents                                                                   | 4        | 21 004               | 8 394                |
| Bank balance other than cash and cash equivalents above                                     | 5        | 1 285                | 1 307                |
| Receivables                                                                                 |          |                      |                      |
| (I) Trade receivables                                                                       | 6        | 27                   | 69                   |
| (II) Other receivables                                                                      |          | -                    | -                    |
| Loans                                                                                       | 7        | -                    | 92 500               |
| Investments                                                                                 | 8        | 11 43 291            | 11 89 085            |
| Other financial assets                                                                      | 9        | 2 900                | 20 309               |
| <b>Total Financial Assets</b>                                                               |          | <b>11 68 507</b>     | <b>13 11 664</b>     |
| <b>Non-Financial Assets</b>                                                                 |          |                      |                      |
| Current tax assets (Net)                                                                    | 10       | 1 199                | 914                  |
| Investment property                                                                         | 11       | 7 289                | 7 496                |
| Property, plant and equipment                                                               | 12       | 3 931                | 4 187                |
| Other intangible assets                                                                     | 13       | -                    | -                    |
| Other non-financial assets                                                                  | 14       | 33 288               | 41 877               |
| <b>Total Non – Financial Assets</b>                                                         |          | <b>45 707</b>        | <b>54 474</b>        |
| <b>Total Assets</b>                                                                         |          | <b>12 14 214</b>     | <b>13 66 138</b>     |
| <b>LIABILITIES AND EQUITY</b>                                                               |          |                      |                      |
| <b>LIABILITIES</b>                                                                          |          |                      |                      |
| <b>Financial Liabilities</b>                                                                |          |                      |                      |
| Derivative financial instrument                                                             | 47       | -                    | (88)                 |
| Debt securities                                                                             | 15       | 16 25 956            | 16 25 956            |
| Borrowings (Other than Debt securities)                                                     | 16       | 1 18 639             | 1 18 639             |
| 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       | 4 50 767             | 4 50 269             |
| <b>Total Financial Liabilities</b>                                                          |          | <b>21 95 362</b>     | <b>21 94 776</b>     |
| <b>Non-financial Liabilities</b>                                                            |          |                      |                      |
| Provisions                                                                                  | 18       | 60 513               | 40 503               |
| Other non-financial liabilities                                                             | 19       | 1 471                | 2 436                |
| <b>Total Non – Financial Liabilities</b>                                                    |          | <b>61 984</b>        | <b>42 939</b>        |
| <b>EQUITY</b>                                                                               |          |                      |                      |
| Equity share capital                                                                        | 20       | 25 324               | 25 324               |
| Other equity                                                                                | 21       | (10 68 456)          | (8 96 901)           |
| <b>Total Equity</b>                                                                         |          | <b>(10 43 132)</b>   | <b>(8 71 577)</b>    |
| <b>Total Liabilities and Equity</b>                                                         |          | <b>12 14 214</b>     | <b>13 66 138</b>     |

Significant Accounting Policies (Refer note no. 2)

The accompanying notes (1-55) form integral part of the Standalone Financial Statements.

As per our report of even date attached

**For Gokhale & Sathe**

Chartered Accountants

Firm Registration No.: 103264W

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

Administrator appointed under IBC

**Nageswara Rao Y**

Chief Financial Officer

**Aman Gudral**

Company Secretary & Compliance Officer

**Atul Tandon**

**Rahul Joglekar**

Partner

Membership Number : 129389

Mumbai,

Dated: May 29, 2023

Mumbai,

Dated: May 29, 2023

**Standalone Statement of Profit and Loss for the year ended March 31, 2023**

| (₹ in lakh)                                                     |           |                           |                           |
|-----------------------------------------------------------------|-----------|---------------------------|---------------------------|
| Particulars                                                     | Note No.  | Year ended March 31, 2023 | Year ended March 31, 2022 |
| <b>Revenue from operations</b>                                  |           |                           |                           |
| Interest income                                                 | 22        | 942                       | 457                       |
| Dividend income                                                 |           | 825                       | 730                       |
| Rental income                                                   |           | 20                        | 387                       |
| Fees income                                                     | 23        | 165                       | -                         |
| Other operating income                                          | 24        | -                         | 13                        |
| <b>Total revenue from operations</b>                            |           | <b>1 952</b>              | <b>1 587</b>              |
| Other income                                                    | 25        | 146                       | 6                         |
| <b>Total income</b>                                             |           | <b>2 098</b>              | <b>1 593</b>              |
| <b>Expenses</b>                                                 |           |                           |                           |
| Finance costs                                                   | 26        | 30                        | 1 10 893                  |
| Net loss/(gain) on fair value changes                           | 27        | 40 076                    | (2 561)                   |
| Impairment on financial instruments (net)                       | 28        | 1 22 471                  | (29)                      |
| Employee benefits expense                                       | 29        | 823                       | 1 567                     |
| Depreciation, amortisation and impairment                       | 11,12 &13 | 412                       | 585                       |
| Others expenses                                                 | 30        | 9 056                     | 1 718                     |
| <b>Total expenses</b>                                           |           | <b>1 72 868</b>           | <b>1 12 173</b>           |
| <b>Profit/(loss) before tax</b>                                 |           | <b>(1 70 770)</b>         | <b>(1 10 580)</b>         |
| <b>Tax expense:</b>                                             | 31        |                           |                           |
| - Current tax                                                   |           | -                         | -                         |
| - Deferred tax                                                  |           | -                         | -                         |
| - Taxation of earlier years                                     |           | -                         | -                         |
| <b>Total tax expense</b>                                        |           | <b>-</b>                  | <b>-</b>                  |
| <b>Profit/(loss) after tax for the year</b>                     |           | <b>(1 70 770)</b>         | <b>(1 10 580)</b>         |
| <b>Other Comprehensive Income / (Loss)</b>                      |           |                           |                           |
| Items that will not be reclassified to profit or loss           |           |                           |                           |
| - Change in FVOCI on equity instrument                          |           | (747)                     | -                         |
| - Remeasurements of post-employment benefit obligations         |           | (32)                      | (7)                       |
| - Income tax relating to these items                            |           | -                         | -                         |
| <b>Other Comprehensive Income / (Loss) for the year</b>         |           | <b>(779)</b>              | <b>(7)</b>                |
| <b>Total Comprehensive Income / (Loss) for the year</b>         |           | <b>(1 71 549)</b>         | <b>(1 10 587)</b>         |
| <b>Earnings per equity share (face value of ₹ 10 per share)</b> |           |                           |                           |
| - Basic (₹)                                                     | 37        | (68.01)                   | (44.04)                   |
| - Diluted (₹)                                                   | 37        | (68.01)                   | (44.04)                   |

Significant Accounting Policies (Refer note no. 2)

The accompanying notes (1-55) form integral part of the Standalone Financial Statements.

As per our report of even date attached  
**For Gokhale & Sathe**  
Chartered Accountants  
Firm Registration No.: 103264W

**Rahul Joglekar**  
Partner  
Membership Number : 129389

Mumbai,  
Dated: May 29, 2023

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

Administrator appointed under IBC

Chief Financial Officer

Company Secretary & Compliance Officer

Mumbai,  
Dated: May 29, 2023

**Nageswara Rao Y**

**Aman Gudral**

**Atul Tandon**

**Standalone Statement of Changes in Equity for the year ended March 31, 2023**

**A. Equity share capital**

| Particulars                                                | Note | As at<br>March 31, 2023 |               | As at<br>March 31, 2022 |               |
|------------------------------------------------------------|------|-------------------------|---------------|-------------------------|---------------|
|                                                            |      | Amount                  |               | Amount                  |               |
|                                                            |      | Number                  | Amount        | Number                  | Amount        |
| Balance at the beginning of the year                       | 20   | 25 27 08 902            | 25 324        | 25 27 08 902            | 25 324        |
| Changes in Equity Share Capital due to prior period errors |      | -                       | -             | -                       | -             |
| Restated balance at the beginning of the year              |      | 25 27 08 902            | 25 324        | 25 27 08 902            | 25 324        |
| Changes in equity share capital during the year            |      | -                       | -             | -                       | -             |
| <b>Balance at the end of the year</b>                      |      | <b>25 27 08 902</b>     | <b>25 324</b> | <b>25 27 08 902</b>     | <b>25 324</b> |

**B. Other equity**

| Particulars                                                     | Note      | Other equity          |                                  |                    |                           |                    | Other<br>comprehensive<br>income | Total other<br>equity         |
|-----------------------------------------------------------------|-----------|-----------------------|----------------------------------|--------------------|---------------------------|--------------------|----------------------------------|-------------------------------|
|                                                                 |           | Securities<br>premium | Capital<br>Redemption<br>reserve | Capital<br>reserve | Statutory<br>reserve fund | General<br>reserve | Retained<br>Earnings             |                               |
|                                                                 |           |                       |                                  |                    |                           |                    | Treasury<br>Shares               | RCAP<br>ESOP Trust<br>Reserve |
| <b>As at April 1, 2021</b>                                      | <b>21</b> | 3 65 880              | 1 013                            | 77 879             | 1 87 474                  | 4 81 721           | 200                              | 660                           |
| Profit / (loss) for the year                                    |           | -                     | -                                | -                  | -                         | (18 73 184)        | -                                | (28 019)                      |
| Other Comprehensive Income / (Loss) for the year                |           | -                     | -                                | -                  | -                         | (1 10 580)         | -                                | (1 10 580)                    |
| <b>Total Comprehensive Income / (Loss) for the year</b>         |           | <b>3 65 880</b>       | <b>1 013</b>                     | <b>77 879</b>      | <b>1 87 474</b>           | <b>(19 83 764)</b> | <b>200</b>                       | <b>(28 019)</b>               |
| Transactions with owners in their capacity as owners:           |           |                       |                                  |                    |                           |                    |                                  |                               |
| - Issue of equity share and debentures, net of transaction cost |           | -                     | -                                | -                  | -                         | -                  | -                                | -                             |
| - Stock option expense for the year                             |           | -                     | -                                | -                  | -                         | -                  | -                                | 62                            |
| - Remeasurements of post-employment benefit obligations         |           | -                     | -                                | -                  | -                         | -                  | -                                | (7)                           |
| <b>As at March 31, 2022</b>                                     |           | <b>3 65 880</b>       | <b>1 013</b>                     | <b>77 879</b>      | <b>1 87 474</b>           | <b>4 81 721</b>    | <b>200</b>                       | <b>(28 026)</b>               |

# Standalone Statement of Changes in Equity for the year ended March 31, 2023

| Particulars                                             | Note | Other equity       |                            |                 |                        |                 |                    | Other comprehensive income | Total other equity |                    |
|---------------------------------------------------------|------|--------------------|----------------------------|-----------------|------------------------|-----------------|--------------------|----------------------------|--------------------|--------------------|
|                                                         |      | Securities premium | Capital Redemption reserve | Capital reserve | Statutory reserve fund | General reserve | Retained Earnings  |                            |                    | Treasury Shares    |
| Profit / (loss) for the year                            |      | -                  | -                          | -               | -                      | -               | (1 70 770)         | -                          | -                  | (1 70 770)         |
| Other Comprehensive Income / (Loss) for the year        |      | -                  | -                          | -               | -                      | -               | -                  | -                          | (779)              | (779)              |
| <b>Total Comprehensive Income / (Loss) for the year</b> |      | <b>3 65 880</b>    | <b>1 013</b>               | <b>77 879</b>   | <b>1 87 474</b>        | <b>4 81 721</b> | <b>(21 54 534)</b> | <b>200</b>                 | <b>722</b>         | <b>(10 68 450)</b> |
| Transactions with owners in their capacity as owners:   |      |                    |                            |                 |                        |                 |                    |                            |                    | -                  |
| - Stock option expense for the year                     |      | -                  | -                          | -               | -                      | -               | -                  | -                          | (6)                | (6)                |
| - Remeasurements of post-employment benefit obligations |      | -                  | -                          | -               | -                      | -               | -                  | -                          | -                  | -                  |
| <b>As at March 31 2023</b>                              |      | <b>3 65 880</b>    | <b>1 013</b>               | <b>77 879</b>   | <b>1 87 474</b>        | <b>4 81 721</b> | <b>(21 54 534)</b> | <b>200</b>                 | <b>716</b>         | <b>(10 68,456)</b> |

Significant Accounting Policies (Refer note no. 2)

The accompanying notes (1-55) form integral part of the Standalone Financial Statements.

As per our report of even date attached  
**For Gokhale & Sathe**  
Chartered Accountants  
Firm Registration No.: 103264W

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

Administrator appointed under IBC

**Nageswara Rao Y**

**Rahul Jogtekar**

Partner

Membership Number : 129389

Mumbai,

Dated: May 29, 2023

Chief Financial Officer

**Aman Gudral**

Company Secretary & Compliance Officer

**Atul Tandon**

Mumbai,

Dated: May 29, 2023

**Standalone Cash Flow Statement for the year ended March 31, 2023**

| Particulars                                                                      | (₹ in lakh)             |                         |
|----------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                  | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>CASH FLOW FROM OPERATING ACTIVITIES :</b>                                     |                         |                         |
| <b>Profit/(Loss) before tax:</b>                                                 | <b>(1 70 770)</b>       | <b>(1 10 580)</b>       |
| Adjustments :                                                                    |                         |                         |
| Depreciation, amortisation and impairment                                        | <b>412</b>              | 585                     |
| Net Impairment on financial instruments and balances written off                 | <b>1 22 471</b>         | (29)                    |
| Provision for gratuity                                                           | <b>12</b>               | 25                      |
| (Profit) / loss on sale of property, plant and equipment                         | <b>(34)</b>             | -                       |
| Dividend income on investments                                                   | <b>(825)</b>            | (730)                   |
| Net loss / (gain) on fair value of investment                                    | <b>40 076</b>           | (2 561)                 |
| Share based payment / (reversal) to employees                                    | <b>(19)</b>             | 23                      |
| Interest income                                                                  | <b>(942)</b>            | (425)                   |
| Interest expenses (net)                                                          | <b>30</b>               | 1 10 893                |
| <b>Operating profit before working capital changes</b>                           | <b>(9 589)</b>          | <b>(2 799)</b>          |
| <b>Adjustments for (increase)/ decrease in operating assets:</b>                 |                         |                         |
| Interest received                                                                | <b>736</b>              | 299                     |
| Financial assets and non financial assets                                        | <b>(3 690)</b>          | 5 087                   |
| Financial liabilities and non financial liabilities                              | <b>19 589</b>           | 1 916                   |
| Cash used in operations                                                          | <b>7 046</b>            | 4 503                   |
| Less : Income taxes paid (net of refunds)                                        | <b>(285)</b>            | (168)                   |
| <b>Net cash used in operating activities</b>                                     | <b>6 761</b>            | <b>4 335</b>            |
| <b>CASH FLOW FROM INVESTING ACTIVITIES :</b>                                     |                         |                         |
| Sale / (Purchase) of property, plant and equipments (including capital advances) | <b>85</b>               | (5)                     |
| Proceeds from sale of investments (net)                                          | <b>4 939</b>            | 3 141                   |
| Dividend received                                                                | <b>825</b>              | 730                     |
| <b>Net cash from investing activities</b>                                        | <b>5 849</b>            | <b>3 866</b>            |
| <b>CASH FLOW FROM FINANCING ACTIVITIES :</b>                                     |                         |                         |
| Debt securities issued / (repaid) (net)                                          | -                       | -                       |
| Borrowing other than debt securities issued / (repaid) (net)                     | -                       | -                       |
| <b>Net cash used in financing activities</b>                                     | -                       | -                       |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>                      | <b>12 610</b>           | <b>8 201</b>            |
| Add : Cash and cash equivalents at beginning of the year                         | <b>8 394</b>            | 193                     |
| <b>Cash and cash equivalents at end of the year</b>                              | <b>21 004</b>           | <b>8 394</b>            |

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

As per our report of even date attached  
**For Gokhale & Sathe**  
Chartered Accountants  
Firm Registration No.: 103264W

**Rahul Jogtekar**  
Partner  
Membership Number : 129389

Mumbai,  
Dated: May 29, 2023

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

Administrator appointed under IBC

Chief Financial Officer

Company Secretary & Compliance Officer

Mumbai,

Dated: May 29, 2023

**Nageswara Rao Y**

**Aman Gudral**

**Atul Tandon**

## Notes to Standalone Financial Statements for the year ended March 31, 2023

### 1. Background

Reliance Capital Limited ('the Company') is registered as Non-Banking Financial Company Core Investment Company ('CIC') – Non-Deposit Taking Systemically Important (NBFC-CIC-ND-SI) under Section 45-IA of Reserve Bank of India Act, 1934. As a CIC, the Company is primarily a holding company, holding investments in its subsidiaries, associates and other group companies. The Company's subsidiaries and associates are engaged in a wide array of businesses in the financial service sector. The Company is Public Limited Company listed on recognised stock exchanges in India. The registered office of the Company is located at Kamala Mills Compound, Trade World, B-Wing, 7th Floor, S. B. Marg, Lower Parel, Mumbai 400013.

The Reserve Bank of India (RBI) vide Press Release dated November 29, 2021 in exercise of the power conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934, superseded the Board of Directors of Reliance Capital Limited ("RCL" or "Company") and appointed Shri Nageswara Rao Y as the Administrator (Administrator) of the Company under Section 45-IE (2) of the RBI Act. Further, in terms of Section 45-IE(4)(b) all the powers, functions and duties, which may, by or under the provisions of the RBI Act or any other law for the time being in force, be exercised and discharged by or on behalf of the Board of Directors of the Company or by a resolution passed in general meeting of the Company, shall, until the Board of Directors of the Company is reconstituted, be exercised and discharged by the Administrator.

Thereafter, RBI vide press release dated November 30, 2021 in exercise of the power conferred under Section 45-IE (5A) of the Reserve Bank of India Act, 1934 constituted a three-member Advisory Committee to assist the Administrator in the discharge of his duties. Presently the members of the Advisory Committee are Mr. Sanjeev Nautiyal, ex-DMD, State Bank of India, Mr. Praveen P Kadle, ex-MD & CEO, Tata Capital Limited and Mr. Vikramaditya Singh Khichi, ex-ED, Bank of Baroda.

In terms of Section 25(2)(d) of the Code the Administrator appointed Deloitte India Insolvency Professionals LLP and AZB & Partners as Process and Legal advisors, respectively to assist him in completion of the CIRP of the Company.

On December 02, 2021 the RBI filed the Petition before the NCLT under sub-Clause (i) of clause (a) of Rule 5 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 (FSP Rules) to initiate Corporate Insolvency Resolution Process ("CIRP") against RCL read with Section 227 of the Insolvency and Bankruptcy Code, 2016 read with the Rules and Regulations framed there under and amended from time to time (the "Code"). Further, CIRP was initiated against the Company under Section 227 read with clause (zk) of sub section (2) of Section 239 of the Code and read with Rules 5 and 6 of the FSP Rules by an order dated December 06, 2021 of the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT/Adjudicating Authority").

In accordance with section 14 of the Code read with the FSP Insolvency Rules, a moratorium has been effective on and from December 06, 2021, i.e. the date of admission of the Company in the CIRP process for prohibiting institution of suits or continuation of pending suits or proceedings against the Company including execution of any judgement, decree or order in any court of law, tribunal, arbitration panel or other authority. The Administrator has taken steps for seeking confirmations from various forums where litigations have been levied on the Company for disposal of assets, that such injunctions will not be applicable during CIRP.

Pursuant to the admission and commencement of CIRP of the Company under Insolvency and Bankruptcy Code, 2016 (IBC) with effect from December 06, 2021, there are various claims submitted by the operational creditors, the financial creditors, employees and other creditors. The overall obligations and liabilities including obligation for interest on loans and the principal rupee amount in respect of loans shall be determined during the CIRP.

In view of ongoing CIRP, the Company has provided for the interest expense which may be applicable on the financial debts upto the Insolvency Commencement Date i.e. December 06, 2021 and accordingly interest expense of ₹ 2 09 949 lakh for the post CIRP period from December 07, 2021 to March 31, 2023 have not been provided.

As per the provisions of the IBC, the fair value and liquidation value of the assets of Reliance Capital Limited ("RCAP" or "Company") as on the insolvency commencement date is required to be determined in accordance with Regulation 27 read with Regulation 35 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("CIRP Regulations"). The Administrator of RCAP duly appointed by the Hon'ble National Company Law Tribunal, Mumbai ("NCLT Mumbai Bench"), is obligated to appoint 2 registered valuers to determine such valuation and submit the report ("Valuation Report"). In furtherance thereof, the Administrator had appointed 2 registered valuers who have submitted their report. As per Ind AS 36- "Impairment of Assets", impairment testing of assets is to be conducted on an annual basis. On completion of the CIRP, the Company will consider carrying out a comprehensive review of all the assets including investments, other assets and intangible assets, liabilities and accordingly provide for impairment loss on assets and write back of liabilities, if any.

The Adjudicating Authority vide the above order, appointed the Administrator to perform all the functions of a Resolution Professional to complete the CIRP of the Company as required under the provisions of the Code. It is also incumbent upon the Administrator, (exercising same powers as Resolution Professional under the Code), under Section 20 of the Code, to manage the operations of the Company as a going concern. Accordingly, the Statement for the year ended March 31, 2023, have been prepared on going concern assumptions.

The financial statements of the Company have been taken on record by the Administrator while discharging the powers of the Board of Directors of the Company which were conferred by the RBI Order and in accordance with the NCLT Order solely for the purpose of ensuring regulatory compliance.

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

- (a) The Administrator has taken charge with effect from November 29, 2021 and therefore was not in control of the operations or the management of the Company prior to November 29, 2021;

## Notes to Standalone Financial Statements for the year ended March 31, 2023

- (b) The Administrator has furnished and signed the report in good faith and accordingly, no suit, prosecution or other legal proceeding shall lie against the Administrator in terms of Section 233 of the Code;
- (c) The Administrator, while signing this statement of financial results, has relied solely upon the assistance provided by the existing staff and present key management personnel (KMPs) of the Company in review of the financial results as well as the certifications, representations and statements made by the KMPs of the Company, in relation to these financial results. The statement of financial results of the Company for the year ended March 31, 2023 have been taken on record by the Administrator solely on the basis of and on relying on the aforesaid certifications, representations and statements of the aforesaid existing staff and present key management personnel (KMPs). For all such information and data, the Administrator has assumed, without any further assessment, that such information and data are in the conformity with the Companies Act, 2013 and other applicable laws with respect to the preparation of the financial statements and that they give true and fair view of the position of the Company as of the dates and period indicated therein.

These Standalone Financial Statement of the Company for the year ended March 31, 2023 were authorised for issue by the Administrator on May 29, 2023. The Standalone Financial Statements as adopted by the members of the Company can be amended or re-opened in terms of provisions of Section 131 of the Act.

### 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 lakh, 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

## Notes to Standalone Financial Statements for the year ended March 31, 2023

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:

- (i) 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.
- (ii) In all other cases, the difference is deferred and the timing of recognition of deferred in Statement of Profit and Loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

When the 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); or
- 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:

- (i) 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.
- (ii) 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.

**Notes to Standalone Financial Statements for the year ended March 31, 2023**

**(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**

The Company is under moratorium under Section 14 of the Code since December 06, 2021. Therefore, all financial liabilities will be dealt in accordance with the provisions of the Code.

**(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**

Reposessed 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.

Notes to Standalone Financial Statements for the year ended March 31, 2023

**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.

**Notes to Standalone Financial Statements for the year ended March 31, 2023**

**n Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in liabilities in the balance sheet.

**o Property, plant and equipment**

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit 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.

## Notes to Standalone Financial Statements for the year ended March 31, 2023

### 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.

## Notes to Standalone Financial Statements for the year ended March 31, 2023

**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 lakh as per the requirements of Schedule III, unless otherwise stated.

### 3. Critical estimates and judgements

As per the provisions of the IBC, the fair value and liquidation value of the assets of Reliance Capital Limited ("RCAP" or "Company") as on the insolvency commencement date is required to be determined in accordance with Regulation 27 read with Regulation 35 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("CIRP Regulations"). The Administrator of RCAP duly appointed by the Hon'ble National Company Law Tribunal, Mumbai ("NCLT Mumbai Bench"), is obligated to appoint 2 registered valuers to determine such valuation and submit the report ("Valuation Report"). In furtherance thereof, the Administrator had appointed 2 registered valuers who have submitted their report. As per Ind AS 36- "Impairment of Assets", impairment testing of assets is to be conducted on an annual basis. On completion of the CIRP, the Company will consider carrying out a comprehensive review of all the assets including investments, other assets and intangible assets, liabilities and accordingly provide for impairment loss on assets and write back of liabilities, if any.

Subject to the above, 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 is ascertained in accordance with IND AS 107 as per the fair value hierarchy described in note no. 48.

#### 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 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.

#### 3.4 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.

#### 3.5 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.

#### 3.6 Estimation of fair value of investments property

The Company carries 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 Standalone Financial Statements for the year ended March 31, 2023

## 4 Cash and cash equivalents

(₹ in lakh)

| Particulars                                             | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|---------------------------------------------------------|-------------------------|-------------------------|
| Balances with banks:                                    |                         |                         |
| In current accounts                                     | 1 976                   | 1 829                   |
| In term deposits with original maturity up to 12 months | 19 028                  | 6 565                   |
| <b>Total</b>                                            | <b>21 004</b>           | <b>8 394</b>            |

## 5 Bank balance other than cash and cash equivalents above

(₹ in lakh)

| Particulars           | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|-----------------------|-------------------------|-------------------------|
| Balances with banks:  |                         |                         |
| In earmarked accounts |                         |                         |
| - unclaimed dividend  | 1 285                   | 1 287                   |
| In fixed deposits     | -                       | 20                      |
| <b>Total</b>          | <b>1 285</b>            | <b>1 307</b>            |

i) Balances with banks include deposits of Nil (previous year ₹ 20 lakh) having original maturity of more than 12 months.

## 6 Trade receivables

(₹ in lakh)

| Particulars                                   | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|-----------------------------------------------|-------------------------|-------------------------|
| Receivables considered good (net) - Unsecured | 27                      | 69                      |
| <b>Total</b>                                  | <b>27</b>               | <b>69</b>               |

No trade receivables are due from officers of the Company either severally or jointly with any other person.

Ageing for Trade receivables as on March 31, 2023

(₹ in lakh)

| Particulars                                                        | Less than<br>6 months | 6 months<br>- 1 year | 1-2<br>years | 2-3<br>years | More than<br>3 years | Total      |
|--------------------------------------------------------------------|-----------------------|----------------------|--------------|--------------|----------------------|------------|
| Undisputed trade receivables - considered good                     | -                     | -                    | -            | -            | 27                   | 27         |
| Undisputed trade receivables - significant increase in credit risk | -                     | -                    | -            | -            | -                    | -          |
| Undisputed trade receivables - credit impaired                     | -                     | -                    | -            | -            | 205                  | 205        |
| Disputed trade receivables - considered good                       | -                     | -                    | -            | -            | -                    | -          |
| Disputed trade receivables - credit impaired                       | -                     | -                    | -            | -            | -                    | -          |
| <b>Total</b>                                                       | <b>-</b>              | <b>-</b>             | <b>-</b>     | <b>-</b>     | <b>232</b>           | <b>232</b> |
| Less: Impairment provision                                         | -                     | -                    | -            | -            | 205                  | 205        |
| <b>Trade receivables</b>                                           | <b>-</b>              | <b>-</b>             | <b>-</b>     | <b>-</b>     | <b>27</b>            | <b>27</b>  |

**Notes to Standalone Financial Statements for the year ended March 31, 2023**

Ageing for Trade receivables as on March 31, 2022

(₹ in lakh)

| Particulars                                                        | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total      |
|--------------------------------------------------------------------|--------------------|-------------------|-----------|-----------|-------------------|------------|
| Undisputed trade receivables – considered good                     | -                  | 1                 | 29        | 18        | 21                | 69         |
| Undisputed trade receivables – significant increase in credit risk | -                  | -                 | -         | -         | -                 | -          |
| Undisputed trade receivables – credit impaired                     | -                  | -                 | -         | -         | 314               | 314        |
| Disputed trade receivables – considered good                       | -                  | -                 | -         | -         | -                 | -          |
| Disputed trade receivables – credit impaired                       | -                  | -                 | -         | -         | -                 | -          |
| <b>Total</b>                                                       | <b>-</b>           | <b>1</b>          | <b>29</b> | <b>18</b> | <b>335</b>        | <b>383</b> |
| Less: Impairment provision                                         | -                  | -                 | -         | -         | 314               | 314        |
| <b>Trade receivables</b>                                           | <b>-</b>           | <b>1</b>          | <b>29</b> | <b>18</b> | <b>21</b>         | <b>69</b>  |

**7 Loans**

(₹ in lakh)

| Particulars                                                                         | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>At amortised cost</b>                                                            |                      |                      |
| Loans and advances to others (unsecured)                                            | <b>77 642</b>        | 77 642               |
| Loans and advances to related parties (unsecured)                                   | <b>1 37 789</b>      | 1 95 549             |
| Others (secured)                                                                    | <b>6 15 904</b>      | 6 15 905             |
| <b>Total (A) – Gross</b>                                                            | <b>8 31 335</b>      | 8 89 096             |
| (Less): Impairment loss allowance                                                   | <b>(8 31 335)</b>    | (7 96 596)           |
| <b>Total (A) – Net</b>                                                              | <b>-</b>             | 92 500               |
| Secured by property, plant and equipment, other receivables and corporate guarantee | <b>6 15 904</b>      | 6 15 905             |
| Unsecured                                                                           | <b>2 15 431</b>      | 2 73 191             |
| <b>Total (B) – Gross</b>                                                            | <b>8 31 335</b>      | 8 89 096             |
| (Less): Impairment loss allowance                                                   | <b>(8 31 335)</b>    | (7 96 596)           |
| <b>Total (B) – Net</b>                                                              | <b>-</b>             | 92 500               |
| Loans in India                                                                      |                      |                      |
| – Public sector                                                                     | -                    | -                    |
| – Others                                                                            | <b>8 31 335</b>      | 8 89 096             |
| <b>Total (C) – Gross</b>                                                            | <b>8 31 335</b>      | 8 89 096             |
| (Less): Impairment loss allowance                                                   | <b>(8 31 335)</b>    | (7 96 596)           |
| <b>Total (C) – Net</b>                                                              | <b>-</b>             | 92 500               |

**a) Summary of loans by stage distribution**

(₹ in lakh)

| Particulars                     | As at March 31, 2023 |          |                   | Total             |
|---------------------------------|----------------------|----------|-------------------|-------------------|
|                                 | Stage 1              | Stage 2  | Stage 3           |                   |
| <b>Gross carrying amount</b>    | -                    | -        | <b>8 31 335</b>   | <b>8 31 335</b>   |
| Less: Impairment loss allowance | -                    | -        | <b>(8 31 335)</b> | <b>(8 31 335)</b> |
| <b>Net carrying amount</b>      | <b>-</b>             | <b>-</b> | <b>-</b>          | <b>-</b>          |

# Notes to Standalone Financial Statements for the year ended March 31, 2023

| Particulars                     | As at March 31, 2022 |         |            | (₹ in lakh) |
|---------------------------------|----------------------|---------|------------|-------------|
|                                 | Stage 1              | Stage 2 | Stage 3    | Total       |
| <b>Gross carrying amount</b>    | 3 239                | -       | 8 85 857   | 8 89 096    |
| Less: Impairment loss allowance | (110)                | -       | (7 96 486) | (7 96 596)  |
| <b>Net carrying amount</b>      | 3 129                | -       | 89 371     | 92 500      |

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

| Particulars                                                                      | As at March 31, 2023 |         |          | (₹ in lakh) |
|----------------------------------------------------------------------------------|----------------------|---------|----------|-------------|
|                                                                                  | Stage 1              | Stage 2 | Stage 3  | Total       |
| Opening balance                                                                  | 3 239                | -       | 8 85 857 | 8 89 096    |
| Changes in opening credit exposures (additional disbursement, net of repayments) | (3 239)              | -       | (1 850)  | (5 089)     |
| Transfers to Stage 1                                                             | -                    | -       | -        | -           |
| Transfers to Stage 2                                                             | -                    | -       | -        | -           |
| Transfers to Stage 3                                                             | -                    | -       | -        | -           |
| Amounts written off                                                              | -                    | -       | (52 672) | (52 672)    |
| <b>Closing balance</b>                                                           | -                    | -       | 8 31 335 | 8 31 335    |

| Particulars                                                                      | As at March 31, 2022 |         |          | (₹ in lakh) |
|----------------------------------------------------------------------------------|----------------------|---------|----------|-------------|
|                                                                                  | Stage 1              | Stage 2 | Stage 3  | Total       |
| Opening balance                                                                  | 3 739                | -       | 8 91 157 | 8 94 896    |
| Changes in opening credit exposures (additional disbursement, net of repayments) | (500)                | -       | (5 300)  | (5 800)     |
| Transfers to Stage 1                                                             | -                    | -       | -        | -           |
| Transfers to Stage 2                                                             | -                    | -       | -        | -           |
| Transfers to Stage 3                                                             | -                    | -       | -        | -           |
| Amounts written off/ loss on sale of assignment                                  | -                    | -       | -        | -           |
| <b>Closing balance</b>                                                           | 3 239                | -       | 8 85 857 | 8 89 096    |

## c) Reconciliation of ECL balance

| Particulars                                                                      | As at March 31, 2023 |         |          | (₹ in lakh) |
|----------------------------------------------------------------------------------|----------------------|---------|----------|-------------|
|                                                                                  | Stage 1              | Stage 2 | Stage 3  | Total       |
| Opening balance                                                                  | 110                  | -       | 7 96 486 | 7 96 596    |
| Changes in opening credit exposures (additional disbursement, net of repayments) | (110)                | -       | 87 520   | 87 410      |
| Transfers to Stage 1                                                             | -                    | -       | -        | -           |
| Transfers to Stage 2                                                             | -                    | -       | -        | -           |
| Transfers to Stage 3                                                             | -                    | -       | -        | -           |
| Amounts written off                                                              | -                    | -       | (52 671) | (52 671)    |
| <b>Closing balance</b>                                                           | -                    | -       | 8 31 335 | 8 31 335    |

| Particulars                                                                      | As at March 31, 2022 |         |          | (₹ in lakh) |
|----------------------------------------------------------------------------------|----------------------|---------|----------|-------------|
|                                                                                  | Stage 1              | Stage 2 | Stage 3  | Total       |
| Opening balance                                                                  | 156                  | -       | 7 97 038 | 7 97 194    |
| Changes in opening credit exposures (additional disbursement, net of repayments) | (46)                 | -       | (552)    | (598)       |
| Transfers to Stage 1                                                             | -                    | -       | -        | -           |
| Transfers to Stage 2                                                             | -                    | -       | -        | -           |
| Transfers to Stage 3                                                             | -                    | -       | -        | -           |
| Amounts written off/ loss on sale of assignment                                  | -                    | -       | -        | -           |
| <b>Closing balance</b>                                                           | 110                  | -       | 7 96 486 | 7 96 596    |

Notes to Standalone Financial Statements for the year ended March 31, 2023

8 Investments

(₹ in lakh)

| Particulars                                                              | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|--------------------------------------------------------------------------|-------------------------|-------------------------|
| A Investments                                                            |                         |                         |
| i At deemed cost / amortised cost / cost                                 |                         |                         |
| Government or Trust Securities<br>(* Rs 45 000, Previous year Rs 45 000) | -                       | -                       |
| in equity Instruments                                                    |                         |                         |
| Subsidiary companies -unquoted                                           | 1 209 342               | 1 430 665               |
| Less Impairment loss allowance                                           | 128 508                 | 349 843                 |
| Associate companies - quoted                                             | 89 396                  | 89 396                  |
| Less Impairment loss allowance                                           | 89 396                  | 83 781                  |
| Associate companies - unquoted                                           | 7 950                   | 7 950                   |
| in preference shares                                                     |                         |                         |
| Subsidiary companies -unquoted                                           | 1 208                   | 1 611                   |
| Pass Through Certificates (Subsidiary)                                   | 414                     | 414                     |
| Total (i)                                                                | 1 090 406               | 1 096 412               |
| ii At Fair Value                                                         |                         |                         |
| (a) Through Other Comprehensive Income:                                  |                         |                         |
| in equity Instruments                                                    |                         |                         |
| Other companies - quoted                                                 | -                       | -                       |
| Other companies - unquoted                                               | -                       | -                       |
| Total (ia)                                                               | -                       | -                       |
| (b) Through Profit and Loss:                                             |                         |                         |
| in mutual fund                                                           |                         |                         |
| - quoted                                                                 | 41                      | 1672                    |
| - unquoted                                                               | -                       | -                       |
| in debentures or bonds                                                   |                         |                         |
| Associate companies - unquoted                                           | -                       | -                       |
| Other companies - unquoted                                               | -                       | -                       |
| in equity Instruments                                                    |                         |                         |
| Other companies - quoted                                                 | 52 844                  | 91 001                  |
| in preference shares                                                     |                         |                         |
| Other companies - unquoted                                               |                         |                         |
| Total (iib)                                                              | 52 885                  | 92 673                  |
| Total (i+ia+iib)                                                         | 1 143 291               | 1 189 085               |
| B (i) Investments in India                                               | 1 143 291               | 1 189 085               |
| (ii) Investments outside India                                           | -                       | -                       |

## Notes to Standalone Financial Statements for the year ended March 31, 2023

## Scrip-wise details of investments

(₹ in lakh)

| Particulars                                                                                                               | Face Value | Quantity                |                         | Value                   |                         |
|---------------------------------------------------------------------------------------------------------------------------|------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                                                                                                           |            | As at<br>March 31, 2023 | As at<br>March 31, 2022 | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Investments in Equity Instruments</b>                                                                                  |            |                         |                         |                         |                         |
| <b>Subsidiary Companies *</b>                                                                                             |            |                         |                         |                         |                         |
| <b>At Deemed cost</b>                                                                                                     |            |                         |                         |                         |                         |
| <b>Unquoted, fully paid-up</b>                                                                                            |            |                         |                         |                         |                         |
| Reliance Health Insurance Limited                                                                                         | 10         | 19 39 00 000            | 19 39 00 000            | 2 929                   | 2 929                   |
| Reliance Commodities Limited                                                                                              | 10         | 30 00 000               | 30 00 000               | 300                     | 300                     |
| Reliance Exchangenext Limited                                                                                             | 10         | 4 22 60 000             | 4 22 60 000             | 3 535                   | 3 535                   |
| Reliance Financial Limited                                                                                                | 10         | 2 41 57 897             | 2 41 57 897             | 10 200                  | 10 200                  |
| Reliance General Insurance Company Limited (Refer note no 40(b))                                                          | 10         | 25 15 49 920            | 25 15 49 920            | 5 02 974                | 5 02 968                |
| Reliance Commercial Finance Limited (Refer note no 40(a))                                                                 | 10         | -                       | 13 53 25 700            | -                       | -                       |
| Reliance Nippon Life Insurance Company Limited                                                                            | 10         | 61 01 24 985            | 61 01 24 985            | 5 07 847                | 5 07 842                |
| Reliance Securities Limited                                                                                               | 10         | 21 00 00 000            | 21 00 00 000            | 6 227                   | 6 226                   |
| Reliance Capital Pension Fund Limited                                                                                     | 10         | 42 50 000               | 42 50 000               | 490                     | 490                     |
| Reliance Money Services Private Limited                                                                                   | 10         | 10 000                  | 10 000                  | -                       | -                       |
| Reliance Corporate Advisory Services Limited                                                                              | 10         | 121 80 00 000           | 121 80 00 000           | 45 888                  | 45 888                  |
| Reliance Wealth Management Limited                                                                                        | 10         | 4 27 50 000             | 4 27 50 000             | -                       | -                       |
| Reliance Money Precious Metals Private Limited                                                                            | 10         | 80 00 000               | 80 00 000               | -                       | -                       |
| Quant Capital Private Limited                                                                                             | 10         | 74 01 423               | 74 01 423               | 444                     | 444                     |
|                                                                                                                           |            |                         |                         | <u>10 80 834</u>        | <u>10 80 822</u>        |
| <b>Associate Companies *</b>                                                                                              |            |                         |                         |                         |                         |
| <b>At Deemed cost</b>                                                                                                     |            |                         |                         |                         |                         |
| <b>Quoted, fully paid-up</b>                                                                                              |            |                         |                         |                         |                         |
| Reliance Home Finance Limited                                                                                             | 10         | 23 39 69 188            | 23 39 69 188            | -                       | 5 615                   |
| <b>Unquoted, fully paid-up</b>                                                                                            |            |                         |                         |                         |                         |
| Ammolite Holdings Limited                                                                                                 | \$1        | 1 000                   | 1 000                   | -                       | -                       |
| Reliance Asset Reconstruction Company Limited                                                                             | 10         | 4 90 00 000             | 4 90 00 000             | 7 950                   | 7 950                   |
|                                                                                                                           |            |                         |                         | <u>7 950</u>            | <u>13 565</u>           |
| <b>Other companies</b>                                                                                                    |            |                         |                         |                         |                         |
| <b>Quoted, fully paid-up</b>                                                                                              |            |                         |                         |                         |                         |
| <b>At FVTPL</b>                                                                                                           |            |                         |                         |                         |                         |
| Nippon Life India Asset Management Limited (Formerly Reliance Nippon Life Asset Management Limited) (Refer note no 40(c)) | 10         | 2 51 76 019             | 2 61 76 019             | 52 844                  | 91 001                  |
| <b>At FVOCI #</b>                                                                                                         |            |                         |                         |                         |                         |
| Reliance Communications Limited                                                                                           | 5          | 2 96 95 295             | 2 96 95 295             | -                       | -                       |
| Reliance Power Limited                                                                                                    | 10         | -                       | 41 17 823               | -                       | -                       |
| <b>Unquoted, fully paid-up</b>                                                                                            |            |                         |                         |                         |                         |
| <b>At FVTPL</b>                                                                                                           |            |                         |                         |                         |                         |
| Global Wind Power Limited (Refer note no 40(a))                                                                           | 10         | 20 00 000               | 20 00 000               | -                       | -                       |
| <b>At FVOCI</b>                                                                                                           |            |                         |                         |                         |                         |
| Azalia Media Services Private Limited                                                                                     | 10         | 19 38 000               | 19 38 000               | -                       | -                       |
| Reliance Broadcast Network Limited                                                                                        | 5          | 1 57 27 957             | 1 57 27 957             | -                       | -                       |
| 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               | -                       | -                       |
|                                                                                                                           |            |                         |                         | <u>52 844</u>           | <u>91 001</u>           |
| <b>Sub-Total (A)</b>                                                                                                      |            |                         |                         | <b>11 41 628</b>        | <b>11 85 388</b>        |

# Notes to Standalone Financial Statements for the year ended March 31, 2023

(₹ in lakh)

| Particulars                                                                                                                | Face Value | Quantity                |                         | Value                   |                         |
|----------------------------------------------------------------------------------------------------------------------------|------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                                                                                                            |            | As at<br>March 31, 2023 | As at<br>March 31, 2022 | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Investments in preference shares</b>                                                                                    |            |                         |                         |                         |                         |
| <b>Other Companies</b>                                                                                                     |            |                         |                         |                         |                         |
| <b>Unquoted, fully paid-up</b>                                                                                             |            |                         |                         |                         |                         |
| <b>At FVTPL</b>                                                                                                            |            |                         |                         |                         |                         |
| 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                | -                       | -                       |
|                                                                                                                            |            |                         |                         | -                       | -                       |
| <b>Subsidiary Companies *</b>                                                                                              |            |                         |                         |                         |                         |
| <b>Preference Shares - unquoted, fully paid-up</b>                                                                         |            |                         |                         |                         |                         |
| <b>At Amortised cost</b>                                                                                                   |            |                         |                         |                         |                         |
| 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             | 1 208                   | 1 611                   |
| 0% Optionally Convertible Redeemable Preference Shares of Reliance Money Services Private Limited                          | 10         | 35 000                  | 35 000                  | -                       | -                       |
| 12% Non- Convertible Cumulative compulsory Redeemable preference shares of Reliance Commercial Finance Limited             | 10         | -                       | 40 00 00 000            | -                       | -                       |
| 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 ((Refer note no 40(a)) | 10         | -                       | 9 660                   | -                       | -                       |
| 12% Non-Convertible Cumulative Redeemable Preference Shares of Reliance Financial Limited                                  | 10         | 11 000                  | 11 000                  | -                       | -                       |
| <b>Sub-Total (B)</b>                                                                                                       |            |                         |                         | <b>1 208</b>            | <b>1 611</b>            |
| <b>Investments in Government or Trust Securities - At cost</b>                                                             |            |                         |                         |                         |                         |
| <b>Unquoted</b>                                                                                                            |            |                         |                         |                         |                         |
| National Saving Certificates<br>(* ₹ 45 000,Previous year ₹ 45 000)<br>(Deposited with sales tax department)               | -          | -                       | -                       | -*                      | -*                      |
| <b>Pass Through Certificates (Subsidiary) *</b>                                                                            |            |                         |                         |                         |                         |
| Reliance ARC-SBI-Maan Sarovar Trust Security Receipt                                                                       | 1000       | 41 420                  | 41 420                  | 414                     | 414                     |
| <b>Sub-Total (C)</b>                                                                                                       |            |                         |                         | <b>414</b>              | <b>414</b>              |
| <b>Investments in debentures or bonds</b>                                                                                  |            |                         |                         |                         |                         |
| <b>Associate Companies *</b>                                                                                               |            |                         |                         |                         |                         |
| <b>Unquoted , fully paid-up</b>                                                                                            |            |                         |                         |                         |                         |
| <b>At FVTPL</b>                                                                                                            |            |                         |                         |                         |                         |
| Series DDB I - Non Secured Redeemable Non Interest Bearing Non Convertible Deep Discount Bonds - Ammolite Holdings Limited | \$961      | 7 524                   | 7 524                   | -                       | -                       |
|                                                                                                                            |            |                         |                         | -                       | -                       |

# Notes to Standalone Financial Statements for the year ended March 31, 2023

(₹ in lakh)

| Particulars                                                                                                     | Face Value | Quantity                |                         | Value                   |                         |
|-----------------------------------------------------------------------------------------------------------------|------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                                                                                                 |            | As at<br>March 31, 2023 | As at<br>March 31, 2022 | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Other Companies</b>                                                                                          |            |                         |                         |                         |                         |
| <b>Unquoted , fully paid-up</b>                                                                                 |            |                         |                         |                         |                         |
| <b>At FVTPL</b>                                                                                                 |            |                         |                         |                         |                         |
| 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               | -                       | -                       |
|                                                                                                                 |            |                         |                         | -                       | -                       |
|                                                                                                                 |            |                         |                         | -                       | -                       |
| <b>Sub-Total (D)</b>                                                                                            |            |                         |                         | -                       | -                       |
| <b>Investments in units of fund and Mutual Funds</b>                                                            |            |                         |                         |                         |                         |
| <b>Investment in units of fund – unquoted , fully paid-up</b>                                                   |            |                         |                         |                         |                         |
| <b>At FVTPL</b>                                                                                                 |            |                         |                         |                         |                         |
| Class B Units of Reliance Alternative Investments Fund – Private Equity Scheme I                                | 0.01       | 46 20 72 909            | 46 20 72 909            | -                       | -                       |
| Class A Units of Reliance Alternative Investments Fund                                                          | 10         | 6 41 03 944             | 6 41 03 944             | -                       | -                       |
|                                                                                                                 |            |                         |                         | -                       | -                       |
| <b>Investment in Mutual fund- quoted , fully paid-up</b>                                                        |            |                         |                         |                         |                         |
| <b>At FVTPL</b>                                                                                                 |            |                         |                         |                         |                         |
| Franklin Templeton Asset Management (India) Private Limited India Short Term Inc Pl Retail Direct Growth        | 1 000      | 833                     | 1 099                   | 41                      | 52                      |
| Franklin Templeton Asset Management (India) Private Limited Short Term Inc Rtl-SG2-10.90%VI 2SP23 Direct Growth | 1 000      | 8 003                   | 10 724                  | -                       | -                       |
| Nippon India Liquid Fund-Direct Plan Growth Plan – Growth Option                                                | 1 000      | -                       | 31 109                  | -                       | 1 620                   |
|                                                                                                                 |            |                         |                         | 41                      | 1 672                   |
| <b>Sub-Total (E)</b>                                                                                            |            |                         |                         | 41                      | 1 672                   |
| <b>Total investments (A+B+C+D+E)</b>                                                                            |            |                         |                         | 11 43 291               | 11 89 085               |
| <b>Total Investment at Deemed cost/ Cost</b>                                                                    |            |                         |                         | 10 89 198               | 10 94 801               |
| <b>Total Investment at FVTPL</b>                                                                                |            |                         |                         | 52 885                  | 92 673                  |
| <b>Total Investment at Amortised cost</b>                                                                       |            |                         |                         | 1 208                   | 1 611                   |
| <b>Total Investment at FVOCI</b>                                                                                |            |                         |                         | -                       | -                       |
| <b>Investments in India</b>                                                                                     |            |                         |                         | 11 43 291               | 11 89 085               |
| <b>Investments outside India</b>                                                                                |            |                         |                         | -                       | -                       |

\* Related Party # Related Party (ceased w.e.f. November 29, 2021)

## Note:

- 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.

# Notes to Standalone Financial Statements for the year ended March 31, 2023

## 9 Other financial assets

(₹ in lakh)

| Particulars                                          | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|------------------------------------------------------|-------------------------|-------------------------|
| (Considered good otherwise stated)                   |                         |                         |
| Interest accrued on loans and FDR (net of provision) | 217                     | 15 275                  |
| Receivables from related parties (net of provision)  | 551                     | 2 902                   |
| Other deposits                                       | 2 132                   | 2 132                   |
| <b>Total</b>                                         | <b>2 900</b>            | <b>20 309</b>           |

## 10 Current tax assets (net)

(₹ in lakh)

| Particulars                                   | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|-----------------------------------------------|-------------------------|-------------------------|
| Income tax paid in advance (net of provision) | 1 199                   | 914                     |
| <b>Total</b>                                  | <b>1 199</b>            | <b>914</b>              |

## 11 Investment property

(₹ in lakh)

| Particulars                                     | As at March 31, 2023 |               | As at March 31, 2022 |               |
|-------------------------------------------------|----------------------|---------------|----------------------|---------------|
|                                                 | Land                 | Buildings     | Land                 | Buildings     |
| Gross carrying amount                           |                      |               |                      |               |
| Deemed cost                                     | 2 906                | 12 317        | 2 906                | 12 317        |
| Additions                                       | -                    | -             | -                    | -             |
| Disposals and transfers                         | -                    | -             | -                    | -             |
| <b>Closing gross carrying amount</b>            | <b>2 906</b>         | <b>12 317</b> | <b>2 906</b>         | <b>12 317</b> |
| Accumulated depreciation                        | 2 600                | 5 127         | 2 600                | 4 919         |
| Depreciation during the year                    | -                    | 208           | -                    | 208           |
| Impairment during the year                      | -                    | -             | -                    | -             |
| Disposals and transfers                         | -                    | -             | -                    | -             |
| Closing accumulated depreciation                | 2 600                | 5 334         | 2 600                | 5 127         |
| <b>Net carrying amount As at March 31, 2023</b> | <b>306</b>           | <b>6 983</b>  | <b>306</b>           | <b>7 190</b>  |

### Note:

i) Refer note no. 1, the Company had not carried out the valuation activity to assess fair value of its investment in land and property, fair value estimates for investment in land and property is classified as level 3.

### ii) Information regarding Income & Expenditure of Investment property

(₹ in lakh)

| Particulars                                                                                 | 2022-23      | 2021-22      |
|---------------------------------------------------------------------------------------------|--------------|--------------|
| 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                                    | -            | -            |
| Impairment during the year                                                                  | -            | -            |
| Depreciation for the year                                                                   | (208)        | (208)        |
| <b>Profit / (Loss) arising from investment property before indirect expenses</b>            | <b>(208)</b> | <b>(208)</b> |

## Notes to Standalone Financial Statements for the year ended March 31, 2023

## 12 Property, plant and equipment

| Particulars                                     | Own Assets   |                        |                   |                             |            |                       | Leased Assets        |                             |            | Total         |
|-------------------------------------------------|--------------|------------------------|-------------------|-----------------------------|------------|-----------------------|----------------------|-----------------------------|------------|---------------|
|                                                 | Buildings    | Furniture and fixtures | Office Equipments | Data processing machineries | Vehicles   | Leasehold improvement | Plant and equipments | Data processing machineries | Vehicles   |               |
| <b>Gross carrying amount</b>                    |              |                        |                   |                             |            |                       |                      |                             |            |               |
| Cost as at April 1, 2021                        | 4 983        | 118                    | 41                | 2 224                       | 775        | 27                    | 3 800                | 2 402                       | 127        | 14 497        |
| Additions                                       | -            | -                      | -                 | 5                           | -          | -                     | -                    | -                           | -          | 5             |
| Disposals and transfers                         | -            | -                      | -                 | -                           | -          | -                     | -                    | -                           | -          | -             |
| <b>Closing gross carrying amount</b>            | <b>4 983</b> | <b>118</b>             | <b>41</b>         | <b>2 229</b>                | <b>775</b> | <b>27</b>             | <b>3 800</b>         | <b>2 402</b>                | <b>127</b> | <b>14 502</b> |
| <b>Accumulated depreciation</b>                 |              |                        |                   |                             |            |                       |                      |                             |            |               |
| Opening accumulated depreciation                | 961          | 117                    | 38                | 2 203                       | 621        | 27                    | 3 441                | 2 402                       | 127        | 9 937         |
| Depreciation charge during the year             | 83           | -                      | 1                 | 15                          | 46         | -                     | 233                  | -                           | -          | 378           |
| Disposals and transfers                         | -            | -                      | -                 | -                           | -          | -                     | -                    | -                           | -          | -             |
| <b>Closing accumulated depreciation</b>         | <b>1 044</b> | <b>117</b>             | <b>39</b>         | <b>2 218</b>                | <b>667</b> | <b>27</b>             | <b>3 674</b>         | <b>2 402</b>                | <b>127</b> | <b>10 315</b> |
| <b>Net carrying amount as at March 31, 2022</b> | <b>3 939</b> | <b>1</b>               | <b>2</b>          | <b>11</b>                   | <b>108</b> | <b>-</b>              | <b>126</b>           | <b>-</b>                    | <b>-</b>   | <b>4 187</b>  |
| <b>Gross carrying amount</b>                    |              |                        |                   |                             |            |                       |                      |                             |            |               |
| Opening gross carrying amount                   | 4 983        | 118                    | 41                | 2 229                       | 775        | 27                    | 3 800                | 2 402                       | 127        | 14 502        |
| Additions                                       | -            | -                      | -                 | -                           | -          | -                     | -                    | -                           | -          | -             |
| Disposals and transfers                         | -            | -                      | -                 | -                           | -          | -                     | 1 490                | 86                          | -          | 1 576         |
| <b>Closing gross carrying amount</b>            | <b>4 983</b> | <b>118</b>             | <b>41</b>         | <b>2 229</b>                | <b>775</b> | <b>27</b>             | <b>2 310</b>         | <b>2 316</b>                | <b>127</b> | <b>12 926</b> |
| <b>Accumulated depreciation</b>                 |              |                        |                   |                             |            |                       |                      |                             |            |               |
| Opening accumulated depreciation                | 1 044        | 117                    | 39                | 2 218                       | 667        | 27                    | 3 674                | 2 402                       | 127        | 10 315        |
| Depreciation charge during the year             | 79           | -                      | 1                 | 11                          | 39         | -                     | 70                   | -                           | -          | 200           |
| Disposals and transfers                         | -            | -                      | -                 | -                           | -          | -                     | 1 434                | 86                          | -          | 1 520         |
| <b>Closing accumulated depreciation</b>         | <b>1 123</b> | <b>117</b>             | <b>40</b>         | <b>2 229</b>                | <b>706</b> | <b>27</b>             | <b>2 310</b>         | <b>2 316</b>                | <b>127</b> | <b>8 995</b>  |
| <b>Net carrying amount As at March 31, 2023</b> | <b>3 860</b> | <b>1</b>               | <b>1</b>          | <b>-</b>                    | <b>69</b>  | <b>-</b>              | <b>-</b>             | <b>-</b>                    | <b>-</b>   | <b>3 931</b>  |

## Note

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

## Notes to Standalone Financial Statements for the year ended March 31, 2023

### 13 Other intangible asset

(₹ in lakh)

| Particulars                             | Computer software's/ Licensing cost |                         |
|-----------------------------------------|-------------------------------------|-------------------------|
|                                         | As at<br>March 31, 2023             | As at<br>March 31, 2022 |
| <b>Gross carrying amount</b>            |                                     |                         |
| Opening Deemed cost                     | 5 512                               | 5 512                   |
| Additions                               | -                                   | -                       |
| Disposals and transfers                 | -                                   | -                       |
| <b>Closing gross carrying amount</b>    | <b>5 512</b>                        | <b>5 512</b>            |
| <b>Accumulated amortisation</b>         |                                     |                         |
| Opening accumulated amortisation        | 5 512                               | 5 512                   |
| Amortisation during the year            | -                                   | -                       |
| Disposals and transfers                 | -                                   | -                       |
| <b>Closing accumulated amortisation</b> | <b>5 512</b>                        | <b>5 512</b>            |
| <b>Net carrying amount</b>              | <b>-</b>                            | <b>-</b>                |

**Note :** In respect of Other intangible asset it is other than internally generated.

### 14 Other non-financial asset

(₹ in lakh)

| Particulars                          | As at          |                |
|--------------------------------------|----------------|----------------|
|                                      | March 31, 2023 | March 31, 2022 |
| (Unsecured good otherwise stated)    |                |                |
| Capital advances                     | 22 987         | 29 971         |
| Balance with VAT and GST authorities | 628            | 644            |
| Advances                             | 9 673          | 11 262         |
| <b>Total</b>                         | <b>33 288</b>  | <b>41 877</b>  |

### 15 Debt securities

(₹ in lakh)

| Particulars                                  | As at            |                  |
|----------------------------------------------|------------------|------------------|
|                                              | March 31, 2023   | March 31, 2022   |
| <b>At amortised cost</b>                     |                  |                  |
| Debentures and bonds                         |                  |                  |
| - Secured                                    |                  |                  |
| Others                                       | 14 28 150        | 14 28 150        |
| Related Party                                | 7 750            | 7 750            |
| - Unsecured                                  |                  |                  |
| Others                                       | 1 35 500         | 1 35 500         |
| Related Party                                | 5 000            | 5 000            |
| <b>Subtotal</b>                              | <b>15 76 400</b> | <b>15 76 400</b> |
| <b>At fair value through profit and loss</b> |                  |                  |
| Debentures and bonds                         |                  |                  |
| - Secured                                    |                  |                  |
| Others                                       | 49 041           | 49 041           |
| Related Party                                | 515              | 515              |
| <b>Subtotal</b>                              | <b>49 556</b>    | <b>49 556</b>    |
| <b>Total</b>                                 | <b>16 25 956</b> | <b>16 25 956</b> |
| Debt securities in India                     | 16 25 956        | 16 25 956        |
| Debt securities outside India                | -                | -                |
| <b>Total</b>                                 | <b>16 25 956</b> | <b>16 25 956</b> |

The Company is currently undergoing Corporate Insolvency Resolution Process under the provisions of the Insolvency and Bankruptcy Code, 2016 and is under moratorium under Section 14 of the Code since December 06, 2021.

## Notes to Standalone Financial Statements for the year ended March 31, 2023

Accordingly, all its liabilities towards the NCD holders are crystallised as at as on December 06, 2021 and will be dealt in accordance with the provisions of the Code.

Further, the trustee have recalled all the NCDs and have submitted claim to the Administrator in terms of the Code and therefore the entire amount of NCDs are considered as overdue as on March 31, 2023, irrespective of the original maturity dates.

(₹ in lakh)

| Rate of Interest | Total Amount overdue | Rate of Interest | Total Amount overdue |
|------------------|----------------------|------------------|----------------------|
| #                | 45 000               | 9.50%            | 500                  |
| 8.20%            | 7 500                | 9.65%            | 25 000               |
| 8.25%            | 37 000               | 9.70%            | 1 500                |
| 8.28%            | 23 500               | 9.80%            | 50 000               |
| 8.32%            | 40 000               | 9.85%            | 4 500                |
| 8.42%            | 1 400                | 9.90%            | 57 500               |
| 8.47%            | 2 500                | 9.95%            | 8 500                |
| 8.50%            | 48 000               | 10.00%           | 1 000                |
| 8.65%            | 2 000                | 10.05%           | 700                  |
| 8.75%            | 62 100               | 10.10%           | 1 08 000             |
| 8.80%            | 30 000               | 10.15%           | 800                  |
| 8.83%            | 1 00 000             | 10.19%           | 15 500               |
| 8.85%            | 1 70 000             | 10.20%           | 8 200                |
| 8.90%            | 50 000               | 10.25%           | 4 000                |
| 8.93%            | 90 000               | 10.28%           | 1 500                |
| 9.00%            | 1 50 000             | 10.35%           | 16 000               |
| 9.05%            | 1 50 000             | 10.40%           | 35 000               |
| 9.12%            | 1 500                | 10.50%           | 6 000                |
| 9.25%            | 15 600               | 10.60%           | 13 400               |
| 9.32%            | 2 000                | 10.75%           | 36 700               |
| 9.40%            | 1 50 000             | MLD              | 49 556               |
| 9.42%            | 4 000                | <b>TOTAL</b>     | <b>16 25 956</b>     |

# Zero coupon deep discount non convertible debentures

### Details about the nature of the security

- The Secured Non-Convertible Debentures of the Company aggregating to ₹ 14 85 456 lakh (Previous year ₹ 14 85 456 lakh) as on March 31, 2023 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 Outstanding Debentures and adequate steps are being taken by the Company as explained in note no 1.
- Unsecured NCDs amounting to ₹ 1 40 500 lakh (Previous year ₹ 1 40 500 lakh) are in respect to Tier II subordinate debts.

## 16 Borrowings (other than Debt securities)

(₹ in lakh)

| Particulars                                   | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|-----------------------------------------------|-------------------------|-------------------------|
| <b>At amortised cost</b>                      |                         |                         |
| Term loan from banks / financial institutions |                         |                         |
| - Secured                                     | 62 458                  | 62 458                  |
| Inter corporate deposit                       |                         |                         |
| - Secured                                     | 7 295                   | 7 295                   |
| - Unsecured                                   | 48 886                  | 48 886                  |
| - Unsecured from Related party                | -                       | -                       |
| <b>Total (A)</b>                              | <b>1 18 639</b>         | <b>1 18 639</b>         |
| Borrowings in India                           | 1 18 639                | 1 18 639                |
| Borrowings outside India                      | -                       | -                       |
| <b>Total (B)</b>                              | <b>1 18 639</b>         | <b>1 18 639</b>         |

## Notes to Standalone Financial Statements for the year ended March 31, 2023

### a) Maturity profile of Term loans from banks / Financial institutions:

The Company is currently undergoing Corporate Insolvency Resolution Process under the provisions of the Insolvency and Bankruptcy Code, 2016 and is under moratorium under Section 14 of the Code since December 06, 2021.

Accordingly, all its liabilities towards the banks/ financial institutions are crystallised as at as on December 06, 2021 and will be dealt in accordance with the provisions of the Code.

Further, the banks/ financial institutions have recalled all the term loan and have submitted claim to the Administrator in terms of the Code and therefore the entire amount of banks/ financial institutions are considered as overdue as on March 31, 2023, irrespective of the original maturity dates.

|                  |  | (₹ in lakh)          |
|------------------|--|----------------------|
| Rate of Interest |  | Total amount overdue |
| 8.80%            |  | 10 060               |
| 10.60%           |  | 50 000               |
| 13.00%           |  | 2 398                |
| <b>TOTAL</b>     |  | <b>62 458</b>        |

### b) Details about the nature of the security

- Term Loans from banks / financial institution includes ₹ 62 458 lakh (Previous year ₹ 62 458 lakh) 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.
- Inter Corporate Deposit includes ₹ 7 295 lakh (Previous year ₹ 7 295 lakh) are secured by way of pari passu first charge on all present and future book debts, investment, and business receivables of the Company.

## 17 Other financial liabilities

|                                        |                         |                         | (₹ in lakh) |
|----------------------------------------|-------------------------|-------------------------|-------------|
| Particulars                            | As at<br>March 31, 2023 | As at<br>March 31, 2022 |             |
| Interest accrued and due on borrowings | 4 48 598                | 4 48 598                |             |
| Security deposits                      | 884                     | 384                     |             |
| Unclaimed dividend *                   | 1 285                   | 1 287                   |             |
| <b>Total</b>                           | <b>4 50 767</b>         | <b>4 50 269</b>         |             |

\*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, except ₹ 22 lakh which have not been transferred to Investor Education and Protection Fund (IEPF) on account of various investor legal cases and ₹ 286 lakh due for transfer on October 29, 2022 but due technical error amount has not been transferred to IEPF.

## 18 Provisions

|                                        |                         |                         | (₹ in lakh) |
|----------------------------------------|-------------------------|-------------------------|-------------|
| Particulars                            | As at<br>March 31, 2023 | As at<br>March 31, 2022 |             |
| <b>Provision for Employee benefits</b> |                         |                         |             |
| Gratuity                               | 38                      | 26                      |             |
| <b>Provision others</b>                |                         |                         |             |
| Financial Guarantee Obligation         | 38 057                  | 38 058                  |             |
| Assets and advances                    | 22 418                  | 2 419                   |             |
| <b>Total</b>                           | <b>60 513</b>           | <b>40 503</b>           |             |

### Summary of ECL on Financial Guarantee Obligation by stage distribution

|                |         |         |         |        | (₹ in lakh) |
|----------------|---------|---------|---------|--------|-------------|
| Particulars    | Stage 1 | Stage 2 | Stage 3 | Total  |             |
| March 31, 2023 | 36 630  | -       | 1 427   | 38 057 |             |
| March 31, 2022 | 36 631  | -       | 1 427   | 38 058 |             |

## Notes to Standalone Financial Statements for the year ended March 31, 2023

### 19 Other non-financial liabilities

(₹ in lakh)

| Particulars                     | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|---------------------------------|-------------------------|-------------------------|
| Advance receipts from customers | 51                      | 93                      |
| Other Payables                  | 1 420                   | 2 343                   |
| <b>Total</b>                    | <b>1 471</b>            | <b>2 436</b>            |

### 20 Equity share capital

(₹ in lakh)

| Particulars                                                                                                         | As at<br>March 31, 2023 |               | As at<br>March 31, 2022 |               |
|---------------------------------------------------------------------------------------------------------------------|-------------------------|---------------|-------------------------|---------------|
|                                                                                                                     | Number                  | ₹             | Number                  | ₹             |
| <b>Authorised</b>                                                                                                   |                         |               |                         |               |
| Equity shares of ₹ 10 each                                                                                          | 30 00 00 000            | 30 000        | 30 00 00 000            | 30 000        |
| Preference shares of ₹ 10 each                                                                                      | 10 00 00 000            | 10 000        | 10 00 00 000            | 10 000        |
| <b>Issued and subscribed</b>                                                                                        |                         |               |                         |               |
| Equity shares of ₹ 10 each                                                                                          | 25 40 53 108            | 25 405        | 25 40 53 108            | 25 405        |
| <b>Paid up</b>                                                                                                      |                         |               |                         |               |
| Equity shares of ₹ 10 each                                                                                          | 25 27 08 902            | 25 271        | 25 27 08 902            | 25 271        |
| Add: Forfeited shares (amount originally paid up on 13,44,006 equity shares of ₹ 10 Each (previous year 13,44,006)) | 13 44 206               | 53            | 13 44 206               | 53            |
| <b>Total</b>                                                                                                        |                         | <b>25 324</b> |                         | <b>25 324</b> |

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

(₹ in lakh)

| Particulars                               | As at<br>March 31, 2023 |               | As at<br>March 31, 2022 |               |
|-------------------------------------------|-------------------------|---------------|-------------------------|---------------|
|                                           | Number                  | ₹             | Number                  | ₹             |
| Outstanding at the beginning of the year  | 25 27 08 902            | 25 271        | 25 27 08 902            | 25 271        |
| Stock options exercised under the ESOS    | -                       | -             | -                       | -             |
| Shares issued during the year             | -                       | -             | -                       | -             |
| <b>Outstanding at the end of the year</b> | <b>25 27 08 902</b>     | <b>25 271</b> | <b>25 27 08 902</b>     | <b>25 271</b> |

#### 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<br>March 31, 2023 |           | As at<br>March 31, 2022 |           |
|---------------------|-------------------------|-----------|-------------------------|-----------|
|                     | Number                  | % holding | Number                  | % holding |
| Nil                 | -                       | 0.00%     | -                       | 0.00%     |

#### e) As on March 31, 2023, 10,96,763 equity shares (Previous year 10,98,393 equity shares) are held by custodian against which depository receipts have been issued. Depository receipts were delisted on March 17, 2023 and settled on April 25, 2023.

Notes to Standalone Financial Statements for the year ended March 31, 2023

f) Shareholding of promoter is as under:

Shares held by promoters at the end of the year

| Sr. no. | Promoter name                                                  | No. of shares | % of total shares | % change during the year |
|---------|----------------------------------------------------------------|---------------|-------------------|--------------------------|
| 1       | Reliance Inceptum Private Limited                              | 1 53 964      | 0.06              | 0                        |
| 2       | Reliance Infrastructure Consulting & Engineers Private Limited | 17 75 991     | 0.70              | 0                        |
| 3       | Reliance Infrastructure Management Private Limited             | -             | 0.00              | (100)                    |
| 4       | Reliance Innoventures Private Limited                          | 4 450         | 0.00              | 0                        |
| 5       | Smt. Kokila D. Ambani                                          | -             | 0.00              | (100)                    |
| 6       | Ms. Tina A. Ambani                                             | 2 63 474      | 0.10              | 0                        |
| 7       | Mr. Jai Anmol A. Ambani                                        | 28 487        | 0.01              | (84)                     |
| 8       | Mr. Jai Anshul A. Ambani                                       | -             | 0.00              | (100)                    |

21 Other equity

(₹ in lakh)

| Particulars                          | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|--------------------------------------|-------------------------|-------------------------|
| <b>Securities premium</b>            |                         |                         |
| Opening balance                      | 3 65 880                | 3 65 880                |
| Add/(Less) : Changes during the year | -                       | -                       |
| <b>Closing balance</b>               | <b>3 65 880</b>         | <b>3 65 880</b>         |
| <b>Capital redemption reserve</b>    | <b>1 013</b>            | <b>1 013</b>            |
| <b>Capital reserve</b>               | <b>77 879</b>           | <b>77 879</b>           |
| <b>Statutory reserve fund</b>        | <b>1 87 474</b>         | <b>1 87 474</b>         |
| <b>General reserve</b>               | <b>4 81 721</b>         | <b>4 81 721</b>         |
| <b>Retained earnings</b>             |                         |                         |
| Opening balance                      | (19 83 764)             | (18 73 184)             |
| Net profit / (loss) for the year     | (1 70 770)              | (1 10 580)              |
| <b>Closing balance</b>               | <b>(21 54 534)</b>      | <b>(19 83 764)</b>      |
| <b>Treasury Shares</b>               | <b>200</b>              | <b>200</b>              |
| <b>Other comprehensive Income</b>    |                         |                         |
| Opening balance                      | (28 026)                | (28 019)                |
| Add/(Less) : Changes during the year | (779)                   | (7)                     |
| <b>Closing balance</b>               | <b>(28 805)</b>         | <b>(28 026)</b>         |
| <b>RCAP ESOP Trust Reserve</b>       |                         |                         |
| Opening balance                      | 722                     | 660                     |
| Add/(Less) : Changes during the year | (6)                     | 62                      |
| <b>Closing balance</b>               | <b>716</b>              | <b>722</b>              |
| <b>Total</b>                         | <b>(10 68 456)</b>      | <b>(8 96 901)</b>       |

Nature and purpose of reserve

a) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

b) Capital redemption reserve

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

## Notes to Standalone Financial Statements for the year ended March 31, 2023

### 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 Rs 77 237 lakh (Previous year Rs 77 237 lakh ) 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 Rs 3 83 744 lakh (Previous year Rs 3 83 744 lakh) 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.

## 22 Interest income

|                                                         | (₹ in lakh) |            |
|---------------------------------------------------------|-------------|------------|
| Particulars                                             | 2022-23     | 2021-22    |
| <b>On financial assets measured at amortised costs:</b> |             |            |
| - Loans                                                 | 213         | 425        |
| - Fixed Deposits and others                             | 729         | 32         |
| <b>On financial assets measured at FVTPL:</b>           |             |            |
| Interest income from investments                        | -           | -          |
| <b>Total</b>                                            | <b>942</b>  | <b>457</b> |

## 23 Fees Income

|                | (₹ in lakh) |          |
|----------------|-------------|----------|
| Particulars    | 2022-23     | 2021-22  |
| Management Fee | 165         | -        |
| <b>Total</b>   | <b>165</b>  | <b>-</b> |

## 24 Other operating income

|                        | (₹ in lakh) |           |
|------------------------|-------------|-----------|
| Particulars            | 2022-23     | 2021-22   |
| Bad debt recovered     | -           | 12        |
| Other operating income | -           | 1         |
| <b>Total</b>           | <b>-</b>    | <b>13</b> |

## 25 Other income

|                                | (₹ in lakh) |          |
|--------------------------------|-------------|----------|
| Particulars                    | 2022-23     | 2021-22  |
| Profit on Sale of Fixed Assets | 34          | -        |
| Miscellaneous income           | 112         | 6        |
| <b>Total</b>                   | <b>146</b>  | <b>6</b> |

**Notes to Standalone Financial Statements for the year ended March 31, 2023**
**26 Finance costs**

(₹ in lakh)

| Particulars                                                 | 2022-23   | 2021-22         |
|-------------------------------------------------------------|-----------|-----------------|
| <b>On financial liabilities measured at amortised cost:</b> |           |                 |
| Interest and finance charges                                |           |                 |
| Debentures                                                  | 30        | 1 00 099        |
| Bank / Financial institutions                               | -         | 4 412           |
| Inter corporate deposits                                    | -         | 5 304           |
| Others [*₹13 965 (Previous year ₹ 12 634)]                  | -*        | -*              |
| <b>On financial liabilities measured at FVTPL:</b>          |           |                 |
| Debentures                                                  | -         | 1 078           |
| <b>Total</b>                                                | <b>30</b> | <b>1 10 893</b> |

**27 Net loss / (gain) on fair value changes (net)**
**On Investment**

(₹ in lakh)

| Particulars  | 2022-23       | 2021-22        |
|--------------|---------------|----------------|
| Realised     | 2 58 643      | (128)          |
| Unrealised   | (2 18 567)    | (2 433)        |
| <b>Total</b> | <b>40 076</b> | <b>(2 561)</b> |

**28 Impairment on financial instruments (net)**

(₹ in lakh)

| Particulars                                                 | 2022-23         | 2021-22     |
|-------------------------------------------------------------|-----------------|-------------|
| <b>On financial instruments measured at amortised cost:</b> |                 |             |
| Loans and interest                                          | 41 485          | (5)         |
| Financial guarantee obligation                              | -               | 25          |
| Assets and advances                                         | 20 000          | (49)        |
| Bad debts written off                                       | 60 986          | -           |
| <b>Total</b>                                                | <b>1 22 471</b> | <b>(29)</b> |

**29 Employee benefits expenses**

(₹ in lakh)

| Particulars                               | 2022-23    | 2021-22      |
|-------------------------------------------|------------|--------------|
| Salaries and wages                        | 725        | 1 433        |
| Contribution to provident and other funds | 69         | 103          |
| Staff welfare expenses                    | 29         | 31           |
| <b>Total</b>                              | <b>823</b> | <b>1 567</b> |

**30 Other expenses**

(₹ in lakh)

| Particulars                      | 2022-23 | 2021-22 |
|----------------------------------|---------|---------|
| Bank charges [Rs 26 018]         | -       | 1       |
| Rental charges                   | 21      | 57      |
| Rates and taxes                  | 36      | 117     |
| Repairs and maintenance          |         |         |
| - Buildings                      | 53      | 10      |
| - Others                         | 239     | 267     |
| Electricity                      | 25      | 24      |
| Insurance                        | 59      | 143     |
| Travel and conveyance            | 13      | 29      |
| Postage, telegram and telephones | 9       | 12      |

Notes to Standalone Financial Statements for the year ended March 31, 2023

|                                             |              | (₹ in lakh)  |
|---------------------------------------------|--------------|--------------|
| Particulars                                 | 2022-23      | 2021-22      |
| Legal & Professional fees                   | 2 646        | 929          |
| Payments to auditors [refer note (a) below] | 35           | 32           |
| News paper advertising                      | 2            | 6            |
| Directors' sitting fees                     | -            | 26           |
| Loss on settlement of capital advance       | 3 534        | -            |
| Bad debts on advances                       | 665          | -            |
| Provision for advances                      | 1 708        | -            |
| Miscellaneous expenses                      | 11           | 65           |
| <b>Total</b>                                | <b>9 056</b> | <b>1 718</b> |

a) Breakup of Auditors' remuneration

| Particulars                                                              | 2022-23   | 2021-22   |
|--------------------------------------------------------------------------|-----------|-----------|
| Audit fees                                                               | 34        | 32        |
| Certification charges and other reimbursement (*Previous year ₹ 35 620 ) | 1         | - *       |
| <b>Total</b>                                                             | <b>35</b> | <b>32</b> |

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.

31 Income tax

a) The components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are ₹ Nil.

b) Deferred tax assets/liabilities

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities / assets:

|                                             |                      | (₹ in lakh)          |
|---------------------------------------------|----------------------|----------------------|
| Particulars                                 | As at March 31, 2023 | As at March 31, 2022 |
| <b>Deferred tax liability :</b>             |                      |                      |
| Related to property plant and equipment     | 642                  | 596                  |
|                                             | <b>642</b>           | <b>596</b>           |
| <b>Deferred tax asset :</b>                 |                      |                      |
| Carry forward losses                        | 3 35 015             | 3 34 799             |
| Provision for gratuity                      | 13                   | 9                    |
| Provision for expected credit loss          | 3 59 677             | 3 38 193             |
|                                             | <b>6 94 705</b>      | <b>6 73 001</b>      |
| <b>Net deferred tax liability \ (asset)</b> | <b>(6 94 063)</b>    | <b>(6 72 405)</b>    |

**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 lakh) |
|-------------------------------------------------------------------|------------|-------------|
| Particulars                                                       | 2022-23    | 2021-22     |
| Reconciliation of Profit Before Tax to Taxable Profit             | (1 70 770) | (1 10 580)  |
| Tax at the Indian Tax rate 34.944%                                | -          | -           |
| <b>Income tax expense charged to Statement of Profit and Loss</b> | <b>-</b>   | <b>-</b>    |

## Notes to Standalone Financial Statements for the year ended March 31, 2023

### d) Tax Losses and Tax Credits

|                                                                                              | (₹ in lakh) |          |
|----------------------------------------------------------------------------------------------|-------------|----------|
| Particulars                                                                                  | 2022-23     | 2021-22  |
| Unused Brought Forward Loss for which no deferred tax asset has been recognised (Refer Note) | 9 60 738    | 9 58 100 |
| Unused Mat Entitlement Credit for which no deferred tax asset has been recognised            | 29 157      | 34 237   |

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 2022-23. The losses for Assessment Year 2023-24 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 (Rs) | 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<br>March 31, 2023   |                      | As at<br>March 31, 2022   |                      |
|----------------------------------------------|---------------------------|----------------------|---------------------------|----------------------|
|                                              | Average<br>exercise price | Number of<br>options | Average exercise<br>price | Number of<br>options |
| Outstanding at the beginning of the year     | 296                       | 69 530               | 296                       | 72 970               |
| Granted during the year                      | -                         | -                    | -                         | -                    |
| Exercised during the year                    | -                         | -                    | -                         | -                    |
| Forfeited / lapsed / expired during the year | -                         | 8 440                | -                         | 3 440                |
| <b>Outstanding at the end of the year</b>    | <b>296</b>                | <b>61 090</b>        | <b>296</b>                | <b>69 530</b>        |
| Vested and exercisable                       | 296                       | 61 090               | 296                       | 69 530               |

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2023 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<br>March 31, 2023 | Outstanding as at<br>March 31, 2022 |
|------------------|------------------|----------------|-------------------------------------|-------------------------------------|
| October 15, 2015 | October 15, 2023 | 296            | 61 090                              | 69 530                              |
| <b>Total</b>     |                  |                | <b>61 090</b>                       | <b>69 530</b>                       |

## Notes to Standalone Financial Statements for the year ended March 31, 2023

### b) 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 lakh) |         |
|------------------------------------------------|-------------|---------|
| Particulars                                    | 2022-23     | 2021-22 |
| Employer's contribution to provident fund      | 38          | 57      |
| Employer's contribution to superannuation fund | 3           | 4       |
| Employer's contribution to pension scheme      | 20          | 20      |

### 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 lakh)                 |                           |            |
|------------------------------------------------------------------------|-----------------------------|---------------------------|------------|
| Particulars                                                            | Present value of obligation | Fair value of plan assets | Net amount |
| <b>As at April 01, 2021</b>                                            | 262                         | 260                       | 2          |
| Current service cost                                                   | 19                          | -                         | 19         |
| Interest expense/(income)                                              | 16                          | 16                        | -          |
| Liability transferred in / Acquisition                                 | 6                           | 6                         | -          |
| Liability transferred in / Divestments                                 | (11)                        | (11)                      | -          |
| Return on plan assets excluding interest income                        | -                           | 2                         | (2)        |
| Actuarial loss / (gain) arising from change in financial assumptions   | 27                          | -                         | 27         |
| Actuarial loss / (gain) arising from change in demographic assumptions | -                           | -                         | -          |
| Actuarial loss / (gain) arising on account of experience changes       | (18)                        | -                         | (18)       |
| Employer contributions                                                 | -                           | 1                         | (1)        |
| Benefit payments                                                       | (73)                        | (73)                      | -          |
| <b>As at March 31, 2022</b>                                            | <b>228</b>                  | <b>201</b>                | <b>27</b>  |
| Current service cost                                                   | 13                          | -                         | 13         |
| Interest expense/(income)                                              | 13                          | 11                        | 2          |
| Liability transferred in / Acquisition                                 | -                           | -                         | -          |
| Liability transferred in / Divestments                                 | (8)                         | -                         | (8)        |
| Return on plan assets excluding interest income                        | -                           | (7)                       | 7          |
| Actuarial loss / (gain) arising from change in financial assumptions   | (4)                         | -                         | (4)        |
| Actuarial loss / (gain) arising from change in demographic assumptions | -                           | -                         | -          |
| Actuarial loss / (gain) arising on account of experience changes       | 28                          | -                         | 28         |
| Employer contributions                                                 | -                           | 26                        | (26)       |
| Benefit payments                                                       | (73)                        | (73)                      | -          |
| <b>As at March 31, 2023</b>                                            | <b>197</b>                  | <b>158</b>                | <b>39</b>  |

# Notes to Standalone Financial Statements for the year ended March 31, 2023

(₹ in lakh)

| Particulars                              | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|------------------------------------------|-------------------------|-------------------------|
| Present value of plan liabilities        | 197                     | 228                     |
| Fair value of plan assets                | 158                     | 201                     |
| <b>Plan liability net of plan assets</b> | <b>39</b>               | <b>27</b>               |

## ii) Expenses recognised in Statement of Profit and Loss

(₹ in lakh)

| Particulars                                                                 | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|-----------------------------------------------------------------------------|------------------------------|------------------------------|
| Employee Benefit Expenses                                                   | -                            | -                            |
| Current service cost                                                        | 13                           | 19                           |
| <b>Total</b>                                                                | <b>13</b>                    | <b>19</b>                    |
| Net interest cost                                                           | 2                            | -                            |
| <b>Net impact on the profit before tax</b>                                  | <b>15</b>                    | <b>19</b>                    |
| <b>Remeasurement of the net defined benefit liability:</b>                  |                              |                              |
| Return on plan assets excluding amounts included in interest expense/income | 7                            | (2)                          |
| Actuarial gains/(losses) arising from changes in demographic assumptions    | -                            | -                            |
| Actuarial gains/(losses) arising from changes in financial assumptions      | (4)                          | 27                           |
| Actuarial gains/(losses) arising from changes in experience                 | 28                           | (18)                         |
| <b>Net impact on the other comprehensive income before tax</b>              | <b>31</b>                    | <b>7</b>                     |

## iii) Expenses recognised in Other Comprehensive Income

(₹ in lakh)

| Particulars                                                  | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|--------------------------------------------------------------|------------------------------|------------------------------|
| Actuarial loss / (gain) on obligation for the year           | 25                           | 9                            |
| Return on plan assets, excluding interest income             | 7                            | (2)                          |
| Change in asset ceiling                                      | -                            | -                            |
| <b>Net expenses recognised in Other Comprehensive Income</b> | <b>32</b>                    | <b>7</b>                     |

## iv) Defined benefit plans assets

(₹ in lakh)

| Category of assets (% allocation) | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|-----------------------------------|-------------------------|-------------------------|
| <b>Insurer managed funds</b>      | <b>100%</b>             | <b>100%</b>             |
| <b>Total</b>                      | <b>100%</b>             | <b>100%</b>             |

## iv) 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<br>March 31, 2023                                                                     | As at<br>March 31, 2022                                                              |
|----------------------------------|------------------------------------------|---------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| Expected return on plan assets   |                                          | 7.35%                                                                                       | 6.84%                                                                                |
| Discounting rate                 | 0.0759                                   | 7.35%                                                                                       | 6.84%                                                                                |
| Salary escalation rate*          | 0.06                                     | 6.00%                                                                                       | 6.00%                                                                                |
| Rate of employee turnover        | Categorywise                             | <b>For service 4 years and below 20.00% p.a.. For service 5 years and above 10.00% p.a.</b> | 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) | <b>Indian Assured Lives Mortality 2012-14 (Urban)</b>                                       | Indian Assured Lives Mortality 2012-14 (Urban)                                       |
| Mortality rate After employment  | N.A.                                     | <b>N.A.</b>                                                                                 | N.A.                                                                                 |

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

## Notes to Standalone Financial Statements for the year ended March 31, 2023

### vi) Sensitivity Analysis

| Particulars                                                                                       | (₹ in lakh)             |                         |
|---------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                   | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| Projected benefit obligation on current assumption                                                | 197                     | 228                     |
| Delta effect of +1% change in rate of discounting                                                 | (7)                     | (9)                     |
| Delta effect of -1% change in rate of discounting                                                 | 7                       | 10                      |
| Delta effect of +1% change in rate of salary increase                                             | 7                       | 10                      |
| Delta effect of -1% change in rate of salary increase                                             | (7)                     | (9)                     |
| Delta effect of +1% change in rate of employee turnover<br>(₹ 27 870 Previous year ₹ 28 023)      | -                       | -                       |
| Delta effect of -1% change in rate of employee turnover<br>(₹ (-)30 194 Previous year (-) 31 638) | -                       | -                       |

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

### vi) Maturity

The defined benefit obligations from fund shall mature after year end as follows:

| Particulars               | (₹ in lakh)             |                         |
|---------------------------|-------------------------|-------------------------|
|                           | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| 1st Following Year        | 38                      | 44                      |
| 2nd Following Year        | 22                      | 33                      |
| 3rd Following Year        | 36                      | 23                      |
| 4th Following Year        | 8                       | 33                      |
| 5th Following Year        | 25                      | 8                       |
| Sum of 6 to 10            | 107                     | 107                     |
| Sum of Years 11 and above | 32                      | 76                      |

The average duration of the defined benefit obligation is 6 years (previous year - 6 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 reportable segment, as per the Ind AS 108 "Operating Segments". The Operating segments have been reported as under:

1. Finance- this includes the corporate lending activities
2. Investments -this includes the investment activities
3. Lease Rental -this includes the renting and leasing activities
4. Others - this includes other financial and allied services.

Notes to Standalone Financial Statements for the year ended March 31, 2023

(₹ in lakh)

| Sr. No.  | Particulars                                     | Year ended         |                    |
|----------|-------------------------------------------------|--------------------|--------------------|
|          |                                                 | March 31, 2023     | March 31, 2022     |
|          |                                                 | Audited            | Audited            |
| <b>1</b> | <b>Segment revenue</b>                          |                    |                    |
| a        | Finance                                         | 942                | 457                |
| b        | Investments                                     | 825                | 730                |
| c        | Lease / Rental                                  | 20                 | 387                |
| d        | Others                                          | 311                | 19                 |
|          | <b>Total</b>                                    | <b>2 098</b>       | <b>1 593</b>       |
|          | Inter-segment revenue                           | -                  | -                  |
|          | <b>Total net segment income</b>                 | <b>2 098</b>       | <b>1 593</b>       |
| <b>2</b> | <b>Segment results</b>                          |                    |                    |
| a        | Finance                                         | ( 1 01 529)        | 486                |
| b        | Investments                                     | ( 39 251)          | 3 291              |
| c        | Lease / Rental                                  | 20                 | 387                |
| d        | Others                                          | 311                | 19                 |
|          | <b>Total segment profit / (loss) before tax</b> | <b>( 1 40 449)</b> | <b>4 183</b>       |
|          | Unallocated expenses                            | 30 321             | 1 14 763           |
|          | <b>Profit / (Loss) before tax</b>               | <b>( 1 70 770)</b> | <b>( 1 10 580)</b> |
| <b>3</b> | <b>Segment assets</b>                           |                    |                    |
| a        | Finance                                         | -                  | 92 500             |
| b        | Investments                                     | 11 43 291          | 11 89 085          |
| c        | Lease / Rental                                  | 27                 | 69                 |
| d        | Others                                          | 551                | 2 902              |
| e        | Inter-segment elimination                       | -                  | -                  |
| f        | Unallocated assets                              | 70 345             | 81 582             |
|          | <b>Total segment assets</b>                     | <b>12 14 214</b>   | <b>13 66 138</b>   |
| <b>4</b> | <b>Segment liabilities</b>                      |                    |                    |
| a        | Finance                                         | 8 31 335           | 8 89 096           |
| b        | Investments                                     | -                  | -                  |
| c        | Lease / Rental                                  | 384                | 384                |
| d        | Others                                          | -                  | -                  |
| e        | Inter-segment elimination                       | -                  | -                  |
| f        | Unallocated liabilities                         | 3 82 495           | 4 76 658           |
|          | <b>Total segment liabilities</b>                | <b>12 14 214</b>   | <b>13 66 138</b>   |

## Notes to Standalone Financial Statements for the year ended March 31, 2023

### 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) (ceased w.e.f. November 29, 2021 in pursuance of Reserve Bank of India's Press Release)

##### ii) Individual Promoter

Shri Anil D. Ambani (ceased w.e.f. November 29, 2021 in pursuance of Reserve Bank of India's Press Release)

##### 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) (ceased w.e.f. October 14, 2022)

Reliance Securities Limited (RSL)

Reliance Commodities Limited (RCOL)

Reliance Financial Limited (RFL)

Reliance Wealth Management Limited (RWML)

Reliance Money Services 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) (ceased w.e.f. October 14, 2022)

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) (ceased w.e.f. October 14, 2022)

Reinplast Advanced Composites Private Limited (RACPL) (ceased w.e.f. October 14, 2022)

Reliance Home Finance Limited (RHFL)

##### v) Key management personnel

Mr. Dhananjay Tiwari (Director & Chief Executive Officer) (ceased w.e.f. March 15, 2022)

Mr. Atul Tandon Company Secretary & Compliance Officer

Mr. Aman Gudral (Chief Financial Officer) (Appointed w.e.f. April 12, 2022)

Mr. Vijesh B. Thota (Chief Financial Officer) (ceased w.e.f. April 11, 2022)

##### vi) Resolution Professional

Mr. Nageswara Rao Y (Administrator) (Appointed w.e.f. December 06, 2021)

Notes to Standalone Financial Statements for the year ended March 31, 2023

B. Transactions during the year with related parties:

(₹ in lakh)

| Particulars                               | Year    | Subsidiaries | Others<br>(V below) | Associates | Total     |
|-------------------------------------------|---------|--------------|---------------------|------------|-----------|
| <b>Investments</b>                        |         |              |                     |            |           |
| a) Subscribed / Purchased during the year | 2022-23 | -            | -                   | -          | -         |
|                                           | 2021-22 | -            | -                   | -          | -         |
| b) Redeemed / Sold during the year        | 2022-23 | 403          | -                   | -          | 403       |
|                                           | 2021-22 | 316          | -                   | -          | 316       |
| c) Closing Balances                       | 2022-23 | 10 82 456    | -                   | 7 950      | 10 90 406 |
|                                           | 2021-22 | 10 82 847    | -                   | 13 565     | 10 96 412 |
| <b>Loans Given</b>                        |         |              |                     |            |           |
| a) Given during the year                  | 2022-23 | -            | -                   | -          | -         |
|                                           | 2021-22 | -            | -                   | -          | -         |
| b) Returned /Adjusted during the year     | 2022-23 | 57 160       | -                   | 600        | 57 760    |
|                                           | 2021-22 | 3 000        | 46 435              | 300        | 49 735    |
| c) Closing Balances                       | 2022-23 | 1 37 789     | -                   | -          | 1 37 789  |
|                                           | 2021-22 | 1 94 949     | -                   | 600        | 1 95 549  |
| d) ECL provision on loan outstanding      | 2022-23 | 1 37 789     | -                   | -          | 1 37 789  |
|                                           | 2021-22 | 1 75 357     | -                   | 20         | 1 75 377  |
| e) Interest accrued on Loans              | 2022-23 | 19 364       | -                   | -          | 19 364    |
|                                           | 2021-22 | 27 858       | -                   | -          | 27 858    |
| f) ECL provision on interest outstanding  | 2022-23 | 19 364       | -                   | -          | 19 364    |
|                                           | 2021-22 | 25 322       | -                   | -          | 25 323    |
| <b>Advances / Margin Money</b>            |         |              |                     |            |           |
| a) Closing Balances                       | 2022-23 | 11 083       | -                   | 757        | 11 840    |
|                                           | 2021-22 | 13 253       | -                   | 711        | 13 964    |
| <b>Debentures</b>                         |         |              |                     |            |           |
| a) Redeemed during the year               | 2022-23 | -            | -                   | -          | -         |
|                                           | 2021-22 | -            | -                   | -          | -         |
| b) Closing Balances                       | 2022-23 | 13 265       | -                   | -          | 13 265    |
|                                           | 2021-22 | 13 265       | -                   | -          | 13 265    |
| c) Accrued interest on debentures         | 2022-23 | 3 041        | -                   | -          | 3 041     |
|                                           | 2021-22 | 3 041        | -                   | -          | 3 041     |
| <b>Income</b>                             |         |              |                     |            |           |
| a) Interest Income                        | 2022-23 | 138          | -                   | 75         | 213       |
|                                           | 2021-22 | 328          | -                   | 98         | 426       |
| b) Dividend Income                        | 2022-23 | 25           | -                   | 147        | 172       |
|                                           | 2021-22 | 101          | -                   | 147        | 248       |
| c) Reimbursement of Expenditure           | 2022-23 | 506          | -                   | 32         | 538       |
|                                           | 2021-22 | 307          | -                   | 27         | 334       |
| d) Management Fees                        | 2022-23 | 124          | -                   | 41         | 165       |
|                                           | 2021-22 | -            | -                   | -          | -         |
| e) Other operating income                 | 2022-23 | -            | -                   | 2          | 2         |
|                                           | 2021-22 | -            | -                   | 4          | 4         |
| <b>Expenditure</b>                        |         |              |                     |            |           |
| a) Finance cost / paid                    | 2022-23 | -            | -                   | -          | -         |
|                                           | 2021-22 | 742          | 1 788               | -          | 2 530     |
| b) Insurance                              | 2022-23 | 102          | -                   | -          | 102       |
|                                           | 2021-22 | 136          | -                   | -          | 136       |

# Notes to Standalone Financial Statements for the year ended March 31, 2023

(₹ in lakh)

| Particulars                                                                   | Year    | Subsidiaries | Others<br>(V below) | Associates | Total    |
|-------------------------------------------------------------------------------|---------|--------------|---------------------|------------|----------|
| c) Brokerage paid during the year                                             | 2022-23 | 7            | -                   | -          | 7        |
|                                                                               | 2021-22 | 228          | -                   | -          | 228      |
| d) Reimbursement of Expenditure                                               | 2022-23 | -            | -                   | -          | -        |
|                                                                               | 2021-22 | 15           | -                   | -          | 15       |
| e) Professional Fees                                                          | 2022-23 | 396          | -                   | -          | 396      |
|                                                                               | 2021-22 | -            | -                   | -          | -        |
| f) Provision / Fair value change in the value of investments                  | 2022-23 | -            | -                   | 5 615      | 5 615    |
|                                                                               | 2021-22 | -            | -                   | -          | -        |
| g) ECL provision on loan and interest (net)                                   | 2022-23 | (43 526)     | -                   | (20)       | (43 546) |
|                                                                               | 2021-22 | 5            | -                   | -          | 5        |
| <b>Contingent liability</b>                                                   |         |              |                     |            |          |
| a) Guarantees to banks and financial institutions on behalf of third parties. | 2022-23 | -            | -                   | 40 000     | 40 000   |
|                                                                               | 2021-22 | 45 000       | -                   | 40 000     | 85 000   |
| Employee Benefit expenses ₹ 312 lakh (Previous year ₹ 310 lakh)               |         |              |                     |            |          |

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

### Investments

#### 2022-23

Investments Redeemed / Sold during the year during the year include ₹ 402 lakh from RFL. Investments Balance as at March 31, 2023 includes ₹ 5 02 974 lakh of RGICL, ₹ 5 07 847 lakh to RNLICL and ₹ 7 950 lakh to RARCL.

#### 2021-22

Investments Redeemed / Sold during the year during the year include ₹ 316 lakh from RASMST. Investments Balance as at March 31, 2022 includes ₹ 5 02 968 lakh of RGICL, and ₹ 5 07 842 lakh to RNLICL, ₹ 7 950 lakh to RARCL ₹ 5 615 lakh to RHFL.

### Loans Given

#### 2022-23

Loan Returned/Adjusted during the year include ₹ 1 850 lakh from RCASL, ₹ 2 639 lakh from RSL, ₹ 52 671 lakh to RCF and ₹ 600 lakh from RARCL. Loan given Balance as at March 31, 2023 include ₹ 1 37 306 lakh to RCASL. ECL provision on loan outstanding includes ₹ 1 37 306 lakh to RCASL. Accrued Interest on loans as at March 31, 2023 includes ₹ 19 277 lakh to RCASL. ECL provision on interest outstanding includes ₹ 19 277 lakh to RCASL.

#### 2021-22

Loan Returned/Adjusted during the year include ₹ 200 lakh from RSL, ₹ 447 lakh to RBE and ₹ 2 800 lakh from RARCL. Loan given Balance as at March 31, 2022 include ₹ 1 39 156 lakh to RCASL, ₹ 52 671 lakh to RCFL, ₹ 2 639 lakh to RSL and ₹ 600 lakh to RARCL. ECL provision on loan outstanding includes ₹ 1 22 179 lakh to RCASL, ₹ 52 671 lakh to RCFL and ₹ 20 to RARCL. Accrued Interest on loans as at March 31, 2022 includes ₹ 19 277 lakh to RCASL and ₹ 8 316 lakh to RCF. ECL provision on interest outstanding includes ₹ 16 925 lakh to RCASL and ₹ 8 316 lakh to RCF.

### Advances / Margin Money

#### 2022-23

Advance balance as at March 31, 2023 includes ₹ 615 lakh to RGICL, ₹ 415 lakh to RNLICL, ₹ 393 lakh to RSL and ₹ 757 lakh to RHFL. Margin Money Receivable includes ₹ 9 578 lakh from RSL.

#### 2021-22

Advance balance as at March 31, 2022 includes ₹ 648 lakh to RGICL, ₹ 712 lakh to RCFL, Rs 361 lakh to RNLICL, Rs 388 lakh to RSL and Rs 711 lakh to RHFL. Margin Money Receivable includes Rs 11 062 lakh from RSL.

## Notes to Standalone Financial Statements for the year ended March 31, 2023

### Debentures (Borrowings)

#### 2022-23

Debentures balance as at March 31 2023 includes ₹ 12 750 lakh to RGICL. Accrued Interest on debentures as at March 31, 2022 include ₹ 3 041 lakh to RGICL

#### 2021-22

Debentures balance as at March 31 2022 includes ₹ 12 750 lakh to RGICL. Accrued Interest on debentures as at March 31, 2022 include ₹ 3 041 lakh to RGICL

### Income

#### 2022-23

Interest & Finance Income includes ₹ 138 lakh from RSL and ₹ 75 lakh from RARCL. Dividend Income includes ₹ 147 lakh from RARCL and ₹ 25 lakh from RGIC. Reimbursement of Expenditure include ₹ 289 lakh from RNLICL, ₹ 75 lakh from RGIC, and ₹ 113 lakh from RSL. Other operating incomes includes ₹ 2 lakh from RARCL.

#### 2021-22

Interest & Finance Income includes ₹ 328 lakh from RSL and ₹ 98 lakh from RARCL. Dividend Income includes ₹ 147 lakh from RARCL and ₹ 101 lakh from RGIC. Reimbursement of Expenditure include ₹ 204 lakh from RNLICL, ₹ 86 lakh from RGIC, and ₹ 52 lakh from RSL. Other operating incomes includes ₹ 4 lakh from RARCL.

### Expenditure

#### 2022-23

Insurance include ₹ 69 lakh to RGICL and ₹ 33 to RNLICL. Professional fee paid during the year ₹ 396 lakh to RSL. Brokerage paid during the year ₹ 7 lakh to RSL. ECL provision on loan and interest (net) Rs 17 479 lakh to RCASL, Rs (60 987) lakh to RCFL and Rs (20) lakh to RARC. Employee benefit expenses include, ₹ 225 lakh to Shri Atul Tandon and ₹ 87 lakh to Shri Aman Gudral.

#### 2021-22

Finance cost include ₹ 742 lakh to RGICL and ₹ 1,788 lakh to GCLLP. Insurance include ₹ 129 lakh to RGICL and ₹ 7 lakh to RNLICL. Brokerage expenses include ₹ 228 lakh to RSL. ECL provision on loan and interest (net) ₹ 5 lakh to RCASL. Employee benefit expenses include ₹ 202 lakh to Mr. Atul Tandon, ₹ 100 lakh to Mr. Vijesh B. Thota and ₹ 9 lakh to Mr. Aman Gudral.

### Contingent Liability

#### 2022-23

Guarantees to Banks and Financial Institutions on behalf of third parties includes ₹ 40 000 lakh for RHFL.

#### 2021-22

Guarantees to Banks and Financial Institutions on behalf of third parties includes ₹ 45 000 lakh for RCFL, ₹ 40,000 lakh for RHFL. Guarantees from third parties include ₹ 1,67,300 lakh from RInfra (ceased to be related party w.e.f. November 29, 2021).

### 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 ₹ Nil (Previous Year ₹ 3 lakh) has been paid to Mr. Anil D. Ambani
- iv) Professional Fee ₹ 96 lakh (Previous year ₹ 35 lakh ) paid to Mr. Nageswara Rao Y ( Administrator).
- v) Zapak Digital Entertainment Private Limited(ZAPAK), Guruvas Commercials LLP(GCLLP) and RBEP Entertainment Private Limited(RBE) have been included for previous year transactions.

## Notes to Standalone Financial Statements for the year ended March 31, 2023

### 36 Operating lease commitments

#### Company as lessor

The Company have given assets on operating lease, which expire upto FY 2022-23 (Previous Year: FY 2021-22).

| Particulars                                     | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|-------------------------------------------------|-------------------------|-------------------------|
| Within one year of the balance sheet date       | -                       | -                       |
| Due in a period between one year and five years | -                       | -                       |
| 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 (₹ Nil).

### 37 Basic and the diluted earnings per share (EPS)

#### a) The basic earnings per share has been calculated based on the following:

| Particulars                                                                  | 2022-23      | 2021-22      |
|------------------------------------------------------------------------------|--------------|--------------|
| Net profit / (loss) after tax available for equity shareholders (Rs in lakh) | (1 70 770)   | (1 10 580)   |
| 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:

| Particulars                         | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|-------------------------------------|------------------------------|------------------------------|
| Basic earnings per share            | (68.01)                      | (44.04)                      |
| Effect of outstanding stock options | -                            | -                            |
| Diluted earnings per share          | (68.01)                      | (44.04)                      |

#### 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.

| Particulars                                                      | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|------------------------------------------------------------------|------------------------------|------------------------------|
| 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                 |

### 38 Contingent liabilities

| Particulars                                                                 | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|-----------------------------------------------------------------------------|-------------------------|-------------------------|
| - Guarantees to Banks and Financial Institutions on behalf of third parties | 2 86 074                | 2 86 074                |
| - Claims against the Company not acknowledge as debt (Refer Note Below)     | 21 565                  | 26 302                  |
| <b>Total</b>                                                                | <b>3 07 639</b>         | <b>3 12 376</b>         |

a) Pursuant to the admission and commencement of CIRP of the Company under Insolvency and Bankruptcy Code, 2016 (IBC) with effect from December 06, 2021, there are various claims submitted by the operational creditors, the financial creditors, employees and other creditors. The overall obligations and liabilities including obligation for interest on loans and the principal rupee amount in respect of loans shall be determined during the CIRP.

b) Claims against the Company not acknowledge as debt include income tax claims for the AY 2017-18 of ₹ 1 200 lakh. 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.

### 39 Capital commitments

| Particulars                                                                                 | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|---------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Estimated amount of contracts remaining to be executed on capital account (net of advances) | 5 893                   | 5 893                   |
| <b>Total</b>                                                                                | <b>5 893</b>            | <b>5 893</b>            |

**Notes to Standalone Financial Statements for the year ended March 31, 2023**

- 40 a) Reliance Commercial Finance Limited (RCFL) was engaged with its lenders for arriving at the debt resolution plan. In this regard, certain lenders of RCFL had entered into an Inter-Creditor Agreement (ICA) in accordance with the circular dated June 7, 2019 issued by the Reserve Bank of India (RBI) on Prudential Framework for Resolution of Stressed Assets. Majority of the lenders had already executed the ICA dated July 6, 2019 with Bank of Baroda acting as the Lead Lender. The ICA lenders had evaluated, voted upon and selected Authum Investment & Infrastructure Limited as the final bidder on July 15, 2021 and the same was intimated to the Stock Exchange by the Company through the media release. Authum resolution plan was shared with the Debenture Trustees to call for the Debenture Holder's meeting and seek approval on the resolution plan.
- The Company, pursuant to approval granted by the Committee of Creditors in terms of Section 29 of the Code and in pursuance of the implementation of the resolution plan of Reliance Commercial Finance Limited (RCFL) in terms of the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019, has for a consideration of ₹ 100 lakh disposed off its holding of Equity shares, 12% Non-Convertible Cumulative Compulsory Redeemable Preference Shares and Inter Corporate Deposits in its wholly owned subsidiary viz. RCFL to Authum Investment and Infrastructure Limited on October 14, 2022.
- Consequently, RCFL and Gulfoss Enterprises Private Limited a subsidiary of RCFL, have ceased to be subsidiaries of the Company w.e.f. October 14, 2022 and Global Wind Power Limited and Reinplast Advanced Composites Private Limited, have ceased to be associates of the Company w.e.f. October 14, 2022.
- 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 held that that the Trustee is holding shares as Trustee / custodian and will not exercise any control over RGICL and cannot exercise any voting rights on shares of RGICL. Accordingly, RGICL continues to be a subsidiary of the Company. The Administrator on behalf of the Company has filed an application before the National Companies Law Tribunal, Mumbai on April 27, 2022, against the Trustee inter alia seeking direction against the Trustee to return the custody and control of the RGICL shares owned by the Company.
- Hon'ble National Company Law Tribunal bench at Mumbai ("NCLT") by its Order dated May 4, 2023 has inter alia directed IDBI Trusteeship Services Limited to handover the possession of 25,15,49,920 shares (100% equity shares) of RGICL to the Administrator of Reliance Capital Limited.
- 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 was prohibited from making any payment to secured or unsecured creditors and to dispose of, alienate, encumber either directly or indirectly or otherwise part with the possession, of any assets except in the ordinary course of business such as payment of salary and statutory dues, vide (a) orders dated December 3, 2019 and December 5, 2019 passed by the Hon'ble Debts Recovery Tribunal; (b) orders dated November 20, 2019 and March 15, 2021 passed by the Hon'ble Delhi High Court; and, Orders dated November 28, 2019, November 4, 2020, and March 5, 2021 passed by the Hon'ble Bombay High Court. The Administrator, on behalf of the Company has obtained orders clarifying that the above-mentioned orders will not come in the way of the Company's CIRP.
- e) 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.
- f) The Administrator of Reliance Capital Limited ("RCAP" or "Company"), duly appointed by the Hon'ble National Company Law Tribunal, Mumbai ("NCLT Mumbai Bench"), is obligated to file application for avoidance transactions in accordance with section 25(2)(j) of the Insolvency and Bankruptcy Code, 2016 ("the Code") read with Regulation 35A of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("CIRP Regulations"). In furtherance of the aforesaid, the Administrator had appointed a transaction auditor, BDO India LLP (BDO or Transaction Auditor), to determine if RCAP has been subjected to transactions under sections 43, 45, 50 and 66 of the Code and submit a report on the same ("BDO Report"). Estimated impact on the RCAP is INR 2,192 Crores as per the BDO report. On a review and in consideration of the findings of the Transaction Auditor, the Administrator has filed 8 applications before the NCLT Mumbai Bench under Section 60(5) and Section 66(2) of the Code read with the relevant CIRP Regulations in October 2022 seeking appropriate relief. The Company has made requisite disclosures of the same under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The applications are pending before NCLT Mumbai Bench.

## Notes to Standalone Financial Statements for the year ended March 31, 2023

- 41 The Company has defaulted on principal and/or interest to certain lenders including lenders who have issued recall notices, the details of which are as under:**

| Nature of borrowings                                      | Nature of default | Amount of default | Period of default |           |
|-----------------------------------------------------------|-------------------|-------------------|-------------------|-----------|
|                                                           |                   |                   | From              | to        |
| <b>Debentures and bonds</b>                               |                   |                   |                   |           |
| Debentures and bonds                                      | Principal         | 16 25 956         | 365 Days          | 1278 Days |
| Debentures and bonds                                      | Interest          | 4 17 631          | 365 Days          | 1278 Days |
| <b>Loans from Banks / Financial Institutions</b>          |                   |                   |                   |           |
| Assets Care & Reconstruction Enterprise Limited-108-Trust | Principal         | 52 398            | 365 Days          | 1186 Days |
| Assets Care & Reconstruction Enterprise Limited-108-Trust | Interest          | 11 792            | 487 Days          | 1227 Days |
| Assets Care & Reconstruction Enterprise Limited-116-Trust | Principal         | 10 060            | 493 Days          | 1223 Days |
| Assets Care & Reconstruction Enterprise Limited-116-Trust | Interest          | 1 823             | 517 Days          | 1247 Days |

a. Interest amount has been considered till December 06, 2021.

b. The company has also defaulted on repayment of Inter incorporated deposits taken from various parties aggregating to ₹ 56 181 lakh and interest ₹ 17 351 lakh for which maximum days of default ranges from 510 days to 1297 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 lakh)

| Particulars                                                                                                                                          | Outstanding Balance  |                | Maximum Balance outstanding |          |
|------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------|-----------------------------|----------|
|                                                                                                                                                      | March 31, 2023       | March 31, 2022 | 2022-23                     | 2021-22  |
| i) Loans and advances in the nature of loans to subsidiaries (Excluding provision of ECL)                                                            |                      |                |                             |          |
| a) Reliance Securities Limited                                                                                                                       | -                    | 2 639          | <b>2 839</b>                | 2 839    |
| b) Reliance ExchangeNext Limited                                                                                                                     | <b>483</b>           | 483            | <b>483</b>                  | 483      |
| c) Reliance Corporate Advisory Services Limited                                                                                                      | <b>1 37 306</b>      | 1 39 156       | <b>1 39 156</b>             | 1 41 956 |
| d) Reliance Commercial Finance Limited (ceased w.e.f. October 14, 2022)                                                                              | -                    | 52 671         | <b>52 671</b>               | 52 671   |
| ii) Loans and advances in the nature of loans to associates (Excluding provision of ECL)                                                             |                      |                |                             |          |
| a) Reliance Asset Reconstruction Limited                                                                                                             | -                    | 600            | <b>600</b>                  | 900      |
| iii) Loans and advances in nature of loans to firms / companies in which directors are interested.                                                   | -                    | -              | -                           | -        |
|                                                                                                                                                      | <b>No. of shares</b> |                | <b>Amount in ₹</b>          |          |
| 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.**

- 43.1** Disclosure required as by para 19 of Core Investment Companies

(i) Funding Concentration based on significant counterparty for borrowings

(₹ in lakh)

| Sr No | Number of Significant Counterparties* | Amount (₹ lakh) | % of Total deposits | % of Total borrowings |
|-------|---------------------------------------|-----------------|---------------------|-----------------------|
| 1     | 2                                     | 5 90 000        | 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 20 044 lakh and 58% of total borrowings

(iv) Funding Concentration based on significant instrument/product: Secured Non-Convertible Debentures comprises ₹ 14 85 456 lakh with 85% of total borrowings.

**Notes to Standalone Financial Statements for the year ended March 31, 2023**

- (v) Stock Ratios:
- As of March 31, 2023, Commercial Paper outstanding: Nil
  - As of March 31, 2023, outstanding Non-Convertible Debentures having original maturity of less than one year- Nil
  - 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
- In view of the on going CIRP liquidity risk management is being overseen by the Administrator

**43.2 Maturity pattern of asset and liabilities (At Book Values)**

The Company is currently undergoing Corporate Insolvency Resolution Process under the provisions of the Insolvency and Bankruptcy Code, 2016 and is under moratorium under Section 14 of the Code since December 06, 2021. Accordingly, all its liabilities are crystallised as at as on December 06, 2021 and will be dealt in accordance with the provisions of the Code.

Further, all stakeholder have recalled all the liabilities and have submitted claim to the Administrator in terms of the Code and therefore the entire amount of liabilities and assets are considered as overdue/matured as on March 31, 2023, irrespective of the original maturity dates.

(₹ in lakh)

| Particulars                                             | Financial Year | Total            |
|---------------------------------------------------------|----------------|------------------|
| <b>Liabilities</b>                                      |                |                  |
| Borrowings from bank / Financial institutions           | 2022-23        | <b>62 458</b>    |
|                                                         | 2021-22        | 62 459           |
| Market Borrowings                                       | 2022-23        | <b>16 82 137</b> |
|                                                         | 2021-22        | 16 82 136        |
| Other financial liabilities                             | 2022-23        | <b>4 50 767</b>  |
|                                                         | 2021-22        | 4 50 181         |
| <b>Assets</b>                                           |                |                  |
| Cash & Cash Equivalent                                  | 2022-23        | <b>21 004</b>    |
|                                                         | 2021-22        | 8 394            |
| Bank balance other than cash and cash equivalents above | 2022-23        | <b>1 285</b>     |
|                                                         | 2021-22        | 1 307            |
| Trade receivables                                       | 2022-23        | <b>27</b>        |
|                                                         | 2021-22        | 69               |
| Loans                                                   | 2022-23        | -                |
|                                                         | 2021-22        | 92 500           |
| Investments                                             | 2022-23        | <b>11 43 291</b> |
|                                                         | 2021-22        | 11 89 085        |
| Other financial assets                                  | 2022-23        | <b>2 900</b>     |
|                                                         | 2021-22        | 20 309           |

**43.3 Exposure to Real Estate**

(₹ in lakh)

| Category                                                                                                    | 2022-23       | 2021-22 |
|-------------------------------------------------------------------------------------------------------------|---------------|---------|
| 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                                                                                | <b>7 289</b>  | 7 496   |
| b) Indirect Exposure                                                                                        |               |         |
| Fund Based and Non Fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs) | <b>40 000</b> | 45 615  |
| <b>Total Exposure to real estate sector</b>                                                                 | <b>47 289</b> | 53 111  |

## Notes to Standalone Financial Statements for the year ended March 31, 2023

Note :

- 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 ₹ 7 289 lakh (Previous year ₹ 7 496 lakh) has been considered as an indirect exposure to real estate sector.

### 43.4 Exposure to capital market

(₹ in lakh)

| Particulars                                                                                                                                                                                                                                                                                                                                                     | 2022-23          | 2021-22          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt                                                                                                                                                                    | 11 41 628        | 11 85 388        |
| ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds                                                                                                                   | -                | -                |
| iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security                                                                                                                                                                                         | -                | -                |
| iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances | -                | -                |
| v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers                                                                                                                                                                                                                                             | -                | -                |
| vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources                                                                                                                            | -                | -                |
| vi) Bridge loans to companies against expected equity flows / issues                                                                                                                                                                                                                                                                                            | -                | -                |
| viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds                                                                                                                                                                              | -                | -                |
| ix) Financing to stockbrokers for margin trading                                                                                                                                                                                                                                                                                                                | -                | -                |
| x) All exposures to Alternative Investment Funds:                                                                                                                                                                                                                                                                                                               |                  |                  |
| (i) Category I                                                                                                                                                                                                                                                                                                                                                  | -                | -                |
| (ii) Category II                                                                                                                                                                                                                                                                                                                                                | -                | -                |
| (iii) Category III                                                                                                                                                                                                                                                                                                                                              | -                | -                |
| <b>Total exposure to capital market</b>                                                                                                                                                                                                                                                                                                                         | <b>11 41 628</b> | <b>11 85 388</b> |

### 43.5 Sectoral exposure

(₹ in lakh)

| Sectors                              | 2022-23                                                                   |            |                                                           | 2021-22                                                                   |            |                                                           |
|--------------------------------------|---------------------------------------------------------------------------|------------|-----------------------------------------------------------|---------------------------------------------------------------------------|------------|-----------------------------------------------------------|
|                                      | Total Exposure (includes on balance sheet and off-balance sheet exposure) | Gross NPAs | Percentage of Gross NPAs to total exposure in that sector | Total Exposure (includes on balance sheet and off-balance sheet exposure) | Gross NPAs | Percentage of Gross NPAs to total exposure in that sector |
| 1. Agriculture and Allied Activities | -                                                                         | -          | -                                                         | -                                                                         | -          | -                                                         |
| 2. Industry                          |                                                                           |            |                                                           |                                                                           |            |                                                           |
| 2.1. Micro and Small                 | -                                                                         | -          | -                                                         | -                                                                         | -          | -                                                         |
| 2.2. Medium                          | -                                                                         | -          | -                                                         | -                                                                         | -          | -                                                         |

**Notes to Standalone Financial Statements for the year ended March 31, 2023**

(₹ in lakh)

| Sectors                                                                            | 2022-23                                                                               |            |                                                                    | 2021-22                                                                               |               |                                                                    |
|------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|------------|--------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------|--------------------------------------------------------------------|
|                                                                                    | Total Exposure<br>(includes on<br>balance sheet<br>and off-balance<br>sheet exposure) | Gross NPAs | Percentage of<br>Gross NPAs to<br>total exposure<br>in that sector | Total Exposure<br>(includes on<br>balance sheet<br>and off-balance<br>sheet exposure) | Gross<br>NPAs | Percentage of<br>Gross NPAs to<br>total exposure<br>in that sector |
| 2.3. Large                                                                         | -                                                                                     | -          | -                                                                  | -                                                                                     | -             | -                                                                  |
| Total of Industry (2)                                                              | -                                                                                     | -          | -                                                                  | -                                                                                     | -             | -                                                                  |
| 3. Services                                                                        |                                                                                       |            |                                                                    |                                                                                       |               |                                                                    |
| 3.1. Transport Operators                                                           | -                                                                                     | -          | -                                                                  | -                                                                                     | -             | -                                                                  |
| 3.2. Computer Software                                                             | -                                                                                     | -          | -                                                                  | -                                                                                     | -             | -                                                                  |
| 3.3. Tourism, Hotels and Restaurants                                               | 1 000                                                                                 | 1 000      | 100%                                                               | 1 000                                                                                 | 1 000         | 100%                                                               |
| 3.4. Shipping                                                                      | -                                                                                     | -          | -                                                                  | -                                                                                     | -             | -                                                                  |
| 3.5. Aviation                                                                      | -                                                                                     | -          | -                                                                  | -                                                                                     | -             | -                                                                  |
| 3.6. Professional Services                                                         | -                                                                                     | -          | -                                                                  | -                                                                                     | -             | -                                                                  |
| 3.7. Trade                                                                         |                                                                                       |            |                                                                    |                                                                                       |               |                                                                    |
| 3.7.1. Wholesale Trade (other than food<br>procurement)                            | -                                                                                     | -          | -                                                                  | -                                                                                     | -             | -                                                                  |
| 3.7.2. Retail Trade                                                                | -                                                                                     | -          | -                                                                  | -                                                                                     | -             | -                                                                  |
| 3.8. Commercial Real Estate                                                        | -                                                                                     | -          | -                                                                  | -                                                                                     | -             | -                                                                  |
| 3.9. Non-Banking Financial<br>Companies(NBFCs) of which,                           | 85 000                                                                                | 12 907     | 15%                                                                | 1 37 671                                                                              | 65 578        | 48%                                                                |
| 3.9.1. Housing Finance Companies (HFCs)                                            | 40 000                                                                                | 6 074      | 15%                                                                | 40 000                                                                                | 6 074         | 15%                                                                |
| 3.9.2. Public Financial Institutions (PFIs)                                        | -                                                                                     | -          | -                                                                  | -                                                                                     | -             | -                                                                  |
| 3.10. Other Services                                                               | 10 31 409                                                                             | 8 55 485   | 83%                                                                | 10 36 498                                                                             | 7 68 076      | 74%                                                                |
| Total of Services (3)                                                              | 11 57 409                                                                             | 8 75 466   |                                                                    | 12 15 169                                                                             | 8 40 728      |                                                                    |
| 4. Personal Loans                                                                  |                                                                                       |            |                                                                    |                                                                                       |               |                                                                    |
| 4.1. Consumer Durables                                                             | -                                                                                     | -          | -                                                                  | -                                                                                     | -             | -                                                                  |
| 4.2. Housing (Including Priority Sector<br>Housing)                                | -                                                                                     | -          | -                                                                  | -                                                                                     | -             | -                                                                  |
| 4.3. Advances against Fixed<br>Deposits(Including FCNR (B), NRNR<br>Deposits etc.) | -                                                                                     | -          | -                                                                  | -                                                                                     | -             | -                                                                  |
| 4.4. Advances to Individuals against<br>share,bonds, etc.                          | -                                                                                     | -          | -                                                                  | -                                                                                     | -             | -                                                                  |
| 4.5. Credit Card Outstanding                                                       | -                                                                                     | -          | -                                                                  | -                                                                                     | -             | -                                                                  |
| 4.6. Education                                                                     | -                                                                                     | -          | -                                                                  | -                                                                                     | -             | -                                                                  |
| 4.7. Vehicle Loans                                                                 | -                                                                                     | -          | -                                                                  | -                                                                                     | -             | -                                                                  |
| 4.8. Loans against gold jewellery                                                  | -                                                                                     | -          | -                                                                  | -                                                                                     | -             | -                                                                  |
| 4.9. Other Personal Loans                                                          | -                                                                                     | -          | -                                                                  | -                                                                                     | -             | -                                                                  |
| 4.10. Others                                                                       | -                                                                                     | -          | -                                                                  | -                                                                                     | -             | -                                                                  |
| Total of Personal Loans (4)                                                        | -                                                                                     | -          | -                                                                  | -                                                                                     | -             | -                                                                  |
| 5. Others, if any (please specify)                                                 | -                                                                                     | -          | -                                                                  | -                                                                                     | -             | -                                                                  |

**Notes to Standalone Financial Statements for the year ended March 31, 2023**

**43.6 Intra-group exposures**

(₹ in lakh)

| Particulars                                                                                   | 2022-23          | 2021-22   |
|-----------------------------------------------------------------------------------------------|------------------|-----------|
| i) Total amount of intra-group exposures*                                                     | <b>11 43 250</b> | 11 87 413 |
| ii) Total amount of top 20 intra-group exposures                                              | <b>11 43 250</b> | 11 87 413 |
| iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers | <b>100%</b>      | 100%      |

\*includes investment in subsidiaries and inter corporate deposit (net of ECL provision)

**43.7** There were no unhedged foreign currency transactions during current year and previous year.

**43.8 Related Party Disclosure**

(₹ in lakh)

| Nature of transaction                     | 2022-23                                                  |                  |              |     |                 |                  |
|-------------------------------------------|----------------------------------------------------------|------------------|--------------|-----|-----------------|------------------|
|                                           | Holding Company & Subsidiary of Ultimate Holding Company | Subsidiary       | Associate    | KMP | Relative of KMP | Total            |
| Borrowings                                | -                                                        | -                | -            | -   | -               | -                |
| Deposits                                  | -                                                        | -                | -            | -   | -               | -                |
| Placement of deposits                     | -                                                        | -                | -            | -   | -               | -                |
| Advances                                  | -                                                        | <b>11 083</b>    | <b>757</b>   | -   | -               | <b>11 840</b>    |
| Maximum advances during the year          | -                                                        | <b>11 083</b>    | <b>711</b>   | -   | -               | <b>11 794</b>    |
| Investments                               | -                                                        | <b>10 82 456</b> | <b>7 950</b> | -   | -               | <b>10 90 406</b> |
| Maximum investment during the year        | -                                                        | <b>10 82 456</b> | <b>7 950</b> | -   | -               | <b>10 90 406</b> |
| Purchase of fixed/other assets            | -                                                        | -                | -            | -   | -               | -                |
| Sale of fixed/other assets                | -                                                        | -                | -            | -   | -               | -                |
| Interest Paid                             | -                                                        | -                | -            | -   | -               | -                |
| Interest Received                         | -                                                        | <b>138</b>       | <b>75</b>    | -   | -               | <b>213</b>       |
| Others                                    | -                                                        | -                | -            | -   | -               | -                |
| Equity shares held                        | -                                                        | -                | -            | -   | -               | -                |
| Investment in Equity shares during period | -                                                        | -                | -            | -   | -               | -                |

  

| Nature of transaction                     | 2021-22                                                  |            |           |     |                 |           |
|-------------------------------------------|----------------------------------------------------------|------------|-----------|-----|-----------------|-----------|
|                                           | Holding Company & Subsidiary of Ultimate Holding Company | Subsidiary | Associate | KMP | Relative of KMP | Total     |
| Borrowings                                | -                                                        | -          | -         | -   | -               | -         |
| Deposits                                  | -                                                        | -          | -         | -   | -               | -         |
| Placement of deposits                     | -                                                        | -          | -         | -   | -               | -         |
| Advances                                  | -                                                        | 13 253     | 711       | -   | -               | 13 964    |
| Maximum advances during the year          | -                                                        | 13 253     | 711       | -   | -               | 13 964    |
| Investments                               | -                                                        | 10 82 847  | 13 565    | -   | -               | 10 96 412 |
| Maximum investment during the year        | -                                                        | 10 82 847  | 13 565    | -   | -               | 10 96 412 |
| Purchase of fixed/other assets            | -                                                        | -          | -         | -   | -               | -         |
| Sale of fixed/other assets                | -                                                        | -          | -         | -   | -               | -         |
| Interest Paid                             | -                                                        | -          | -         | -   | -               | -         |
| Interest Received                         | -                                                        | 328        | 98        | -   | -               | 426       |
| Others                                    | -                                                        | -          | -         | -   | -               | -         |
| Equity shares held                        | -                                                        | -          | -         | -   | -               | -         |
| Investment in Equity shares during period | -                                                        | -          | -         | -   | -               | -         |

**Notes to Standalone Financial Statements for the year ended March 31, 2023**

**43.9 Disclosure of complaints**

i) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

| Sr. No | Particulars                                                                                                  | 2022-23 | 2021-22 |
|--------|--------------------------------------------------------------------------------------------------------------|---------|---------|
|        | Complaints received by the NBFC from its customers                                                           | -       | -       |
| 1      | Number of complaints pending at beginning of the year                                                        | -       | -       |
| 2      | Number of complaints received during the year                                                                | -       | -       |
| 3      | Number of complaints disposed during the year                                                                | -       | -       |
| 3.1    | Of which, number of complaints rejected by the NBFC                                                          | -       | -       |
| 4      | Number of complaints pending at the end of the year                                                          | -       | -       |
|        | Maintainable complaints received by the NBFC from Office of Ombudsman                                        | -       | -       |
| 5      | Number of maintainable complaints received by the NBFC from Office of Ombudsman                              | -       | -       |
| 5.1    | Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman                             | -       | -       |
| 5.2    | Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman | -       | -       |
| 5.3    | Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC          | -       | -       |
| 6      | Number of Awards unimplemented within the stipulated time (other than those appealed)                        | -       | -       |

ii) Top five grounds of complaints received by the NBFCs from customers

| Grounds of complaints,<br>(i.e.complaints relating to) | Number of<br>complaints<br>pending at<br>the beginning<br>of the year | Number of<br>complaints<br>received<br>during the<br>year | % increase/<br>decrease in<br>the number<br>of complaints<br>received over<br>the previous<br>year | Number of<br>complaints<br>pending at<br>the end of the<br>year | Of 5, number<br>of complaints<br>pending<br>beyond 30<br>days |
|--------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|---------------------------------------------------------------|
| 1                                                      | 2                                                                     | 3                                                         | 4                                                                                                  | 5                                                               | 6                                                             |
| <b>2022-23</b>                                         |                                                                       |                                                           |                                                                                                    |                                                                 |                                                               |
| Credit Cards                                           | -                                                                     | -                                                         | -                                                                                                  | -                                                               | -                                                             |
| Difficulty in operation of accounts                    | -                                                                     | -                                                         | -                                                                                                  | -                                                               | -                                                             |
| Mis-selling                                            | -                                                                     | -                                                         | -                                                                                                  | -                                                               | -                                                             |
| Recovery Agents/ Direct Sales Agents                   | -                                                                     | -                                                         | -                                                                                                  | -                                                               | -                                                             |
| Loans and advances                                     | -                                                                     | -                                                         | -                                                                                                  | -                                                               | -                                                             |
| Others                                                 | -                                                                     | -                                                         | -                                                                                                  | -                                                               | -                                                             |
| Total                                                  | -                                                                     | -                                                         | -                                                                                                  | -                                                               | -                                                             |
| <b>2021-22</b>                                         |                                                                       |                                                           |                                                                                                    |                                                                 |                                                               |
| Credit Cards                                           | -                                                                     | -                                                         | -                                                                                                  | -                                                               | -                                                             |
| Difficulty in operation of accounts                    | -                                                                     | -                                                         | -                                                                                                  | -                                                               | -                                                             |
| Mis-selling                                            | -                                                                     | -                                                         | -                                                                                                  | -                                                               | -                                                             |
| Recovery Agents/ Direct Sales Agents                   | -                                                                     | -                                                         | -                                                                                                  | -                                                               | -                                                             |
| Loans and advances                                     | -                                                                     | -                                                         | -                                                                                                  | -                                                               | -                                                             |
| Others                                                 | -                                                                     | -                                                         | -                                                                                                  | -                                                               | -                                                             |
| Total                                                  | -                                                                     | -                                                         | -                                                                                                  | -                                                               | -                                                             |

## Notes to Standalone Financial Statements for the year ended March 31, 2023

### 43.10 There is a breach of covenant of loan availed or debt securities issued (Refer note no. 15 and 16)

### 43.11 Divergence in Asset Classification and Provisioning

The conditions outlined in the circular are not satisfied and hence the disclosure on Divergence in Asset Classification and Provisioning is not applicable.

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

(₹ in lakh)

| Particulars                                                                                                                | Amount Outstanding |                | Amount Overdue |                |
|----------------------------------------------------------------------------------------------------------------------------|--------------------|----------------|----------------|----------------|
|                                                                                                                            | March 31, 2023     | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| a) Debentures<br>(Other than falling within the meaning of public deposits)                                                |                    |                |                |                |
| i) Secured [inclusive of ₹ 3 81 667 lakh (Previous year ₹ 3 81 667 lakh) interest accrued thereon]                         | 18 67 123          | 18 67 123      | 18 67 123      | 18 67 123      |
| ii) Unsecured [inclusive of ₹ 35 964 lakh (Previous year ₹ 35 964 lakh) interest accrued thereon]                          | 1 76 464           | 1 76 464       | 1 76 464       | 1 76 464       |
| b) Deferred Credits                                                                                                        | -                  | -              | -              | -              |
| c) Term Loans [inclusive of ₹ 13 615 lakh (Previous year ₹ 13 615 lakh ) interest accrued thereon]                         | 76 075             | 76 075         | 76 075         | 76 075         |
| d) Inter-corporate Loans and Borrowing [inclusive of ₹ 17 351 lakh (Previous year ₹ 17 351 lakh) interest accrued thereon] | 73 532             | 73 532         | 73 532         | 73 532         |
| e) Commercial Paper                                                                                                        | -                  | -              | -              | -              |
| f) Other Loans                                                                                                             | -                  | -              | -              | -              |

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

### 43.13 Break up of loans and advances including bills receivable other than those included in (6) below (Gross Amount)(Refer Note (b) below)

(₹ in lakh)

| Particulars   | Amount Outstanding |                 |
|---------------|--------------------|-----------------|
|               | March 31, 2023     | March 31, 2022  |
| i) Secured    | 6 15 904           | 6 15 905        |
| ii) Unsecured | 2 27 366           | 2 87 355        |
|               | <b>8 43 270</b>    | <b>9 03 260</b> |

#### Note:

- Housing loans / loans against property and construction finance granted are secured by equitable registered mortgage of property and / or undertaking to create a security and other loans and advances are secured by way of hypothecation and/or pledging of the underlying asset.
- In case of loans & advances given in para (43.13) above, impairment loss allowance of ₹ 8 31 335 lakh (Previous Year ₹ 7 96 596 lakh)

### 43.14 Break up of leased assets and stock on hire and Other assets counting towards AFC activities:

Lease assets including lease rentals under sundry debtors:

(₹ in lakh)

|                                                               | Amount Outstanding |                |
|---------------------------------------------------------------|--------------------|----------------|
|                                                               | March 31, 2023     | March 31, 2022 |
| 1) Financial lease (net of depreciation and lease adjustment) | -                  | -              |
| 2) Operating lease (net of depreciation)                      | -                  | 126            |

**Notes to Standalone Financial Statements for the year ended March 31, 2023**

**43.15 Break up of investments**

(₹ in lakh)

|                                                        | <b>Amount Outstanding</b> |                       |
|--------------------------------------------------------|---------------------------|-----------------------|
|                                                        | <b>March 31, 2023</b>     | <b>March 31, 2022</b> |
| a) Current investments                                 |                           |                       |
| 1) Quoted                                              |                           |                       |
| i) Shares                                              |                           |                       |
| a) Equity                                              | <b>52 844</b>             | 91 001                |
| b) Preference                                          | -                         | -                     |
| ii) Units of Mutual fund                               | <b>41</b>                 | 1 672                 |
| 2) Unquoted                                            |                           |                       |
| i) Others                                              |                           |                       |
| - Preference shares                                    | -                         | -                     |
| - Pass Through Certificates                            | -                         | -                     |
| b) Long term investments                               |                           |                       |
| 1) Quoted                                              |                           |                       |
| i) Shares                                              |                           |                       |
| a) Equity                                              | -                         | 5 615                 |
| b) Preference                                          | -                         | -                     |
| ii) Debentures and bonds                               | -                         | -                     |
| ii) Government securities                              | -                         | -                     |
| 2) Unquoted                                            |                           |                       |
| i) Shares                                              |                           |                       |
| a) Equity                                              | <b>10 88 784</b>          | 10 88 772             |
| b) Preference                                          | <b>1 208</b>              | 1 611                 |
| 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       | <b>414</b>                | 414                   |
| b) Units of Private Equity/Seed Fund                   | -                         | -                     |
|                                                        | <b>11 43 291</b>          | <b>11 89 085</b>      |

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

(₹ in lakh)

| <b>Particulars</b>                          | <b>Secured</b>        |                       | <b>Unsecured</b>      |                       | <b>Total</b>          |                       |
|---------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                             | <b>March 31, 2023</b> | <b>March 31, 2022</b> | <b>March 31, 2023</b> | <b>March 31, 2022</b> | <b>March 31, 2023</b> | <b>March 31, 2022</b> |
| a) Related parties                          |                       |                       |                       |                       |                       |                       |
| 1) Subsidiaries                             | -                     | -                     | <b>1 48 872</b>       | 2 08 202              | <b>1 48 872</b>       | 2 08 202              |
| 2) Companies in the same group - Associates | -                     | -                     | <b>757</b>            | 1 311                 | <b>757</b>            | 1 311                 |
| 3) Other related parties                    | -                     | -                     | -                     | -                     | -                     | -                     |
| b) Companies in the same group - as per CIC | <b>6 15 904</b>       | 6 15 905              | <b>77 642</b>         | 77 642                | <b>6 93 546</b>       | 6 93 547              |
| c) Other than related parties               | -                     | 126                   | <b>95</b>             | 200                   | <b>95</b>             | 326                   |
| <b>Total</b>                                | <b>6 15 904</b>       | <b>6 16 031</b>       | <b>2 27 366</b>       | <b>2 87 355</b>       | <b>8 43 270</b>       | <b>9 03 386</b>       |

## Notes to Standalone Financial Statements for the year ended March 31, 2023

**43.17** Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted excluding stock in trade)

(₹ in lakh)

| Particulars                                 | Market value / Fair Value or NAV |                  | Book Value (Net of provisions) |                  |
|---------------------------------------------|----------------------------------|------------------|--------------------------------|------------------|
|                                             | March 31, 2023                   | March 31, 2022   | March 31, 2023                 | March 31, 2022   |
| <b>a) Related parties</b>                   |                                  |                  |                                |                  |
| 1) Subsidiaries                             | 10 82 456                        | 10 82 847        | 10 82 456                      | 10 82 847        |
| 2) Companies in the same group – Associates | 7 950                            | 13 565           | 7 950                          | 13 565           |
| 3) Other related parties                    | 371                              | 1 360            | -                              | -                |
| b) Companies in the same group – as per CIC | 52 844                           | 91 001           | 52 844                         | 91 001           |
| c) Other than related parties               | 41                               | 1 672            | 41                             | 1 672            |
| <b>Total</b>                                | <b>11 43 662</b>                 | <b>11 90 445</b> | <b>11 43 291</b>               | <b>11 89 085</b> |

### 43.18 Other information

(₹ in lakh)

| Particulars                                | March 31, 2023 | March 31, 2022 |
|--------------------------------------------|----------------|----------------|
| a) Gross Non Performing Assets             |                |                |
| 1) Related parties                         | 1 37 789       | 1 92 310       |
| 2) Other than related parties              | 6 93 546       | 6 93 546       |
| b) Net Non Performing Assets               |                |                |
| 1) Related parties                         | -              | 17 043         |
| 2) Other than related parties              | -              | 72 327         |
| c) Assets acquired in satisfaction of debt | -              | -              |

#### Notes :

- In case of unquoted investments, in the absence of market value, book value has been considered.
- Gross Non Performing Assets and Net Non Performing Assets given above includes loans principal.

### 43.19 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 – ₹ 3 64 416 lakh, Debt Equity ratio – NA, Profitability FY 2021-22 – ₹ 71 121 lakh, Profitability FY 2020-21 – ₹ 64 939 lakh, Exposure – ₹ 52 844 lakh Equity.

Name of Entity – RBEP Entertainment Private Limited (Formally know as 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 – ₹ 19 982 lakh, Debt Equity ratio – NA, Profitability FY 2020-21 – ₹ (3 95 588) lakh, Profitability FY 2019-20 – ₹ (3 95 588) lakh, Exposure – ₹ 38 919 lakh Corporate Guarantee, and ₹ Nil 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 – ₹ 42 062 lakh, Debt Equity ratio – NA, Profitability FY 2021-22 – ₹ (11 907) lakh, Profitability FY 2020-21 – ₹ (12 705) lakh, Exposure – ₹ Nil Equity, ₹ Nil Loan and interest and ₹ 36 019 lakh Corporate Guarantee.

Name of Entity – Reliance Media Works Financial Services Private Limited: Type of business – Lending and trading in commodities, Size of its assets – ₹ 2 811 lakh, Debt Equity ratio – NA, Profitability FY 2021-22 – ₹ 1 001 lakh, Profitability FY 2020-21 – ₹ (61 914) lakh, Exposure – ₹ 18 885 lakh Corporate Guarantee.

#### 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, 2023.
- Debt Equity ratio is not applicable (NA) where net worth is negative or debt is zero.
- Financials details of Group Companies are provided as per latest available Audited Financial Statement as on March 31, 2022.

**43.20** The Company does not have any exposure to non financial business other than reported in serial no 1 of note no 43.19.

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

**Notes to Standalone Financial Statements for the year ended March 31, 2023**

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

Nil

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, 2023.

**43.23 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 lakh)

| Sr no | Particulars                                                                                                                | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|-------|----------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| a     | Investments & loans to group companies as a proportion of Net Assets (%)*                                                  | 96%                     | 94%                     |
| b     | Investments in equity shares and compulsory convertible instruments of group Companies as a proportion of Net Assets (%) * | 96%                     | 88%                     |
| c     | Capital Adequacy Ratio (%) [Adjusted Net worth / Risk Weighted Assets]                                                     | (69%)                   | (52%)                   |
| d     | unrealized appreciation in the book value of quoted investments                                                            | 8,874                   | 5,493                   |
| e     | diminution in the aggregate book value of quoted investments                                                               | -                       | -                       |
| f     | Leverage Ratio (Times) [Outside Liabilities / Adjusted Networkth]                                                          | (2.46)                  | (2.91)                  |

\* Includes Nippon Life India 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.

**43.24 The Company does not have any investment or capital contribution in any other CIC**

**43.25 Off Balance Sheet Exposure**

(₹ in lakh)

| Sr no | Particulars                                                       | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|-------|-------------------------------------------------------------------|-------------------------|-------------------------|
| a     | Off balance sheet exposure                                        | 2 86 074                | 2 86 074                |
| 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                        | 6 865                   | 6 865                   |
| f     | Claims against the Company not acknowledge as debt                | 21 565                  | 26 302                  |

**43.26 Investments**

(₹ in lakh)

| Sr no        | Particulars                        | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|--------------|------------------------------------|-------------------------|-------------------------|
| <b>1</b>     | <b>Value of Investments</b>        |                         |                         |
| (i)          | Gross Value of Investments         |                         |                         |
| (a)          | In India                           | 15 92 415               | 18 56 776               |
| (b)          | Outside India,                     | -                       | -                       |
| <b>(ii)</b>  | <b>Provisions for Depreciation</b> |                         |                         |
| (a)          | In India                           | -                       | -                       |
| (b)          | Outside India,                     | -                       | -                       |
| <b>(iii)</b> | <b>Fair Value Changes</b>          |                         |                         |
| (a)          | In India                           | 4 49 124                | 6 67 691                |
| (b)          | Outside India,                     | -                       | -                       |

# Notes to Standalone Financial Statements for the year ended March 31, 2023

| (₹ in lakh) |                                                                                         |                      |                      |
|-------------|-----------------------------------------------------------------------------------------|----------------------|----------------------|
| Sr no       | Particulars                                                                             | As at March 31, 2023 | As at March 31, 2022 |
| (iv)        | <b>Net Value of Investments</b>                                                         |                      |                      |
| (a)         | In India                                                                                | 11 43 291            | 11 89 085            |
| (b)         | Outside India.                                                                          | -                    | -                    |
| 2           | <b>Movement of provisions held towards depreciation on investments.</b>                 |                      |                      |
| (i)         | Opening balance                                                                         | 6 67 691             | 6 70 124             |
| (ii)        | Add : Provisions / Fair value changes made during the year                              | -                    | -                    |
| (iii)       | Less : Write-off / write-back of excess provisions / Fair value changes during the year | (2 18 567)           | (2 433)              |
| (iv)        | Closing balance                                                                         | 4 49 124             | 6 67 691             |

## 43.27 Business Ratios

| (₹ in lakh) |                         |                      |                      |
|-------------|-------------------------|----------------------|----------------------|
| Sr no       | Particulars             | As at March 31, 2023 | As at March 31, 2022 |
| 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.

## 43.28 Provisions and Contingencies shall be presented as under:

| (₹ in lakh) |                                                                                               |            |         |
|-------------|-----------------------------------------------------------------------------------------------|------------|---------|
| Sr no       | Break up of 'Provisions and Contingencies' (net) shown under the Statement of Profit and Loss | 2022-23    | 2021-22 |
| a           | Provisions for depreciation on Investment / Fair value change in the value of investment      | (2 18 567) | (2 433) |
| b           | Provision towards NPA                                                                         | 41 485     | -       |
| c           | Provision made towards Income tax                                                             | -          | -       |
| d           | Provision for Financial Guarantee Obligation                                                  | 25         | 25      |
| d           | Provision for Assets and advances                                                             | 20 000     | (49)    |
| e           | Provision for Standard Assets                                                                 | -          | (5)     |

## 43.29 Concentration of NPAs

| Particulars                                                 | (Amount in ₹ lakh) | Exposure as a % of total assets |
|-------------------------------------------------------------|--------------------|---------------------------------|
| Total Exposure to top five NPA accounts (100% ECL Provided) | 7 37 260           | 61%                             |

## 43.30 The Company does not have any Joint Ventures and Subsidiaries abroad

## 43.31 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:
- The Reserve Bank of India (RBI) vide Press Release dated November 29, 2021 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) superseded the Board of Directors of your Company on November 29, 2021 and the RBI appointed Shri Nageswara Rao Y, Ex-Executive Director of Bank of Maharashtra as the Administrator of your Company under Section 45-IE (2) of the RBI Act.

## Notes to Standalone Financial Statements for the year ended March 31, 2023

On December 2, 2021, the RBI filed a Petition before the Hon'ble National Company Law Tribunal, Mumbai Bench (Hon'ble NCLT/ Adjudicating Authority) under Section 227 read with Section 239(2)(zk) of the Insolvency and Bankruptcy Code, 2016 (IBC / IBC Code / Code) read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 (FSP Rules), to initiate CIRP against your Company. Accordingly, in terms of Rule 5(b)(i) of the FSP Rules, an interim moratorium came into effect on the date of filing of the application to initiate CIRP. Thereafter, CIRP was initiated against your Company by an Order dated December 6, 2021 of the Hon'ble NCLT. The Hon'ble NCLT, vide the said order, confirmed the appointment of the Administrator to perform the functions of an Interim Resolution Professional / Resolution Professional to complete the CIRP of your Company as required under the provisions of the Code and also announced commencement of the moratorium under Section 14 of the Code with effect from December 6, 2021. Accordingly, your Company is presently undergoing CIRP under the provisions of the Code along with the Regulations and Rules thereunder.

- 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 :

The Auditor has not 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 thereof, which has an impact on the profit or loss for the financial year ended March 31, 2023.

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

(₹ in lakh)

| 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)                                            |
| <b>Performing Assets -Loans</b>       |                                        |                                     |                                                           |                     |                                        |                                                          |
| Standard                              | Stage 1                                | -                                   | -                                                         | -                   | -                                      | -                                                        |
| <b>Subtotal</b>                       |                                        | -                                   | -                                                         | -                   | -                                      | -                                                        |
| <b>Non-Performing Assets (NPA)</b>    |                                        |                                     |                                                           |                     |                                        |                                                          |
| Doubtful - up to 2 year               | Stage 3                                | 8 31 335                            | 8 31 335                                                  | -                   | 8 31 335                               | -                                                        |
| Loss                                  | Stage 3                                | -                                   | -                                                         | -                   | -                                      | -                                                        |
| <b>Subtotal for NPA</b>               |                                        | <b>8 31 335</b>                     | <b>8 31 335</b>                                           | <b>-</b>            | <b>8 31 335</b>                        | <b>-</b>                                                 |
| Financial Guarantee Obligation        | Stage 1                                | 2 84 647                            | 36 631                                                    | 2 48 016            | -                                      | 36 631                                                   |
|                                       | Stage 2                                | -                                   | -                                                         | -                   | -                                      | -                                                        |
|                                       | Stage 3                                | 1 427                               | 1 427                                                     | -                   | -                                      | 1 427                                                    |
| <b>Subtotal</b>                       |                                        | <b>2 86 074</b>                     | <b>38 058</b>                                             | <b>2 48 016</b>     | <b>-</b>                               | <b>38 058</b>                                            |
| <b>Total</b>                          | <b>Stage 1</b>                         | <b>2 84 647</b>                     | <b>36 631</b>                                             | <b>2 48 016</b>     | <b>-</b>                               | <b>36 631</b>                                            |
|                                       | <b>Stage 2</b>                         | <b>-</b>                            | <b>-</b>                                                  | <b>-</b>            | <b>-</b>                               | <b>-</b>                                                 |
|                                       | <b>Stage 3</b>                         | <b>8 32 762</b>                     | <b>8 32 762</b>                                           | <b>0</b>            | <b>8 31 335</b>                        | <b>1 427</b>                                             |
|                                       | <b>Total</b>                           | <b>11 17 409</b>                    | <b>8 69 392</b>                                           | <b>2 48 017</b>     | <b>8 31 335</b>                        | <b>38 058</b>                                            |

### 45 Expenditure in foreign currency

(₹ in lakh)

| Particulars                     | 2022-23   | 2021-22  |
|---------------------------------|-----------|----------|
| Software Maintenance and Others | 99        | 1        |
| <b>TOTAL</b>                    | <b>99</b> | <b>1</b> |

## Notes to Standalone Financial Statements for the year ended March 31, 2023

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

| Particulars                                    | 2022-23          | 2021-22          |
|------------------------------------------------|------------------|------------------|
| <b>Debt Securities</b>                         |                  |                  |
| Opening Balance                                | 16 25 956        | 16 25 956        |
| Availed during the year                        | -                | -                |
| <b>Impact of non-cash items</b>                |                  |                  |
| - Impact of Effective Rate of Interest         | -                | -                |
| Repaid During the year                         | -                | -                |
| <b>Closing Balance</b>                         | <b>16 25 956</b> | <b>16 25 956</b> |
| <b>Borrowings (other than debt securities)</b> |                  |                  |
| Opening Balance                                | 1 18 639         | 1 18 639         |
| Availed during the year                        | -                | -                |
| <b>Impact of non-cash items</b>                |                  |                  |
| - Impact of Effective Rate of Interest         | -                | -                |
| Repaid During the year                         | -                | -                |
| <b>Closing Balance</b>                         | <b>1 18 639</b>  | <b>1 18 639</b>  |

### 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 lakh)      |
|-----------------------------|------------------|
| Particulars                 | Notional amounts |
| <b>As at March 31, 2023</b> |                  |
| Equity derivatives          | -                |
|                             | -                |
| <b>As at March 31, 2022</b> |                  |
| Equity derivatives          | (88)             |
|                             | <b>(88)</b>      |

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 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.

# Notes to Standalone Financial Statements for the year ended March 31, 2023

An explanation of each level follows underneath the table

(₹ in lakh)

| As at March 31, 2023                                |               |          |                  |                  |                  |
|-----------------------------------------------------|---------------|----------|------------------|------------------|------------------|
| Financial assets and liabilities at fair value      | Level 1       | Level 2  | Level 3          | Amortised cost   | Total            |
| <b>Financial assets</b>                             |               |          |                  |                  |                  |
| <b>Financial assets at FVTPL</b>                    |               |          |                  |                  |                  |
| - Investment                                        | 52 885        | -        | -                | -                | 52 885           |
| - Trade receivables                                 | -             | -        | -                | 27               | 27               |
| <b>Financial assets at FVOCI</b>                    |               |          |                  |                  |                  |
| - Investment                                        | -             | -        | -                | -                | -                |
| <b>Financial assets at Deemed cost</b>              |               |          |                  |                  |                  |
| - Investment                                        | -             | -        | 10 89 198        | -                | 10 89 198        |
| <b>Financial assets at Amortised cost</b>           |               |          |                  |                  |                  |
| - Investment                                        | -             | -        | -                | 1 208            | 1 208            |
| - cash and cash equivalents                         | -             | -        | -                | 21 004           | 21 004           |
| - bank balance other than cash and cash equivalents | -             | -        | -                | 1 285            | 1 285            |
| - Loans                                             | -             | -        | -                | -                | -                |
| - Other financial assets                            | -             | -        | -                | 2 900            | 2 900            |
| <b>Total financial assets</b>                       | <b>52 885</b> | <b>-</b> | <b>10 89 198</b> | <b>26 424</b>    | <b>11 68 507</b> |
| <b>Financial liabilities</b>                        |               |          |                  |                  |                  |
| <b>Financial liabilities at FVTPL</b>               |               |          |                  |                  |                  |
| - Debt Securities                                   | -             | -        | 49 556           | -                | 49 556           |
| - Derivative Financial Instrument                   | -             | -        | -                | -                | -                |
| <b>Financial liabilities at Amortised cost</b>      |               |          |                  |                  |                  |
| - Debt Securities                                   | -             | -        | -                | 15 76 400        | 15 76 400        |
| - Borrowings                                        | -             | -        | -                | 1 18 639         | 1 18 639         |
| - other financial liabilities                       | -             | -        | 13 895           | 4 36 872         | 4 50 767         |
| <b>Total financial liabilities</b>                  | <b>-</b>      | <b>-</b> | <b>63 451</b>    | <b>21 31 911</b> | <b>21 95 362</b> |

(₹ in lakh)

| As at March 31, 2022                                |               |          |                  |                 |                  |
|-----------------------------------------------------|---------------|----------|------------------|-----------------|------------------|
| Financial assets and liabilities at fair value      | Level 1       | Level 2  | Level 3          | Amortised cost  | Total            |
| <b>Financial assets</b>                             |               |          |                  |                 |                  |
| <b>Financial assets at FVTPL</b>                    |               |          |                  |                 |                  |
| - Investment                                        | 92 673        | -        | -                | -               | 92 673           |
| - Trade receivables                                 | -             | -        | -                | 69              | 69               |
| <b>Financial assets at FVOCI</b>                    |               |          |                  |                 |                  |
| - Investment                                        | -             | -        | -                | -               | -                |
| <b>Financial assets at Deemed cost</b>              |               |          |                  |                 |                  |
| - Investment                                        | -             | -        | 10 94 801        | -               | 10 94 801        |
| <b>Financial assets at Amortised cost</b>           |               |          |                  |                 |                  |
| - Investment                                        | -             | -        | -                | 1 611           | 1 611            |
| - cash and cash equivalents                         | -             | -        | -                | 8 394           | 8 394            |
| - bank balance other than cash and cash equivalents | -             | -        | -                | 1 307           | 1 307            |
| - Loans                                             | -             | -        | -                | 92 500          | 92 500           |
| - Other financial assets                            | -             | -        | -                | 20 309          | 20 309           |
| <b>Total financial assets</b>                       | <b>92 673</b> | <b>-</b> | <b>10 94 801</b> | <b>1 24 190</b> | <b>13 11 664</b> |

## Notes to Standalone Financial Statements for the year ended March 31, 2023

(₹ in lakh)

|                                                | As at March 31, 2022 |          |               |                  |                  |
|------------------------------------------------|----------------------|----------|---------------|------------------|------------------|
| Financial assets and liabilities at fair value | Level 1              | Level 2  | Level 3       | Amortised cost   | Total            |
| <b>Financial liabilities</b>                   |                      |          |               |                  |                  |
| <b>Financial liabilities at FVTPL</b>          |                      |          |               |                  |                  |
| - Debt Securities                              | -                    | -        | 49 556        | -                | 49 556           |
| - Derivative Financial Instrument              | -                    | -        | (88)          | -                | (88)             |
| <b>Financial liabilities at Amortised cost</b> |                      |          |               |                  |                  |
| - Debt Securities                              | -                    | -        | -             | 15 76 400        | 15 76 400        |
| - Borrowings                                   | -                    | -        | -             | 1 18 639         | 1 18 639         |
| - other financial liabilities                  | -                    | -        | 13 895        | 4 36 374         | 4 50 269         |
| <b>Total financial liabilities</b>             | <b>-</b>             | <b>-</b> | <b>63 363</b> | <b>21 31 413</b> | <b>21 94 776</b> |

### 49 Financial risk management

The Company is 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. In view of the ongoing CIRP, Risk Management is being overseen by the Administrator. 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 assessed 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.

#### 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.

## Notes to Standalone Financial Statements for the year ended March 31, 2023

### 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  $(1 - \text{recovery rate})$  in percentage terms.

The Company assesses when a significant increase in credit risk has occurred based on quantitative and qualitative assessments. Exposures are considered to have resulted in a significant increase in credit risk and are moved to Stage 2 when:

- 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).

As per the provisions of the IBC, the fair value and liquidation value of the assets of the Company as on the insolvency commencement date is required to be determined in accordance with Regulation 27 read with Regulation 35 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("CIRP Regulations"). The Administrator of RCAP duly appointed by the Hon'ble National Company Law Tribunal, Mumbai ("NCLT Mumbai Bench"), is obligated to appoint 2 registered valuers to determine such valuation and submit the report ("Valuation Report"). In furtherance thereof, the Administrator had appointed 2 registered valuers who have submitted their report. As per Ind AS 36- "Impairment of Assets", impairment testing of assets is to be conducted on an annual basis. On completion of the CIRP, the Company will

## Notes to Standalone Financial Statements for the year ended March 31, 2023

consider carrying out a comprehensive review of all the assets including investments, other assets and intangible assets, liabilities and accordingly provide for impairment loss on assets and write back of liabilities, if any.

Subject to the above, 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, 2023 was ₹ 60,986 lakh (Previous Year Nil). 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 Analytical Ratios as per Ministry of Corporate Affairs ("MCA") notification dated 24th March 2021 :

| Ratio                                         | Numerator          | Denominator          | Current Period | Previous Period | % Variance | Reason for variance (if above 25%) |
|-----------------------------------------------|--------------------|----------------------|----------------|-----------------|------------|------------------------------------|
| Capital to risk -weighted assets ratio (CRAR) | Adjusted Net worth | Risk Weighted Assets | (69%)          | (52%)           | (17%)      | NA                                 |
| Tier I CRAR                                   |                    |                      | Not Applicable |                 |            |                                    |
| Tier II CRAR                                  |                    |                      |                |                 |            |                                    |
| Liquidity Coverage Ratio.                     |                    |                      |                |                 |            |                                    |

### 52 The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

**Notes to Standalone Financial Statements for the year ended March 31, 2023**

- 53** The disclosure on the following matters required under Schedule III as amended not being relevant or applicable in case of the Company, same are not covered:
- a) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
  - b) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
  - c) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - d) No registration and/or satisfaction of charges are pending to be filed with ROC.
  - e) There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
  - f) The Company does not have any relationship with struck off companies.
- 54 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, 2023. 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.
- 55** 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 Gokhale & Sathe**  
Chartered Accountants  
Firm Registration No.: 103264W

**Rahul Joglekar**  
Partner  
Membership Number : 129389  
  
Mumbai,  
Dated: May 29, 2023

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

|                                        |                        |
|----------------------------------------|------------------------|
| Administrator appointed under IBC      | <b>Nageswara Rao Y</b> |
| Chief Financial Officer                | <b>Aman Gudral</b>     |
| Company Secretary & Compliance Officer | <b>Atul Tandon</b>     |
| Mumbai,                                |                        |
| Dated: May 29, 2023                    |                        |

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Standalone Audited Financial Results**
**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023**
**[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]**

| i. | Sl. No. | Particulars                                                         | Audited Figures<br>(₹ in lakh)                    | Adjusted Figures<br>(₹ in lakh)                      |
|----|---------|---------------------------------------------------------------------|---------------------------------------------------|------------------------------------------------------|
|    |         |                                                                     | (as reported before adjusting for qualifications) | (audited figures after adjusting for qualifications) |
|    | 1.      | Turnover / Total income                                             | 2 098                                             | 2 098                                                |
|    | 2.      | Total Expenditure                                                   | 1 72 868                                          | 3 33 727                                             |
|    | 3.      | Net Profit/(Loss) after tax                                         | (1 70 770)                                        | (3 31 629)                                           |
|    | 4.      | Earnings Per Share                                                  | (68.01)                                           | (132.07)                                             |
|    | 5.      | Total Assets                                                        | 12 14 214                                         | 12 14 214                                            |
|    | 6.      | Total Liabilities                                                   | 22 57 346                                         | 24 67 295                                            |
|    | 7.      | Net Worth                                                           | (10 43 132)                                       | (12 53 081)                                          |
|    | 8.      | Any other financial item(s) (as felt appropriate by the management) | Nil                                               | Nil                                                  |

**ii. Audit Qualification (each audit qualification separately):**

- a. 1. Financial Statement's Note no. 1 which explains that the Company is undergoing CIRP under the provisions of IBC. As per the provisions of IBC, the fair value and liquidation value of the assets of the Company as on the insolvency commencement date is required to be determined. As started in Note no. 1, the valuation reports have been received. The Management and the Administrator have represented that the liquidation value of the assets is higher than the book values and therefore no impairment is called for as at March 31, 2023. However, on completion of the CIRP, the Company will consider carrying out a comprehensive review of all the assets including investments, other assets and intangible assets, liabilities and accordingly provide for impairment loss on assets and write back of liabilities, if any. Though these have been placed before the Committee of Creditors, these have not been provided for audit on grounds of confidentiality. Consequently, we are unable to comment on the impact thereof on the Statement, if any.
2. Financial Statement's Note no. 1 which explains that the amount of the claims including claims on account of corporate guarantees invoked, admitted or to be admitted by the Administrator may differ from the amount reflecting in the books of account of the Company. The NCLT by its order dated April 12, 2023 has granted extension for completion of CIRP till July 16, 2023 and therefore pending final outcome of the CIRP, no adjustments have been made in the books for the differential amounts, if any, in the claims admitted as on the date of the financial results as compared to the liabilities reflected in the books of account of the Company.
3. Financial Statement's Note no. 1 which explains that in view of the ongoing CIRP, the Company has provided for interest expense on financial liabilities which may be applicable on the financial debt only upto December 06, 2021. Accordingly, interest expense pertaining to the year ended March 31, 2023 amounting to ₹1,60,859 lakhs has not been recognised. Had such interest been recognised, the loss before tax for the year ended March 31, 2023 would have been higher by ₹1,60,859 lakhs. Further, the aggregate interest expense not recognized by the Company post December 6, 2021 is ₹2,09,949 lakhs and had such interest been recognized, the net worth of the Company as at March 31, 2023 would have been lower by ₹2,09,949 lakhs.
4. We have been informed that certain information including the minutes of meetings of the Committee of Creditors are confidential in nature and accordingly has not been shared with us. The Administrator and the management has confirmed that the CoC discussions held during the year do not have any implications on the financial statements since no bid has yet been accepted by the CoC.
5. Material uncertainty related to Going Concern, Financial Statement's Note no. 1 which explains that the Company has been admitted under the CIRP process effective December 06, 2021 and as stipulated under Section 20 of the IBC, it is incumbent upon the Administrator to manage the operations of the Company as a going concern. The last date for completion of CIRP process has been extended by the NCLT to July 16, 2023. Accordingly, the financial results for the year ended March 31, 2023 have been prepared on going concern basis. However, the Company has defaulted in repayment of the obligations to the lenders and debenture holders which is outstanding, has incurred losses during the period as well as during the previous periods, has reported negative net worth as at March 31, 2023 and previous periods and as described in Note no. 15 to the Statement, the asset cover for Listed Secured Non-Convertible Debentures of the Company has fallen below one hundred percent, which indicates that material uncertainty exists, that may cast significant doubt on the Company's ability to continue as a Going Concern.

## Reliance Capital Limited

### Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Standalone Audited Financial Results

- b. **Type of Audit Qualification** Qualified Opinion
- c. **Frequency of qualification:** Repetitive since March 31, 2022  
Whether appeared first time / repetitive /  
since how long continuing
- d. **Audit Qualification(s) where the impact is quantified by the auditor, Management's Views**  
Quantified for Point No. 3, had such interest been recognized from April 01, 2022 to March 31, 2023, the loss before tax for the year ended March 31, 2023 would have been higher by ₹ 1 60 859 lakhs.  
Not quantified for point 1, 2, 4 and 5, hence not applicable.
- e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**  
**Management's estimation on the impact of audit qualification:** Not estimated  
**If management is unable to estimate the impact, reasons for the same**  
RCL is under CIRP and all the claims and repayment obligations to the lenders and debenture holders shall be dealt as per CIRP.  
**Auditors' Comments on (i) or (ii) above:** Refer section II (a) of the above.

iii Signatories:

**Nageswara Rao Y**  
**Administrator**

**Aman Gudral**  
**Chief Financial Officer**

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

#### Statutory Auditor

For **Gokhale & Sathe**

Chartered Accountants

Firm Regn. No.10326W

**Rahul Joglekar**

**Partner**

Membership No.:129389

UDIN: 23129389BGUYFZ5238

Place: Mumbai

Date: May 29, 2023

## Independent Auditors' Report on the Consolidated Financial Statements

To the Members of Reliance Capital Limited.

### Report on the audit of the consolidated financial statements

#### Introduction

The Reserve Bank of India ("RBI") vide its letter and press release dated November 29, 2021 ("RBI Order") issued under Section 45-IE(1) of the Reserve Bank of India Act, 1934, superseded the Board of Directors of the Reliance Capital Limited ("the Parent Company") and appointed an Administrator to run the Parent Company. Subsequently, in accordance with the order dated December 06, 2021 passed by the National Company Law Tribunal (Mumbai Bench) ("NCLT Order"), the application for commencement of Corporate Insolvency Resolution Process ("CIRP") of the Parent Company under the Insolvency and Bankruptcy Code, 2016 ("IBC") was admitted.

#### Qualified opinion

We have audited the consolidated financial statements of Reliance Capital Limited, and its subsidiaries (the Parent Company and its subsidiaries together referred to as "the Group"), and its associates, which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including other comprehensive loss), the Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement for the year then ended, and notes to the Consolidated Financial Statements, including 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 effect of the matter discussed in the "Basis for qualified opinion" paragraph of our report, 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 the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, of consolidated loss, total comprehensive loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

#### Basis for qualified opinion

- a. We draw attention to Note no. 1 of the consolidated financial statements which explains that the Parent Company is undergoing CIRP under the provisions of IBC. As per the provisions of IBC, the fair value and liquidation value of the assets of the Parent Company as on the insolvency commencement date is required to be determined. As stated in Note no. 1, the valuation reports have been received. The Management and the Administrator have represented that the liquidation value of the assets is higher than the book values and therefore no impairment is called for as at March 31, 2023. However, on completion of the CIRP, the Parent Company will consider carrying out a comprehensive review of all the assets including investments, other assets and intangible assets, liabilities and accordingly provide for impairment loss on assets and write back of liabilities, if any.
- b. We draw attention to Note no. 1 to the consolidated financial statements which explains that the amount of the claims including claims on account of corporate guarantees invoked, admitted or to be admitted by the Administrator may differ from the amount reflecting in the books of account of the Parent Company. The NCLT by its order dated April 12, 2023 has granted extension for completion of CIRP till July 16, 2023 and therefore pending final outcome of the CIRP, no adjustments have been made in the books for the differential amounts, if any, in the claims admitted as on the date of the financial results as compared to the liabilities reflected in the books of account of the Parent Company.
- c. We draw attention to Note no. 1 of the consolidated financial statements which explains that in view of the ongoing CIRP, the Parent Company has provided for interest expense which may be applicable on the financial debt only upto December 06, 2021. Accordingly, interest expense for the year ended March 31, 2023 amounting to ₹1,60,859 lakh has not been recognized. Had such interest been recognized, the loss before tax for the year ended March 31, 2023 would have been higher by ₹1,60,859 lakh. Further, the aggregate interest expense not recognized by the Parent Company post December 6, 2021 is ₹2,09,949 lakh. And had such interest been recognized, the net worth of the Group as at March 31, 2023 would have been lower by ₹2,09,949 lakh.
- d. We have been informed that certain information including the minutes of meetings of the Committee of Creditors are confidential in nature and accordingly has not been shared with us. The Administrator and the management has confirmed that the CoC discussions held during the year do not have any implications on the financial statements since resolution plan is yet to be approved by the CoC.
- e. The statutory auditors of Reliance Exchangenext Limited ("RNEXT") has modified the opinion on the standalone financial statements of RNEXT with regard to non-provisioning of interest amounting to ₹ 58 lakh on borrowings for the year ended March 31, 2023. Had such interest been provided, the reported loss for the year would have been higher by ₹ 58 Lakh. Non provision of interest is not in compliance with IND AS 23 "Borrowing Costs".
- f. Statutory auditors of Reliance Corporate Advisory Service Limited ("RCASL") has modified the opinion on the standalone financial statements of RCASL with regard to non-provisioning of interest amounting to ₹ 52,498 lakh on borrowings for the year ended March 31, 2023. Had such interest been provided, the reported loss for the year would have been higher by ₹ 52,498 lakh. Non provision of interest is not in compliance with IND AS 23 "Borrowing Costs".

## Independent Auditors' Report on the Consolidated Financial Statements

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the 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 ICAI's 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

- a. We draw attention to Note no.46 (a) of the Statement which explains that the Parent Company has been admitted under the CIRP process effective December 06, 2021 and as stipulated under Section 20 of the IBC, it is incumbent upon the Administrator to manage the operations of the Company as a going concern. Accordingly, the financial results for the year ended March 31, 2023 have been prepared on going concern basis. The last date for completion of CIRP process has been extended by the NCLT to July 16, 2023. However, the Parent Company has defaulted in repayment of the obligations to the lenders and debenture holders which is outstanding, has incurred losses during the period as well as during the previous periods, has reported negative net worth as at March 31, 2023 and previous periods, the asset cover for listed secured non-convertible debentures of the Parent Company has fallen below one hundred percent and other matters as described in Note No. 19(a) to the Statement, which indicates that material uncertainty exists, that may cast significant doubt on the Parent Company's ability to continue as a going concern.
- b. We draw attention to Note no. 46(i) of the consolidated financial statements which stated in Note no. 46(b) to 46(h), which stated there are material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Our opinion is not modified in respect of above matters.

### Emphasis of matter

- a. 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 for the financial year 2018-19. Based on the facts as described in the aforesaid note, the Parent Company has concluded that there were no matters attracting the said Section and the matter is under consideration with the Ministry of Corporate Affairs.
- b. We draw attention to Note no. 49 of the consolidated financial statements which refers to disposal of the Parent Company's wholly owned subsidiary viz. Reliance Commercial Finance Limited on October 14, 2022 for a total consideration of ₹ 100 lakh.
- c. We draw attention to Note no. 53 of the consolidated financial statements which refers to the Investments made by the Reliance Exchangenext Limited in Indian Commodity Exchange Limited and petition filed by MMTC Limited in Company Law Board against this investment, outcome of the petition is awaited from National Company Law Tribunal.
- d. We draw attention to Note no. 52 of the consolidated financial statements which refers to conditions that indicate the existence of material uncertainty that may cast significant doubt on Quant Capital Private Limited's ability to continue as a going concern.
- e. The auditor of the standalone financial statements of Reliance Corporate Advisory Services Limited has added emphasis of matter in his audit report regarding significant management judgement and estimates on the valuation methodology and various assumptions used in determination of fair value of outstanding loan and advances and investments by independent valuation experts/management. However, auditor is unable to comment on the realisability of the said loans and investments.

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement and based on the consideration of reports of other auditors on separate financial statements of subsidiaries audited by them, 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.

#### A. Key Audit Matters for the Parent Company

| Key Audit Matter                                                                                                                                                                                                                                                                                    | How the matter was addressed in our audit |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| <b>Impairment of loans and corporate guarantee issued (Expected Credit Losses)</b>                                                                                                                                                                                                                  |                                           |
| Refer to the accounting policy and other information in Note No. 2.e Financial Instruments, Note No.2.h Financial Guarantee Contracts, Note No.3 Critical estimates and judgements, Note No. 7 Loans and Advances and Note No. 49 Financial Risk Management of the standalone financial statements. |                                           |

## Independent Auditors' Report on the Consolidated Financial Statements

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The Company has maintained impairment loss allowance of ₹ 8,31,335 Lakh for loans and ₹38,058 lakh for financial guarantee obligation / corporate guarantee as at March 31, 2023. The ECL provisions held as at March 31, 2023 are 100% of gross Stage 3 loans.</p> <p>Under Ind AS 109, Financial Instruments, allowance for losses on financial assets are determined using expected credit loss ("ECL") model. The estimation of impairment loss allowance on financial instruments involves significant judgement and estimates.</p> <p>The ECL Allowance is required to be measured considering the guiding principles of Ind AS 109 including:</p> <ul style="list-style-type: none"> <li>unbiased, probability weighted outcome under various scenarios;</li> <li>time value of money;</li> <li>impact arising from forward looking macro-economic factors and;</li> <li>availability of reasonable and supportable information without undue costs.</li> </ul> <p>Applying these principles involves significant estimation in various aspects, such as:</p> <ul style="list-style-type: none"> <li>grouping of borrowers based on homogeneity by using appropriate statistical techniques;</li> <li>staging of loans and estimation of behavioural life;</li> <li>determining macro-economic factors impacting credit quality of receivables;</li> <li>estimation of losses for loan products / corporate guarantee with no / minimal historical defaults.</li> </ul> <p>Considering the significance of such allowance to the overall standalone financial statements, the level of management's judgement and the degree of estimation involved in computation of expected credit losses, this area is considered as a key audit matter.</p> | <ul style="list-style-type: none"> <li>We read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109.</li> <li>We tested the criteria for staging of loans/guarantees issued based on their past-due status to check compliance with requirements of Ind AS 109. All loans as at March 31, 2023 are classified under Stage 3.</li> <li>We evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and tested the controls around data extraction and validation.</li> <li>Tested the ECL model, including assumptions and underlying computation.</li> <li>We also considered management assumption that the underlying securities may not be readily realisable and therefore 100% ECL is required to be maintained on the gross Stage 3 loans.</li> <li>The ECL provisions on corporate guarantees invoked amount to ₹ 38,058 lakh as at March 31, 2023 which is 13.33% of gross corporate guarantees invoked. No assessment of additional ECL provisions required has been made since the amount of the claims including claims on account of corporate guarantees invoked may differ from those reflected in the financial statements after these have been admitted by the Administrator under the CIRP, we have also modified our opinion on the financial statements.</li> <li>We have also obtained management representations wherever considered necessary.</li> </ul> |

### B. Key Audit Matters for Subsidiary/Associate Companies

**Key Audit Matters in the Independent Auditors Report of Reliance Nippon Life Insurance Company Limited ("RNLI") is mentioned here under:**

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | How the matter was addressed in audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Investments classification and valuation</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <p>The Company's investment portfolio consists of Policyholders' investments (traditional and unit linked policy holders) and Shareholders investments.</p> <p>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.</p> <p>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.</p> <p>Further, the valued investments should be as prescribed in the Regulations which states the valuation methodology to be used for each class of investment. The valuation of unlisted or thinly traded investment involves management judgement. Also, 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.</p> <p>Considering above, there is an additional focus on classification of Investment and its valuation.</p> | <p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>Testing of key controls over investment classification and its valuation.</li> <li>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.</li> <li>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.</li> <li>For an event specific reclassification and consequent valuation, we have corroborated management's assessment with the requirement of regulations and its internal policies;</li> </ul> <p>Based on our audit procedures, we noted no reportable matters regarding investment classification and its valuation.</p> |

## Independent Auditors' Report on the Consolidated Financial Statements

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                | How the matter was addressed in audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Provisions and contingent liabilities in relation to tax positions</b>                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p>The Company has received various demands and show cause notices from the service tax department in respect of matters related to service tax applicability/CENVAT credit utilisation.</p> <p>The management have made judgments relating to the likelihood of an obligation arising and whether there is a need to recognize a provision or disclose a contingent liability. We therefore focused on this area as a result of uncertainty and potential material impact.</p> | <p>For legal, regulatory and tax matters our procedures included the following:</p> <ul style="list-style-type: none"> <li>• Testing key controls surrounding litigation, regulatory and tax procedures;</li> <li>• Performing substantive procedures on the underlying calculations supporting the provisions recorded;</li> <li>• Where relevant, reading external legal opinions obtained by management;</li> <li>• Discussing open matters with the litigation, regulatory, general counsel and tax teams;</li> <li>• Assessing management's conclusions through understanding precedents set in similar cases;</li> </ul> <p>Based on the evidence obtained, while noting the inherent uncertainty with such legal, regulatory and tax matters, we determined the level of provisioning and disclosure of contingent liabilities as at March 31, 2023 to be appropriate.</p> |

### Key Audit Matters in the Independent Auditors Report of Reliance Securities Limited ("RSL") is mentioned hereunder:

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | How the matter was addressed in audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Market Linked Debentures (MLD)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p>The company has non-convertible debentures (market linked debentures) of ₹702 lakh as at March 31, 2023. The Rate of Interest on which is linked to performance of specified indices over the period of debentures.</p> <p>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, 2023.</p> | <p>We carried out following procedures in respect to Market Linked Debentures:</p> <ul style="list-style-type: none"> <li>• Held discussion with management and obtained understanding of valuation process including management's determination and approval of assumptions and data inputs.</li> <li>• 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.</li> </ul> <p>Based on our audit procedures, we noted no reportable matters regarding MLD classification and its valuation.</p> |

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                         | How the matter was addressed in audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Provisions and contingent liabilities in relation to tax positions</b>                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p>The company has received various demands and show cause notices from the service tax department in respect of various matters.</p> <p>The management have made judgments relating to the likelihood of an obligation arising and whether there is a need to recognize a provision or disclose a contingent liability. We therefore focused on this area as a result of uncertainty and potential material impact.</p> | <p>We have involved our tax experts to gain an understanding of the current status of the tax cases and monitored changes in the disputes by reading external opinions received by the Company if any, where relevant, to establish that the tax provisions had been appropriately adjusted to reflect the latest external developments.</p> <p>For legal, regulatory and tax matters our procedures included the following:</p> <ul style="list-style-type: none"> <li>• Testing key controls surrounding litigation, regulatory and tax procedures;</li> <li>• Performing substantive procedures on the underlying calculations supporting the provisions recorded;</li> <li>• Where relevant, reading external legal opinions obtained by management;</li> <li>• Discussing open matters with the litigation, regulatory, general counsel and tax teams;</li> <li>• Assessing management's conclusions through understanding precedents set in similar cases;</li> </ul> <p>Based on the evidence obtained, while noting the inherent uncertainty with such legal, regulatory and tax matters, we determined the level of provisioning and disclosure of contingent liabilities as at March 31, 2023 to be appropriate.</p> |

## Independent Auditors' Report on the Consolidated Financial Statements

### Key Audit Matters in the Independent Auditors Report of Reliance Financial Limited ("RFL") is mentioned hereunder:

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | How the matter was addressed in audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Market Linked Debentures (MLD)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <p>The company has non-convertible debentures (market linked debentures) of ₹2,091 Lakh as at March 31, 2023. The Rate of Interest on which is linked to performance of specified indices over the period of debentures.</p> <p>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, 2023.</p> | <p>We carried out following procedures in respect to Market Linked Debentures:</p> <ul style="list-style-type: none"> <li>Held discussion with management and obtained understanding of valuation process including management's determination and approval of assumptions and data inputs.</li> <li>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.</li> </ul> <p>Based on our audit procedures, we noted no reportable matters regarding MLD classification and its valuation.</p> |

### Key Audit Matters in the Independent Auditors Report of Reliance Corporate Advisory Services Limited ("RCASL") is mentioned hereunder:

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | How the matter was addressed in audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Impairment of financial assets issued (expected credit loss)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p>The company has loans and advances of ₹ 73,623 Lakh. In light of INDAS 109, financial instruments requires the company to recognise impairment loss allowance towards its financial assets using the expected credit loss approach. Such ECL allowance is required to be measured considering the guiding principles of INDAS 109 including:</p> <ol style="list-style-type: none"> <li>Unbiased, probability weighted outcome under various scenarios;</li> <li>Time value of money</li> <li>Impact arising from forward looking macro-economic factors and;</li> <li>Availability of reasonable and supportable information without undue costs.</li> </ol> <p>Applying these principles involves significant estimation in various aspects, such as:</p> <ol style="list-style-type: none"> <li>Grouping of borrowers based on homogeneity by using appropriate statistical techniques;</li> <li>Staging of loans and estimation of behavioural life;</li> <li>Determining macro- economic factors impacting credit quality of receivables;</li> <li>Estimation of losses for loan products with no/ minimal historical defaults.</li> </ol> <p>Considering the significance of such allowance to the overall standalone financial statements and the degree of estimation involved in computation of expected credit loss, this area is considered as a key audit matter.</p> | <ul style="list-style-type: none"> <li>We read and assessed the company's accounting policies for impairment of financial assets and their compliance with INDAS 109.</li> <li>We tested criteria for staging of loans based on the past- due status to check compliance with requirements of INDAS 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.</li> <li>We evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and tested controls around data extraction and validation.</li> <li>Tested the ECL model, including assumptions and underlying computation.</li> </ul> |

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | How the matter was addressed in audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Impairment assessment for investments:-</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <p>As detailed in note 5, the company has investments in equity and preference shares and debenture amounting to ₹ 55,559 Lakh.</p> <p>Such investment are carried at Fair Value through profit and loss and are individually assessed for impairment as per Ind AS 36 "Impairment of assets". Such impairment assessment commences with managements evaluation in whether there is an indication of impairment loss. As part of such evaluation, managements considers financial information, liquidity and solvency position of investments. Management also considers other factors such as assessment of company's operations, business performance and modifications, if any. Based on such evaluation the company has not made any impairment provisions against the above investments.</p> <p>We focused on the area due to magnitude of the carrying value of investments as at March 31, 2023 and are subject to annual impairment assessment.</p> | <ul style="list-style-type: none"> <li>Obtained understanding of the process, evaluated the design and tested operating effectiveness of controls in respect of impairment assessment of investments.</li> <li>Held discussions with management regarding appropriate implementation of policy on impairment.</li> <li>Reconciled financial information mentioned in impairment assessment to underlying source details. Also, assessed of managements estimates considered in such assessment.</li> <li>Obtained and read latest audited standalone financial statements.</li> <li>We evaluated the impairment assessment performed by management</li> </ul> |

**Independent Auditors' Report on the Consolidated Financial Statements**

**Key Audit Matters in the Independent Auditors Report of Reliance Asset Reconstruction Limited ("RARC") is mentioned hereunder:**

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | How the matter was addressed in audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Valuation of Investments in Security Receipts(SR)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p>The group has investment in SR amounts to ₹ 33,556 lakh and the net fair valuation loss on such investments during the year amounts to ₹ 2,574 lakh as disclosed in financial statements of the company.</p> <p>The fair value of SR is determined through discounted cash flow methods which involved management judgement using level 3 inputs such as projection of future cashflows and expenses.</p> <p>The management has involved credit rating agencies for valuation of SR.</p> <p>Considering the fair valuation of investments is significant to overall consolidated financial statements and the degree of management's judgement involved in the estimate, any error in the estimated could lead to material misstatement in consolidated financial statements.</p> <p>Therefore, it is considered as a key audit matter.</p> | <ul style="list-style-type: none"> <li>Our audit procedures includes an assessment of internal controls over measurement of fair value and evaluating the methodologies, inputs, judgements made and assumptions used by the management in determining fair values.</li> <li>We Evaluated rationale of the models and accounting treatment applied. We Compared observable inputs against independent sources and externally available market data for sample cases.</li> <li>We Compared the rating provided by the independent rating agencies with fair valuation determined by the company.</li> <li>We assessed the disclosures related to investments in SR and fair valuation included in these CFS.</li> </ul> |

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | How the matter was addressed in audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Revenue Recognition: Trusteeship Fee</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <p>Trusteeship Fee is the most significant account balance in the Consolidated Statement of Profit and Loss.</p> <p>Key aspects relating to timing and recognition of revenue in respect of Trusteeship Fee are set out below:</p> <ul style="list-style-type: none"> <li>The calculation of investment management fees is based on a percentage of the Assets Under Management ('AUM') of the funds managed by the Company, in accordance with guidelines prescribed under RBI regulations RBI/2015- 16/94 DNBR.(PD).CC.No. 03/ SCRC/26.03.001/2015-16' as amended from time to time.</li> <li>Trusteeship Fee is accrued based on a five step model as set out in Ind AS 115 "Revenue from Contract with Customers"</li> <li>The contracts include a single performance obligation that is satisfied over time</li> </ul> | <p>Our audit procedure included:</p> <p>Design/controls</p> <ul style="list-style-type: none"> <li>Understood and evaluated the design and implementation of key controls in place around recognition of Trusteeship Fee;</li> <li>Test checked management review controls over recognition of Trusteeship Fee.</li> </ul> <p>Substantive tests</p> <ul style="list-style-type: none"> <li>Evaluated the appropriateness of recognition of revenue in respect of Trusteeship Fee income based on the requirements of Ind AS 115;</li> <li>Obtained AUM and Trusteeship Fee from the Company and then reconciled Trusteeship Fee to amounts included in consolidated financial statements;</li> <li>Test checked that Trusteeship Fee rates were approved by authorised personnel;</li> <li>Test checked Trusteeship Fee invoices and reconciled with the accounting records;</li> <li>Evaluated the adequacy of disclosures relating to the Trusteeship Fee earned by the Group</li> </ul> |

**Information other than the consolidated financial statements and auditor's report thereon**

The Parent Company's management and the Administrator are responsible for the preparation of the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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.

**Responsibilities of management and the administrator for the consolidated financial statements**

The consolidated financial statements for the year ended March 31, 2023 have been taken on record by the Administrator while discharging the powers of the Board of Directors of the Company which were conferred by the RBI Order and in accordance with the NCLT Order. For the said purpose, as explained in Note No. 47(b) of the consolidated financial statements, the Administrator has relied upon the assistance provided by the existing staff and present key management personnel ("KMPs") and has assumed, without any further assessment, that information and data provided by the existing staff and present KMPs are in the conformity with the Act and other applicable laws and regulations with respect to the preparation of the consolidated financial statements.

## Independent Auditors' Report on the Consolidated financial statements

The consolidated financial statements is the responsibility of the Parent Company's management and the Administrator under the provisions of Section 45-IE(4) of the Reserve Bank of India Act, 1934, and has been approved by them for issuance.

The Parent Company's management and Administrator are responsible for the matters stated in sub-section (5) of Section 134 of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the state of affairs, consolidated loss, consolidated other comprehensive loss, consolidated changes in equity and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") 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 for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 management of the Parent Company and the Administrator are responsible for assessing the ability of the Group and the associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Parent Company's management, the Administrator and respective Board of Directors of the companies included in the Group and of the associates are also responsible for overseeing the financial reporting process of the Group and of the associates.

### 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 Standards on Auditing 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 Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a. 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.

- b. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under the section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and the Administrator.
- d. Conclude on the appropriateness of management's and Administrator'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 ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.
- e. 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.
- f. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. 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.

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 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.

## Independent Auditors' Report on the Consolidated Financial Statements

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 financial year ended March 31, 2023 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

- a. The statutory auditors of one of the subsidiary companies, Reliance Nippon Life Insurance Company Limited ("RNLICL"), have included the following Other Matter paragraphs 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 RNLICL's Appointed Actuary (the "Appointed Actuary"). Further, the assessment and classification of product/policies as insurance contract/investment contract for Discretionary Participation Feature ("DPF") and without DPF is also done by the appointed actuary. The actuarial valuation of these liabilities as at March 31, 2023 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with generally accepted actuarial principal and practice requirements of the Insurance Act, regulations notified by IRDAI and Actuarial Practice Standard issued by the Institute of Actuaries of India in concurrence with the IRDAI. We have relied upon the appointed Actuary's Certificate in this regard for forming our opinion on the special purpose financial statements of the Company.

"Reliance Nippon Life Insurance Company Limited has prepared a separate set of financial statements for the year ended March 31, 2023 in accordance with the requirements of Insurance Act, 1983, as amended by Insurance Laws (Amendment) Act, 2015 read with the IRDA Act, the regulations, order/discretion issued by IRDAI in this regard and in accordance with accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act, read with the Companies (Accounts) Rule, 2014 as amended to the extent applicable and in the manner so required on which we issued a separate auditor's report to the shareholders of Reliance Nippon Life Insurance Company Limited dated April 28, 2023."

- b. The statutory auditors of one of the subsidiary companies, Reliance General Insurance Company Limited ("RGICL"), a subsidiary of the Parent Company, have included the following Other Matter paragraph in their audit report:

"The actuarial valuation of liabilities for Incurred but Not Reported (IBNR) and Incurred but Not Enough Reported (IBNER) and Premium Deficiency Reserve (PDR) and Unexpired Risk Reserve (URR) is the responsibility of the RGICL's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities as on March 31, 2023 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 Actuary of India in concurrence with Authority. We relied on the Companies Appointed Actuary's Certificate in this regard for forming our opinion on the financial statements of the Company."

"Reliance General Insurance Company Ltd has prepared a separate set of financial statements for the year ended March 31, 2023 in accordance with the requirements of the insurance act 1938, as amended by Insurance Laws (Amendment) Act, 2015 read with the IRDA act, the Regulations, Order/ directions issued by the IRDAI in this regard and in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the act, read with the companies(Accounts) Rules, 2014 as amended to the extent applicable and in the manner so required on which we issued a separate auditor's report to the shareholders of Reliance General Insurance Company Limited dated May 2, 2023."

"The financial statements of the Company for the year end March 31, 2022 has been audited by the one of the predecessor auditors Phatak H. D and Associates LLP and the continuing joint statutory auditor, Uttam Abuwala Gosh and Associates, whose report dated April 26, 2022 has expressed a qualified opinion."

- c. We did not audit the financial statements of 13 subsidiary companies included in the consolidated audited financial statements, whose financial statements reflects total assets of ₹ 60,64,653 lakh (before consolidation adjustments) as at March 31, 2023, total revenues of ₹ 19,88,006 lakh, net loss after tax of ₹ 7,216 lakh and total comprehensive loss of ₹ 32,285 lakh for the year ended March 31, 2023, as considered in the consolidated audited financial statements whose financial statements has not been audited by us. The consolidated audited financial statements also include the Group's share of net profit after tax of ₹ 566 lakh for the year ended March 31, 2023 in respect of 2 associate companies, whose financial statements has not been audited by us. These have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far it relates to amounts and disclosures included in respect of these subsidiaries and associates, is solely based on the reports of the other auditors and the procedures performed by us.
- d. Reliance Commercial Finance Limited (RCFL) ceased to be the subsidiary of the Reliance Capital Limited w.e.f October 14, 2022, total revenue, net profit after tax and total comprehensive loss for the year ended March 31, 2023 of subsidiaries included in para "c" above includes revenue of ₹ 34,638 lakh, loss after tax of ₹ 1,838 lakh and total

## Independent Auditors' Report on the Consolidated Financial Statements

comprehensive loss of ₹ 1,836 lakh attributable to RCFL for the period from April 1, 2022 to September 30, 2022. The comparative figures also include total revenue, net profit after tax and total comprehensive income attributable to RCFL.

- e. The consolidated financial statements includes financial statements of 2 subsidiaries which have not been audited by their auditors, whose financial statements reflects total assets of ₹ 2,629 lakh (before consolidation adjustments) as at March 31, 2023, total revenues of ₹ Nil, net loss after tax of ₹ 934 lakh, total comprehensive loss of ₹ 934 lakh for the year ended March 31, 2023 as considered in the consolidated audited financial statements. The consolidated audited financial statements also include the Group's share of net profit after tax of ₹ Nil, total comprehensive income of ₹ Nil for the year ended March 31, 2023 respectively, as considered in the consolidated audited financial statements, in respect of 1 associate, the financial statement of which has not been audited by their auditors. These unaudited financial statements have been furnished to us by the management and our opinion on the Statement in so far it relates to the amounts and disclosures included in respect of these subsidiaries and associates is based solely on such unaudited financial statement. In our opinion and according to the information and explanation given to us by the management, these subsidiaries and associates are not material to the Group.

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

### Report on Other Legal and Regulatory Requirements

1. 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 of the aforesaid consolidated financial statements;
- b. In our opinion proper books of account as required by law have been kept by the Group so far as appears from our examination of those books and the reports of the other auditors;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, 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 matter described in the paragraph "a" and "f" under "Basis for Qualified Opinion" section and "Material Uncertainty related to Going Concern" section, in our opinion, may have an adverse effect on the functioning of the Group;

- f. As explained in the "Introduction" section of our report, the RBI vide its letter and press release dated November 29, 2021 issued under Section 45-IE(1) of the Reserve Bank of India Act, 1934, superseded the Board of Directors of the Parent Company and appointed an Administrator to run the Parent Company. Hence, we do not comment on whether any Director is disqualified from being appointed as a Director under Section 164(2). Further, on the basis of the reports of the statutory auditors of subsidiary companies and associate companies of the Parent Company, none of the directors of the subsidiary companies is disqualified as on March 31, 2023, 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 Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A";
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates – Refer Note No. 44 to the consolidated financial statements.
  - ii. The Group has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts. Refer Note No. 59 to the financial statements.
  - iii. Other than for dividend declared by the Parent Company amounting to ₹22 lakh pertaining to financial year 2010-11 to financial year 2013-14 which could not be transferred on account of pendency of various investor legal cases and ₹ 287 lakh which were due for transfer as on October 29, 2022 but were not transferred, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund. Further, on the basis of the reports of the statutory auditors of subsidiary companies and associate companies of the Parent Company, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the subsidiary companies and associate companies.
  - iv. In respect of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014,
    - a. The Administrator of the Parent Company, respective managements of the Parent Company and its subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act, to the extent audited financial statements of the subsidiaries and

**Independent Auditors' Report on the Consolidated Financial Statements**

associates have been made available to us, have represented to us and the other auditors of such subsidiaries and associates, as disclosed in the Note no. 62(a) of the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries and associates to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries or associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- b. The respective managements of the Company and its subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, as disclosed in the Note No. 62(b) of the consolidated financial statements, no funds have been received by the Company or any of such subsidiaries and associates from any person(s)

or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries or associates shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under (a) and (b) above, contain any material misstatement.
- v. In respect of Rule 11(g) of the Companies (Audit and Auditors) Rule, 2014, since proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable for the company only w.e.f April 01, 2023. Thus, reporting under this clause is not applicable.
- vi. In our opinion and according to the information and explanations given to us, the Parent Company has not declared or paid dividend during the year.
2. The RBI vide its letter and press release dated November 29, 2021 issued under Section 45-IE(1) of the Reserve Bank of India Act, 1934, superseded the Board of Directors of the Company and appointed an Administrator to run the Company. Hence, section 197 of the Act is not applicable.

3. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report ("the CARO Report") according to the information and explanations given to us, and based on the CARO Report issued by us for the Parent Company and CARO Reports of statutory auditors of subsidiaries and associates included in the consolidated financial statements, to which reporting under the Order is applicable, we report the paragraph numbers of the CARO report containing the qualifications or adverse remarks in CARO reports of subsidiaries and associates.

| Sr. No. | Name                                          | CIN                   | Nature of Company        | Clause number of the CARO report which is qualified or adverse |
|---------|-----------------------------------------------|-----------------------|--------------------------|----------------------------------------------------------------|
| 1       | Reliance Capital Limited                      | L65910MH1986PLC165645 | Parent Company           | 3(iii)(c), 3(iii)(d), 3(vii)(b), 3(ix)(a), 3(xvii), 3(xix)     |
| 2       | Reliance Money Precious Metal Private Limited | U74999MH2006PTC165070 | Subsidiary Company       | 3(xvii), 3(xix)                                                |
| 3       | Reliance Money Services Private Limited       | U72900MH2000PTC128384 | Subsidiary Company       | 3(xvii), 3(xix)                                                |
| 4       | Reliance Securities Limited                   | U65990MH2005PLC154052 | Subsidiary Company       | 3(iii)(c), 3(iii)(d),                                          |
| 5       | Quant Capital Private Limited                 | U67120MH2007PTC176440 | Subsidiary Company       | 3(iii)(b), 3(xix)                                              |
| 6       | Quant Investment Private Limited              | U74999MH2011PTC289416 | Subsidiary of Subsidiary | 3(xvii), 3(xix)                                                |
| 7       | Quant Broking Private Limited                 | U67110MH2007PTC291657 | Subsidiary of Subsidiary | 3(xvii), 3(xix)                                                |
| 8       | Quant Securities Private Limited              | U65993MH2007PTC290204 | Subsidiary of Subsidiary | 3(xvii), 3(xix)                                                |

**Independent Auditors' Report on the Consolidated Financial Statements**

| Sr. No. | Name                               | CIN                   | Nature of Company  | Clause number of the CARO report which is qualified or adverse |
|---------|------------------------------------|-----------------------|--------------------|----------------------------------------------------------------|
| 9       | Reliance Wealth Management Limited | U65999MH2009PLC189285 | Subsidiary Company | 3(xix)                                                         |
| 10      | Reliance Exchangenext Limited      | U72900MH2000PLC127630 | Subsidiary Company | 3(ix)(a), 3(xvii), 3(xix)                                      |
| 11      | Reliance Financial Limited         | U65990MH2005PLC155675 | Subsidiary Company | 3(iii)(c), 3(xvii)                                             |
| 12      | Reliance Home Finance Limited      | L67190MH2008PLC183216 | Associate Company  | 3(vii)(b), 3(xvii), 3(xix)                                     |

Further, in respect of the following 5 subsidiaries and 1 associate, the audit report and CARO Report were not provided to us by the Parent Company till the date of this Report. Hence, we are unable to indicate the paragraph numbers of the CARO Report containing the qualifications or adverse remarks of such subsidiaries and associates.

**Name of Subsidiary Companies**

1. Reliance Underwater System Private Limited (RUSPL)
2. Reliance Health Insurance Limited (RHIL)
3. Quant Broking Private Limited (QBPL)
4. Quant Securities Private Limited (QSPL)
5. Quant Investment Services Private Limited (QISPL)

**Name of Associate Companies**

1. Ammolite Holdings Limited (AHL)

**For Gokhale & Sathe**

Chartered Accountants  
Firm Regn. No.103264W

**Rahul Joglekar**

Partner  
Membership No.: 129389  
UDIN:

Place: Mumbai  
Date: May 29, 2023

## Independent Auditors' Report on the Consolidated Financial Statements

### Annexure A to Independent Auditor's Report

(Referred to in paragraph 1(g) under "Report on Other Legal and Regulatory Requirements" section of our report to the Members of Reliance Capital Limited of even date)

**Report on the Internal Financial Controls with reference to the aforesaid Consolidated Financial Statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")**

#### Introduction

The Reserve Bank of India ("RBI") vide its letter and press release dated November 29, 2021 ("RBI Order") issued under Section 45-IE(1) of the Reserve Bank of India Act, 1934, superseded the Board of Directors of Reliance Capital Ltd. ("the Parent Company") and appointed an Administrator to run the Company. Subsequently, in accordance with the order dated December 06, 2021 passed by the National Company Law Tribunal (Mumbai Bench) ("NCLT Order"), the application for commencement of Corporate Insolvency Resolution Process ("CIRP") of the Company under the Insolvency and Bankruptcy Code, 2016 ("IBC") was admitted.

We have audited the internal financial controls over financial reporting of Reliance Capital Limited ("the Parent Company") and its subsidiaries, its associates, which are incorporated in India as of and for the year ended March 31, 2023 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The respective Company's management, the Board of Directors and the Administrator are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 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

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included

obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to these consolidated financial statements.

#### Meaning of internal financial controls with reference to consolidated financial statements

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 financial statements for external purposes in accordance with generally accepted accounting principles.

A Company's internal financial control with reference to consolidated 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### Inherent limitations of internal financial controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to these 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 these consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Qualified opinion

In our opinion and to the best of information and according to explanations given to us, except for the matters described in the Basis for Qualified Opinion section of our report, the Group and its associates have maintained adequate internal financial controls with reference to consolidated financial statements as at March 31, 2023 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

## Independent Auditors' Report on the Consolidated Financial Statements

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, 2023.

We have considered the material weakness identified and reported above in determining the nature and extent of audit procedures applied in our audit of the consolidated financial statements for the year ended March 31, 2023 and material weakness described in section Basis for Qualified Opinion, affects our opinion on the consolidated financial statements of the Group.

### Basis for qualified opinion

Based on the auditors' report of subsidiary and associate companies, information and 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 "Reliance General Insurance Company Limited" is mentioned 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 IRDAI 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.

- b. The basis of qualified opinion given in the Auditors Report of Subsidiary Company "Reliance Corporate Advisory Services Limited" is mentioned here under:

Based on our audit information and explanation provided by the management weaknesses have been observed with regard to internal financial control. The company needs to strengthen loan / investments documentation including justification for sanctioning the loans/ investments, risk assessment of exposures and its mitigation monitoring of end use of funds and the policy of sanctioning loans/ investments to the entities with weaker credit worthiness of internal control stated in guidance note on audit of financial controls over financial reporting issued by ICAI.

- c. The basis of qualified opinion given in the Auditors Report of Subsidiary Company "Reliance Exchangenext Limited" is mentioned here under:

Based on our audit information and explanation provided by the management weaknesses have been observed with regard to internal financial control. The company needs to strengthen investments documentation including justification for the exposures, risk assessment of the exposures and the policy of sanctioning the investments to the entities with weaker credit worthiness.

### Other Matter

- a. Other Matter given in the Auditors Report of Subsidiary Company "Reliance General Insurance Company Limited" is mentioned 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) and Unexpired Risk Reserve (URR) is the responsibility of the Company's Appointed Actuary. The actuarial valuation of these liabilities as at March 31, 2023, has been duly certified by the Appointed Actuary. The Appointed Actuary has also certified that in their opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by IRDAI and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon the Company's Appointed Actuary's certificate in this regard for forming our opinion on the financial statements of the Company. (Refer Other Matter Paragraph of our main Audit Report) Accordingly, our opinion on the internal financial controls with reference to financial statements does not include reporting on the operating effectiveness of the management's internal controls over the valuation and accuracy of the aforesaid actuarial valuation.

- b. Other Matter given in the Auditors Report of the Subsidiary Company "Reliance Nippon Life Insurance Company Limited" is mentioned 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, 2023. 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 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 subsidiary companies, and associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, associates incorporated in India. Further, in respect of the 5 subsidiaries and 1 associate, reports of the auditors on the adequacy and operating effectiveness of the internal financial controls were not provided to us by the Parent Company till the date of this Report.

Our opinion is not modified in respect of above matter.

### For Gokhale & Sathe

Chartered Accountants  
Firm Regn. No.103264W

### Rahul Joglekar

Partner  
Membership No.: 129389  
UDIN:

Place: Mumbai  
Date: May 29, 2023

# Reliance Capital Limited

## Consolidated Balance Sheet as at March 31, 2023

| (₹ in lakh)                                                                                 |      |                                    |                                    |
|---------------------------------------------------------------------------------------------|------|------------------------------------|------------------------------------|
| Particulars                                                                                 | Note | As at<br>March 31, 2023<br>Audited | As at<br>March 31, 2022<br>Audited |
| <b>ASSETS</b>                                                                               |      |                                    |                                    |
| <b>Financial assets</b>                                                                     |      |                                    |                                    |
| Cash and cash equivalents                                                                   | 4    | 69 479                             | 118 801                            |
| Bank balance other than cash and cash equivalents                                           | 5    | 10 687                             | 38 174                             |
| Derivative financial instruments                                                            |      | 1 771                              | 11                                 |
| Receivables                                                                                 |      |                                    |                                    |
| (I) Trade receivables                                                                       | 6A   | 251 946                            | 186 289                            |
| (II) Other receivables                                                                      | 6B   | 1 056                              | 907                                |
| Loans                                                                                       | 7    | 61 287                             | 213 469                            |
| Investments                                                                                 | 8    | 4 852 415                          | 4 401 379                          |
| Other financial assets                                                                      | 9    | 781 459                            | 760 811                            |
| <b>Total financial assets</b>                                                               |      | <b>6 030 100</b>                   | <b>5 719 841</b>                   |
| <b>Non-financial assets</b>                                                                 |      |                                    |                                    |
| Inventories                                                                                 | 10   | 3 038                              | 3 888                              |
| Current tax assets (Net)                                                                    | 11   | 3 062                              | 5 059                              |
| Deferred tax assets (Net)                                                                   | 12   | 17 512                             | 3 506                              |
| Investment property                                                                         | 13   | 7 562                              | 7 775                              |
| Property, plant and equipment                                                               | 14   | 14 160                             | 28 631                             |
| Capital work-in-progress                                                                    | 14A  | 347                                | 420                                |
| Intangible assets under development                                                         | 15   | 1 264                              | 1 109                              |
| Goodwill                                                                                    | 15   | 495 146                            | 511 058                            |
| Other intangible assets                                                                     | 15   | 9 473                              | 10 770                             |
| Other non-financial assets                                                                  | 16   | 52 454                             | 76 891                             |
| <b>Total non-financial assets</b>                                                           |      | <b>604 018</b>                     | <b>649 107</b>                     |
| <b>Total assets</b>                                                                         |      | <b>6 634 118</b>                   | <b>6 368 948</b>                   |
| <b>LIABILITIES AND EQUITY</b>                                                               |      |                                    |                                    |
| <b>LIABILITIES</b>                                                                          |      |                                    |                                    |
| <b>Financial liabilities</b>                                                                |      |                                    |                                    |
| Derivative financial instruments                                                            |      | 205                                | 12                                 |
| Payables                                                                                    |      |                                    |                                    |
| (I) Trade payables                                                                          | 17   | -                                  | -                                  |
| (i) total outstanding dues of micro enterprises and small enterprises                       |      | -                                  | -                                  |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises |      | 187 583                            | 100 482                            |
| (II) Other payables                                                                         | 18   | -                                  | 12                                 |
| (i) total outstanding dues of micro enterprises and small enterprises                       |      | -                                  | 37 533                             |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises |      | 1 612                              | 1 809 112                          |
| Debt securities                                                                             | 19   | 1 637 818                          | 858 542                            |
| Borrowings (Other than debt securities)                                                     | 20   | 118 643                            | 384                                |
| Deposits                                                                                    | 21   | 884                                | 15 820                             |
| Subordinated liabilities                                                                    | 22   | 7 705                              | 5 542 711                          |
| Other financial liabilities                                                                 | 23   | 5 542 711                          | 7 497 161                          |
| <b>Total financial liabilities</b>                                                          |      | <b>7 497 161</b>                   | <b>8 039 307</b>                   |
| <b>Non-financial liabilities</b>                                                            |      |                                    |                                    |
| Provisions                                                                                  | 24   | 97 091                             | 62 699                             |
| Other non-financial liabilities                                                             | 25   | 162 753                            | 169 350                            |
| <b>Total non-financial liabilities</b>                                                      |      | <b>259 844</b>                     | <b>232 049</b>                     |
| <b>Total liabilities</b>                                                                    |      | <b>7 757 005</b>                   | <b>8 271 356</b>                   |
| <b>EQUITY</b>                                                                               |      |                                    |                                    |
| Equity share capital                                                                        | 26   | 25 324                             | 25 324                             |
| Other equity                                                                                | 27   | (1 231 853)                        | (2 007 309)                        |
| <b>Equity attributable to owners of the Company</b>                                         |      | <b>(1 206 529)</b>                 | <b>(1 981 985)</b>                 |
| Non-controlling interests                                                                   |      | 83 642                             | 79 577                             |
| <b>Total equity</b>                                                                         |      | <b>(1 122 887)</b>                 | <b>(1 902 408)</b>                 |
| <b>Total liabilities and equity</b>                                                         |      | <b>6 634 118</b>                   | <b>6 368 948</b>                   |

Significant Accounting Policies (Refer note no.2)

The accompanying notes (1 - 65) are integral part of these Consolidated Financial Statements.

As per our report of even date attached

**For Gokhale & Sathe**

Chartered Accountants

Firm Registration No.: 103264W

**Rahul Jogtekar**

Partner

Membership Number : 129389

Mumbai,

Dated: May 29, 2023

for Reliance Capital Limited

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

Administrator appointed under IBC

**Nageswara Rao Y**

Chief Financial Officer

**Aman Gudral**

Company Secretary & Compliance Officer

**Atul Tandon**

Mumbai,

Dated: May 29, 2023

**Consolidated Statement of Profit and Loss for the year ended March 31, 2023**

| (₹ in lakh)                                                                                                                                 |      |                                      |                                      |
|---------------------------------------------------------------------------------------------------------------------------------------------|------|--------------------------------------|--------------------------------------|
| Particulars                                                                                                                                 | Note | For the year ended<br>March 31, 2023 | For the year ended<br>March 31, 2022 |
| <b>Revenue from operations</b>                                                                                                              |      |                                      |                                      |
| Interest income                                                                                                                             | 28   | 2 85 431                             | 2 66 534                             |
| Dividend income                                                                                                                             | 29   | 9 989                                | 8 684                                |
| Premium income                                                                                                                              |      | 15 53 488                            | 14 32 016                            |
| Fees and commission income                                                                                                                  | 30   | 85 966                               | 78 315                               |
| Net gain on fair value changes                                                                                                              | 31   | (36 193)                             | 1 25 559                             |
| Other operating income                                                                                                                      | 32   | 5 010                                | 16 065                               |
| <b>Total revenue from operations</b>                                                                                                        |      | <b>19 03 691</b>                     | <b>19 27 173</b>                     |
| Other income                                                                                                                                | 33   | 27 604                               | 2 959                                |
| <b>Total income</b>                                                                                                                         |      | <b>19 31 295</b>                     | <b>19 30 132</b>                     |
| <b>Expenses</b>                                                                                                                             |      |                                      |                                      |
| Finance costs                                                                                                                               | 34   | 29 942                               | 2 18 981                             |
| Fees and commission expense                                                                                                                 | 35   | 76 622                               | 71 007                               |
| Net loss on fair value changes                                                                                                              | 36   | -                                    | -                                    |
| Net loss on derecognition of financial instruments under amortised cost category                                                            |      |                                      |                                      |
| - Impairment on financial instruments                                                                                                       | 36   | 151,532                              | 6 12 260                             |
| Employee benefits expense                                                                                                                   | 37   | 156,755                              | 1 46 921                             |
| Depreciation, amortisation and impairment                                                                                                   |      | 11,593                               | 11,236                               |
| Claims incurred and benefit paid (net)                                                                                                      |      | 703,377                              | 684,689                              |
| Premium paid on reinsurance ceded                                                                                                           |      | 421,101                              | 406,203                              |
| Change in valuation of liability in respect of life policies                                                                                |      | 296,892                              | 310,203                              |
| Others expenses                                                                                                                             | 38   | 249,474                              | 2 26 636                             |
| <b>Total expenses</b>                                                                                                                       |      | <b>20 97 288</b>                     | <b>26 88 136</b>                     |
| <b>Profit / (Loss) before exceptional items, [share of net profits / (losses) of investments accounted for using equity method] and tax</b> |      | <b>(1 65 993)</b>                    | <b>(7 58 004)</b>                    |
| Share of net Profit / (Loss) of associates                                                                                                  |      | 566                                  | (32 776)                             |
| Profit on sale of associate                                                                                                                 |      | -                                    | -                                    |
| <b>Profit / (Loss) before exceptional items and tax</b>                                                                                     |      | <b>(1 65 427)</b>                    | <b>(7 90 780)</b>                    |
| Exceptional items                                                                                                                           |      | -                                    | -                                    |
| <b>Net Profit / (Loss) for the year</b>                                                                                                     |      | <b>(1 65 427)</b>                    | <b>(7 90 780)</b>                    |
| <b>Income tax expense:</b>                                                                                                                  |      |                                      |                                      |
| - Current tax                                                                                                                               |      | 10 512                               | 5 243                                |
| - Deferred tax                                                                                                                              |      | 2                                    | 9 451                                |
| <b>Total tax expense</b>                                                                                                                    |      | <b>10 514</b>                        | <b>14 694</b>                        |
| <b>Profit / (Loss) for the year after tax</b>                                                                                               |      | <b>(1 75 941)</b>                    | <b>(8 05 474)</b>                    |
| <b>Other comprehensive income</b>                                                                                                           |      |                                      |                                      |
| Items that will not be reclassified to profit or loss                                                                                       |      |                                      |                                      |
| - Change in fair value of FVOCI instrument                                                                                                  |      | 3 769                                | (246)                                |
| - Remeasurements of post-employment benefit obligations                                                                                     |      | (453)                                | (424)                                |
| - Income tax relating to these items                                                                                                        |      | 61                                   | 48                                   |
|                                                                                                                                             |      | 3 377                                | (622)                                |
| Items that will be reclassified to profit or loss                                                                                           |      |                                      |                                      |
| - Change in fair value of FVOCI instrument                                                                                                  |      | (39 054)                             | (17 042)                             |
| - Income tax relating to these items                                                                                                        |      | 9,829                                | -                                    |
|                                                                                                                                             |      | (29 225)                             | (17 042)                             |
| <b>Other comprehensive income for the year</b>                                                                                              |      | <b>(25 848)</b>                      | <b>(17 664)</b>                      |
| <b>Total comprehensive income for the year</b>                                                                                              |      | <b>(2 01 789)</b>                    | <b>(8 23 138)</b>                    |
| <b>Net Profit attributable to :</b>                                                                                                         |      |                                      |                                      |
| Owners of the Company                                                                                                                       |      | (1 77 856)                           | (8 11 565)                           |
| Non controlling interest                                                                                                                    |      | 1 915                                | 6 091                                |
| <b>Other Comprehensive income attributable to :</b>                                                                                         |      |                                      |                                      |
| Owners of the Company                                                                                                                       |      | (27 919)                             | (17 405)                             |
| Non controlling interest                                                                                                                    |      | 2 071                                | (259)                                |
| <b>Total Comprehensive income attributable to :</b>                                                                                         |      |                                      |                                      |
| Owners of the Company                                                                                                                       |      | (2 05 775)                           | (8 28 970)                           |
| Non controlling interest                                                                                                                    |      | 3 986                                | 5 832                                |
| <b>Earnings per equity share</b>                                                                                                            |      |                                      |                                      |
| Nominal value ₹ 10 each fully paid-up                                                                                                       |      |                                      |                                      |
| - Basic (₹)                                                                                                                                 |      | (70.07)                              | (320.8)                              |
| - Diluted (₹)                                                                                                                               |      | (70.07)                              | (320.8)                              |

Significant Accounting Policies (Refer note no.2)

The accompanying notes (1 - 65) are integral part of these Consolidated Financial Statements.

As per our report of even date attached

**For Gokhale & Sathe**

Chartered Accountants

Firm Registration No.: 103264W

**Rahul Joglekar**

Partner

Membership Number : 129389

Mumbai,

Dated: May 29, 2023

for Reliance Capital Limited

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

Administrator appointed under IBC

Chief Financial Officer

Company Secretary & Compliance Officer

Mumbai,

Dated: May 29, 2023

**Nageswara Rao Y**

**Aman Gudral**

**Atul Tandon**

**Consolidated statement of changes in equity for the year ended March 31, 2023**

**A. Equity share capital**

(₹ in lakh)

| Particulars                                                | Note | As at<br>March 31, 2023 |               | As at<br>March 31, 2022 |               |
|------------------------------------------------------------|------|-------------------------|---------------|-------------------------|---------------|
|                                                            |      | Number                  | Amount        | Number                  | Amount        |
| Balance at the beginning of the year                       | 26   | 25 27 08 902            | 25,324        | 25 27 08 902            | 25,324        |
| Changes in Equity Share Capital due to prior period errors | -    | -                       | -             | -                       | -             |
| Restated balance at the beginning of the year              |      | 25 27 08 902            | 25,324        | 25 27 08 902            | 25,324        |
| Changes in equity share capital during the year            | -    | -                       | -             | -                       | -             |
| <b>Balance at the end of the year</b>                      |      | <b>25 27 08 902</b>     | <b>25,324</b> | <b>25 27 08 902</b>     | <b>25,324</b> |

**B. Other equity**

| Particulars                                           | Note | Reserves and surplus |                 |                            |                    |                         |                 |                        |                 | Attributable to Owners of the Company | Attributable to Non controlling Interests |                 |                         |                            |
|-------------------------------------------------------|------|----------------------|-----------------|----------------------------|--------------------|-------------------------|-----------------|------------------------|-----------------|---------------------------------------|-------------------------------------------|-----------------|-------------------------|----------------------------|
|                                                       |      | Retained Earnings    | Capital reserve | Capital Redemption reserve | Securities premium | Debt redemption reserve | General reserve | Statutory reserve fund | Special reserve |                                       |                                           | Treasury Shares | RCap ESOP Trust Reserve | Other comprehensive income |
| As at April 1, 2021                                   | 27   | (22 73 568)          | 9 879           | 883                        | 3 42 104           | 2 076                   | 5 49 721        | 1 98 648               | -               | 160                                   | 660                                       | (9 710)         | (11 79 148)             | 73 668                     |
| Profit for the year                                   |      | (8 11 565)           | -               | -                          | -                  | -                       | -               | -                      | -               | -                                     | -                                         | -               | (8 11 565)              | 6 091                      |
| Other comprehensive income                            |      | -                    | -               | -                          | -                  | -                       | -               | -                      | -               | -                                     | -                                         | (17 405)        | (17 405)                | (259)                      |
| Transactions with owners in their capacity as owners: |      |                      |                 |                            |                    |                         |                 |                        |                 |                                       |                                           |                 |                         |                            |
| - Issue of equity share, net of transaction cost      |      | -                    | -               | -                          | -                  | -                       | -               | -                      | -               | -                                     | -                                         | -               | -                       | -                          |
| - Stock option expense for the year                   |      | -                    | -               | -                          | -                  | -                       | -               | -                      | -               | -                                     | 62                                        | -               | 62                      | -                          |
| - Dividends paid                                      |      | -                    | -               | -                          | -                  | -                       | -               | -                      | -               | -                                     | -                                         | -               | -                       | -                          |
| - Dividend distribution tax                           |      | -                    | -               | -                          | -                  | -                       | -               | -                      | -               | -                                     | -                                         | -               | -                       | -                          |
| - Transfers to:                                       |      |                      |                 |                            |                    |                         |                 |                        |                 |                                       |                                           |                 |                         |                            |
| Statutory reserve fund                                |      | -                    | -               | -                          | -                  | -                       | -               | -                      | -               | -                                     | -                                         | -               | -                       | -                          |
| Special fund                                          |      | -                    | -               | -                          | -                  | -                       | -               | -                      | -               | -                                     | -                                         | -               | -                       | -                          |
| Debt redemption reserve                               |      | -                    | -               | -                          | -                  | -                       | -               | -                      | -               | -                                     | -                                         | -               | -                       | -                          |
| - Derecognition of subsidiary                         |      | -                    | -               | -                          | -                  | -                       | -               | -                      | -               | -                                     | -                                         | -               | -                       | -                          |
| Non controlling adjustments                           |      | 746                  | -               | -                          | -                  | -                       | -               | -                      | -               | -                                     | -                                         | -               | 746                     | 77                         |

Consolidated statement of changes in equity for the year ended March 31, 2023

| Particulars                                           | Note | 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 | Debt redemption reserve | General reserve | Statutory reserve fund |                            |                                       |                                           | Special reserve | Treasury Shares |
| Balance at the beginning of the year                  |      | (30 84 387)          | 9 879           | 883                        | 3 42 104           | 2 076                   | 5 49 721        | 1 98 648               | -                          | 160                                   | 722                                       | (20 07 309)     | 79 577          |
| Profit for the year                                   |      | (1 77 856)           | -               | -                          | -                  | -                       | -               | -                      | -                          | -                                     | -                                         | (1 77 856)      | 1 915           |
| Other comprehensive income                            |      | -                    | -               | -                          | -                  | -                       | -               | -                      | -                          | -                                     | -                                         | (27 919)        | 2 071           |
| Total comprehensive income for the year               |      | (1 77 856)           | -               | -                          | -                  | -                       | -               | -                      | -                          | -                                     | -                                         | (2 05 775)      | 3 986           |
| Transactions with owners in their capacity as owners: |      |                      |                 |                            |                    |                         |                 |                        |                            |                                       |                                           |                 |                 |
| - Issue of debt, net of transaction cost              |      | -                    | -               | -                          | -                  | -                       | -               | -                      | -                          | -                                     | -                                         | -               | -               |
| - Stock option expense for the year                   |      | -                    | -               | -                          | -                  | -                       | -               | -                      | -                          | -                                     | -                                         | -               | -               |
| - Dividends paid                                      |      | -                    | -               | -                          | -                  | -                       | -               | -                      | -                          | -                                     | -                                         | -               | -               |
| - Dividend distribution tax                           |      | -                    | -               | -                          | -                  | -                       | -               | -                      | -                          | -                                     | -                                         | -               | -               |
| - Transfers to:                                       |      | -                    | -               | -                          | -                  | -                       | -               | -                      | -                          | -                                     | -                                         | -               | -               |
| Statutory reserve fund                                |      | -                    | -               | -                          | -                  | -                       | -               | -                      | -                          | -                                     | -                                         | -               | -               |
| Special fund                                          |      | -                    | -               | -                          | -                  | -                       | -               | -                      | -                          | -                                     | -                                         | -               | -               |
| Debt redemption reserve                               |      | -                    | -               | -                          | -                  | -                       | -               | -                      | -                          | -                                     | -                                         | -               | -               |
| - Derecognition of subsidiary                         |      | 9 81 231             | -               | -                          | -                  | -                       | -               | -                      | -                          | -                                     | -                                         | -               | -               |
| - Non controlling adjustments                         |      | -                    | -               | -                          | -                  | -                       | -               | -                      | -                          | -                                     | -                                         | -               | 79              |
| Balance at the end of the year                        |      | (22 81 012)          | 9 879           | 883                        | 3 42 104           | 2 076                   | 5 49 721        | 1 98 648               | -                          | 160                                   | 722                                       | (12 31 853)     | 83 642          |

Significant Accounting Policies (Refer note no. 2)

The accompanying notes (1 - 65) are integral part of these Consolidated Financial Statements.

As per our report of even date attached  
**For Gokhale & Sathe**  
Chartered Accountants  
Firm Registration No.: 103264W

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

|                                                                                                  |                                                                                                                                                                    |
|--------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Rahul Jogtekar</b><br>Partner<br>Membership Number : 129389<br>Mumbai,<br>Dated: May 29, 2023 | <b>Nageswara Rao Y</b><br>Administrator appointed under IBC<br>Chief Financial Officer<br>Company Secretary & Compliance Officer<br>Mumbai,<br>Dated: May 29, 2023 |
|                                                                                                  | <b>Aman Gudral</b><br><b>Atul Tandon</b>                                                                                                                           |

**Consolidated statement of cashflow for the year ended March 31, 2023**

| Sr. No.  | Particulars                                                                                                                       | (₹ in lakh)       |                   |
|----------|-----------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
|          |                                                                                                                                   | March 31, 2023    | March 31, 2022    |
|          |                                                                                                                                   | Audited           | Audited           |
| <b>A</b> | <b>Operating activities:</b>                                                                                                      |                   |                   |
|          | <b>Profit/(Loss) before tax:</b>                                                                                                  | <b>(1 65 427)</b> | <b>(7 90 780)</b> |
|          | Adjustments for:                                                                                                                  |                   |                   |
|          | Depreciation, amortisation and impairment                                                                                         | <b>11 593</b>     | 11 236            |
|          | Bad debts recovered and credit balance written-back                                                                               | -                 | (542)             |
|          | Net Impairment on financial instruments and balances written-off                                                                  | <b>1 51 532</b>   | 6 12 260          |
|          | Interest income on loans and investments                                                                                          | <b>(2 79 875)</b> | (2 61 255)        |
|          | Interest income on bank deposit                                                                                                   | <b>(5 556)</b>    | (5 280)           |
|          | Dividend income on investments                                                                                                    | <b>(9 989)</b>    | (8 684)           |
|          | Share of net loss /(Profit) of associates accounted for using the equity method                                                   | <b>(566)</b>      | 32 776            |
|          | (Profit) / loss on sale of subsidiaries/associates (net)                                                                          | <b>(100)</b>      | -                 |
|          | Net gain on fair value of investment                                                                                              | <b>36 193</b>     | (1 25 560)        |
|          | Amortised brokerage on borrowings                                                                                                 | -                 | 32                |
|          | Discount on commercial paper                                                                                                      | <b>1 451</b>      | 5 819             |
|          | Interest expenses                                                                                                                 | <b>28 492</b>     | 2 13 127          |
|          | Rent Income                                                                                                                       | <b>(2 347)</b>    | (546)             |
|          | <b>Operating profit before working capital changes</b>                                                                            | <b>(2 34 547)</b> | <b>(3 17 395)</b> |
|          | Adjustments for (increase) / decrease in operating assets:                                                                        |                   |                   |
|          | Interest received                                                                                                                 | <b>5 398</b>      | 3 822             |
|          | Interest paid                                                                                                                     | <b>(4 406)</b>    | (4 356)           |
|          | Financial assets and non financial assets                                                                                         | <b>1 26 608</b>   | 2 57 368          |
|          | Adjustments for increase / (decrease) in operating liabilities:                                                                   |                   |                   |
|          | Financial liabilities and non financial liabilities                                                                               | <b>6 38 648</b>   | 4 66 136          |
|          |                                                                                                                                   | <b>5 31 701</b>   | 4 05 575          |
|          | Less : Income taxes paid (net of refunds)                                                                                         | <b>6 798</b>      | 3 544             |
|          | <b>Net cash generated from operating activities</b>                                                                               | <b>5 24 903</b>   | <b>4 02 031</b>   |
| <b>B</b> | <b>Investing activities:</b>                                                                                                      |                   |                   |
|          | Purchase of property, plant and equipment (including capital advances)                                                            | <b>(10 068)</b>   | (12 376)          |
|          | Sale of property, plant and equipment                                                                                             | <b>783</b>        | 1,248             |
|          | Purchase of investments (net)                                                                                                     | <b>(4 93 008)</b> | (3 33 140)        |
|          | Sale of subsidiaries/associates (net)                                                                                             | <b>100</b>        | -                 |
|          | Rent Received                                                                                                                     | <b>2 347</b>      | 546               |
|          | Dividend received                                                                                                                 | <b>9 989</b>      | 8 684             |
|          | <b>Net cash used in investing activities</b>                                                                                      | <b>(4 89 857)</b> | <b>(3 35 038)</b> |
| <b>C</b> | <b>Financing activities:</b>                                                                                                      |                   |                   |
|          | Debt securities issued (repaid) (net)                                                                                             | <b>(8 504)</b>    | (3 971)           |
|          | Borrowing other than debt securities issued (net)                                                                                 | <b>(75 864)</b>   | (833)             |
|          | <b>Net cash generated from / (used in) financing activities</b>                                                                   | <b>(84 368)</b>   | <b>(4 804)</b>    |
|          | <b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>                                                           | <b>(49 322)</b>   | 62 189            |
|          | Cash and cash equivalents at beginning of the period                                                                              | <b>1 18 801</b>   | 56 612            |
|          | <b>Cash and cash equivalents at end of the period</b>                                                                             | <b>69 479</b>     | <b>1 18 801</b>   |
|          | - 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 Gokhale & Sathe**

Chartered Accountants

Firm Registration No.: 103264W

**Rahul Joglekar**

Partner

Membership Number : 129389

Mumbai,

Dated: May 29, 2023

for Reliance Capital Limited

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

Administrator appointed under IBC

Chief Financial Officer

Company Secretary & Compliance Officer

Mumbai,

Dated: May 29, 2023

**Nageswara Rao Y**

**Aman Gudral**

**Atul Tandon**

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### 1. Background

Reliance Capital Limited ('the Parent 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 Parent Company is primarily a holding company, holding investments in its subsidiaries, associates and other group companies.

The Parent Company is Public Limited Company listed on recognised stock exchanges in India. The registered office of the Company is located at Kamala Mills Compound, Trade World, B-Wing, 7th Floor, S. B. Marg, Lower Parel, Mumbai 400013.

The Reserve Bank of India (RBI) vide Press Release dated November 29, 2021 in exercise of the power conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934, superseded the Board of Directors of the Parent Company and appointed Shri Nageswara Rao Y as the Administrator (Administrator) of the Parent Company under Section 45-IE (2) of the RBI Act. Further, in terms of Section 45-IE(4)(b) all the powers, functions and duties, which may, by or under the provisions of the RBI Act or any other law for the time being in force, be exercised and discharged by or on behalf of the Board of Directors of the Parent Company or by a resolution passed in general meeting of the Parent Company, shall, until the Board of Directors of the Parent Company is reconstituted, be exercised and discharged by the Administrator.

Thereafter, RBI vide press release dated November 30, 2021 in exercise of the power conferred under Section 45-IE (5A) of the Reserve Bank of India Act, 1934 constituted a three-member Advisory Committee to assist the Administrator in the discharge of his duties. Presently the members of the Advisory Committee are Mr. Sanjeev Nautiyal, ex-DMD, State Bank of India, Mr. Praveen P Kadle, ex-MD & CEO, Tata Capital Limited and Mr. Vikramaditya Singh Khichi, ex-ED, Bank of Baroda.

In terms of Section 25(2)(d) of the Code the Administrator appointed Deloitte India Insolvency Professionals LLP and AZB & Partners as Process and Legal advisors, respectively to assist him in completion of the CIRP of Parent Company.

On December 02, 2021 the RBI filed the Petition before the NCLT under sub-Clause (i) of clause (a) of Rule 5 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 (FSP Rules) to initiate Corporate Insolvency Resolution Process ("CIRP") against RCL read with Section 227 of the Insolvency and Bankruptcy Code, 2016 read with the Rules and Regulations framed there under and amended from time to time (the "Code"). Further, CIRP was initiated against the Parent Company under Section 227 read with clause (zk) of sub section (2) of Section 239 of the Code and read with Rules 5 and 6 of the FSP Rules by an order dated December 06, 2021 of the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT/Adjudicating Authority").

In accordance with section 14 of the Code read with the FSP Insolvency Rules, a moratorium has been effective on and from December 06, 2021, i.e. the date of admission of the Parent Company in the CIRP process for prohibiting institution of suits or continuation of pending suits or proceedings against the Parent Company including execution of any judgement, decree or order in any court of law, tribunal, arbitration panel or other authority. The Administrator has taken steps for seeking confirmations from various forums where litigations have been levied on the Parent Company for disposal of assets, that such injunctions will not be applicable during CIRP.

Pursuant to the admission and commencement of CIRP of the Parent Company under Insolvency and Bankruptcy Code, 2016 (IBC) with effect from December 06, 2021, there are various claims submitted by the operational creditors, the financial creditors, employees and other creditors. The overall obligations and liabilities including obligation for interest on loans and the principal rupee amount in respect of loans shall be determined during the CIRP.

In view of ongoing CIRP, the Parent Company has provided for the interest expense which may be applicable on the financial debts upto the Insolvency Commencement Date i.e. December 06, 2021 and accordingly interest expense of ₹ 2 09 949 lakh for the post CIRP period from December 07, 2021 to March 31, 2023 have not been provided.

As per the provisions of the IBC, the fair value and liquidation value of the assets of Parent company as on the insolvency commencement date is required to be determined in accordance with Regulation 27 read with Regulation 35 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("CIRP Regulations"). The Administrator of Parent company duly appointed by the Hon'ble National Company Law Tribunal, Mumbai ("NCLT Mumbai Bench"), is obligated to appoint 2 registered valuers to determine such valuation and submit the report ("Valuation Report"). In furtherance thereof, the Administrator had appointed 2 registered valuers who have submitted their report. As per Ind AS 36- "Impairment of Assets", impairment testing of assets is to be conducted on an annual basis. On completion of the CIRP, the Parent Company will consider carrying out a comprehensive review of all the assets including investments, other assets and intangible assets, liabilities and accordingly provide for impairment loss on assets and write back of liabilities, if any.

The Adjudicating Authority vide the above order, appointed the Administrator to perform all the functions of a Resolution Professional to complete the CIRP of the Parent Company as required under the provisions of the Code. It is also incumbent upon the Administrator, (exercising same powers as Resolution Professional under the Code), under Section 20 of the Code, to manage the operations of the Parent Company as a going concern. Accordingly, the Statement for the year ended March 31, 2023, have been prepared on going concern assumptions.

The financial statements of the Parent Company have been taken on record by the Administrator while discharging the powers of the Board of Directors of the Parent Company which were conferred by the RBI Order and in accordance with the NCLT Order solely for the purpose of ensuring regulatory compliance.

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

- (a) The Administrator has taken charge with effect from November 29, 2021 and therefore was not in control of the operations or the management of the Company prior to November 29, 2021;

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**

- (b) The Administrator has furnished and signed the report in good faith and accordingly, no suit, prosecution or other legal proceeding shall lie against the Administrator in terms of Section 233 of the Code;
- (c) The Administrator, while signing this statement of financial results, has relied solely upon the assistance provided by the existing staff and present key management personnel (KMPs) of the Parent Company in review of the financial results as well as the certifications, representations and statements made by the KMPs of the Parent Company, in relation to these financial results. The statement of financial results of the Parent Company for the year ended March 31, 2023 have been taken on record by the Administrator solely on the basis of and on relying on the aforesaid certifications, representations and statements of the aforesaid existing staff and present key management personnel (KMPs). For all such information and data, the Administrator has assumed, without any further assessment, that such information and data are in the conformity with the Companies Act, 2013 and other applicable laws with respect to the preparation of the financial statements and that they give true and fair view of the position of the Parent Company as of the dates and period indicated therein.

These Consolidated Financial Statement of the Company for the year ended March 31, 2023 were authorised for issue by the Administrator on May 29, 2023. The Consolidated Financial Statements as adopted by the members of the Company can be amended or re-opened in terms of provisions of Section 131 of the Act.

The Parent Company together with its subsidiaries and 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.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

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 Administrator or executive director as applicable 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 lakh, 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.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### 2.6 Financial assets

#### (i) Classification and subsequent measurement

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

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

#### Debt instruments

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

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

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

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

**Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

**Fair value option for financial assets:** The Group may also irrevocably designate financial assets at fair value through profit or loss if doing so significantly reduces or eliminates an accounting mismatch created by assets and liabilities being measured on different bases.

#### Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

- a) Purchased or originated credit impaired (POCI) financial assets, for which the original credit adjusted effective interest rate is applied to the amortised cost of the financial asset.
- b) Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For POCI financial assets – assets that are credit-impaired at initial recognition – the Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

#### Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in net gain/loss on fair value changes in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Gains and losses on equity investments at FVPL are included in the statement of profit or loss.

#### (ii) Impairment

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Group recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL, which also sets out key sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL detailed information about the judgements and estimates made by the Group in the above areas.

**(iii) Write-off policy**

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

**(iv) Modification of loans**

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

- a) If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- b) Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- c) Significant extension of the loan term when the borrower is not in financial difficulty.
- d) Significant change in the interest rate.
- e) Change in the currency the loan is denominated in.
- f) Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Group de-recognizes the original financial asset and recognizes a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognizes a modification gain or loss in the statement of profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

**(v) Derecognition other than on a modification**

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

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**

The Parent Company is under moratorium under Section 14 of the Code since December 06, 2021 (i.e. date of filing application as prescribed under Rule 5(b)(i) of FSP Insolvency Rules. Therefore, all financial liabilities will be dealt in accordance with the provisions of the Code.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

(i) **Classification and subsequent measurement**

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

- Financial liabilities at fair value through profit or loss: this classification is applied to derivatives, financial liabilities held for trading and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss;
- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Group recognizes any expense incurred on the financial liability; and
- Financial guarantee contracts and loan commitments.

**Market linked debentures (MLDs)**

The Group has issued certain non-convertible debentures, the rate of interest on which is linked to performance of specified indices over the period of the debentures. The Group has opted to designate the entire hybrid contract at FVTPL as the embedded derivative significantly modifies the cash flows that otherwise would be required by the contract. Further, the embedded derivative is not closely related to the financial liability host contract. The Group hedges its interest rate risk on MLD by taking positions in future & options based on specified indices. Any gain / loss on these hedge positions is recognised in Statement of Profit and Loss

(ii) **Derecognition**

Financial liabilities are derecognised when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expires).

The exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

**2.8 Financial guarantee contracts and loan commitments**

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance; and
- The premium received on initial recognition less income recognised in accordance with the principles of Ind AS 115. Loan commitments provided by the Group are measured as the amount of the loss allowance.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Group cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

**2.9 Repossessed collateral**

Repossession collateral represents financial and non-financial assets acquired by the Group in settlement of overdue loans. The assets are initially recognised at fair value when acquired and included in premises and equipment, other financial assets, investment properties or inventories within other assets depending on their nature and the Group's intention in respect of recovery of these assets, and are subsequently remeasured and accounted for in accordance with the accounting policies for these categories of assets.

**2.10 Derivatives and hedging activities**

Derivatives are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated and qualifies as a hedging instrument, and if so, the nature of the item being hedged.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

**Derivatives that are not designated as hedges**

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/(losses).

**2.11 Revenue Recognition**

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

When (or as) a performance obligation is satisfied, the Group recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

**(i) Brokerage fee income**

Revenue recognition for brokerage fees can be divided into the following two categories:

**a) Brokerage fees – over time**

Fees earned for the provision of services are recognised over time as the customer simultaneously receives and consumes the benefits, as the services are rendered. These include brokerage fees, which is fixed at inception irrespective of number of 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 profit or 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

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 or loss and statement of financial position as appropriate.

Reinsurance assets, being net contractual rights receivable under re-insurance contract, have been recognised based on actuarial valuations.

Reinsurance assets primarily include balances due from reinsurance companies for ceded insurance and investment contract liabilities. This includes balances in respect of investment contracts which are legally reinsurance contracts but do not meet the definition of a reinsurance contract under Ind AS. Amounts recoverable from reinsurers are estimated in a manner consistent with the underlying contract liabilities, outstanding claims provisions or settled claims associated with the reinsured policies and in accordance with the relevant reinsurance contract.

Reinsurance of non-participating investment contracts are accounted for directly through the statement of financial position. A deposit asset or liability is recognised, based on the consideration paid or received less any explicitly identified premiums or fees to be retained by the reinsured. These deposit assets or liabilities are shown within reinsurance assets in the consolidated statement of financial position.

If a reinsurance asset is impaired, the 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 or loss on the date that the Group's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

**(viii) Fees and commission income**

Fees and commission incomes and expenses that are integral to the effective interest rate on a financial asset or liability are included in the effective interest rate. Fees and commission that are not integral to the effective interest rate are recognised on accrual basis over the life of the instrument.

**(ix) Portfolio management fee income**

Portfolio management fees are recognised on an accrual basis in accordance with the Portfolio Management Agreement entered with respective clients except in case of Reliance Securities Limited, which is as follows:

- 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.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

**(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 profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**2.13 Leases****As a lessee**

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

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- interests issued by the Group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred. The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

### 2.15 Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### 2.16 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in liabilities in the balance sheet.

### 2.17 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

### 2.18 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

#### 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

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

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
- (vi) Data processing machineries given on lease – three years
- (vii) Vehicles given on lease – eight years
- (viii) Buildings – sixty years
- (ix) Lease asset – Over the 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 or loss.

### 2.19 Intangible assets

#### (a) 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.

#### (b) 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'.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of price or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expired. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

### 2.22 Policy benefits Claims and benefits paid

Gross benefits and claims for life insurance contracts and for investment contracts with DPF include the cost of all claims arising during the year including internal and external claims handling costs that are directly related to the processing and settlement of claims and policyholder bonuses declared on DPF contracts as well as changes in the gross valuation of insurance and investment contract liabilities with DPF.

Death and other claims are accounted for, when notified. Survival and maturity benefits are accounted when due. Surrenders/ Withdrawals under linked – policies are accounted in the respective schemes when the associated units are cancelled. Repudiated claims disputed before judicial authorities are provided for based on management prudence considering the facts and evidences available, in respect of such claims.

#### Reinsurance Claims

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract in the same year as that of the related claims.

Annuity benefits are accounted when due. Claims cost consist of the policy benefit amounts and claims settlement costs, where applicable.

Withdrawals under unit-linked policies are accounted in respective schemes when the associated units are cancelled.

### 2.23 Acquisition Costs

Acquisition costs are costs that vary with and are primarily related to acquisition of insurance contracts.

Acquisition costs mainly consists of commission, medical costs, policy printing expenses, stamp duty and other related expenses. These costs are expensed in the year in which they are incurred. Claw-back of the first-year commission paid, if any, in future is accounted in the year in which it is recovered.

Acquisition costs of insurance contract and investment contract with DPF are expensed in the period in which they are incurred.

For investment contracts without DPF, acquisition costs that are directly attributable to securing an investment contract are deferred and amortised over the year in which the service is provided.

### 2.24 Policy liabilities

The policy liabilities in respect of insurance contracts and investments contracts with DPF are calculated in accordance with the accepted actuarial practice, requirements of Insurance Act, 1938, Regulations notified by the Insurance Regulatory and Development Authority of India, and Practice Standards prescribed by the Institute of Actuaries of India.

### 2.25 Investment contract liabilities without DPF

Deposits collected under investment contracts without DPF are not accounted for through the statement of profit or loss, except for the investment income attributable to those contracts, but are accounted for directly through the statement of financial position as an adjustment to the investment contract liability.

The majority of the Group's contracts classified as investment contracts with DPF are unit-linked contracts and are measured at fair value.

The liability's fair value is determined in accordance with Ind AS 109 'Financial Instruments' and Ind AS 113 'Fair Value Measurement', which is the amount for which the liability could be transferred in an orderly transaction between market participants at the measurement date. For unit-linked contracts, the fair value liability is equal to the current unit fund value, including any unfunded units.

### 2.26 Off-setting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

### 2.27 Fiduciary assets

Assets held by the Group in its own name, but on the account of third parties, are not reported in the consolidated balance sheet. Commissions received from fiduciary activities are shown in fee and commission income.

### 2.28 Inventories

- Stock of gold is valued at weighted average cost or realizable value, whichever is lower.
- Financial instruments held as inventory are measured at fair value through profit or loss.

### 2.29 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

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.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### 2.35 Employee benefits

#### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

#### (ii) Post-employment obligations

The Group operates the following post-employment schemes:

- a) Gratuity;
- b) Superannuation fund; and
- c) Provident fund. Defined benefit plans Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The estimated future payments which are denominated in a currency other than INR, are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

#### Defined contribution plans Superannuation fund

Contribution to Superannuation Fund, a defined contribution scheme, is made at pre-determined rates to the Superannuation Fund, Life Insurance Corporation and is charged to the Statement of Profit or loss. There are no other obligations other than the contribution payable to the Superannuation Fund.

#### Provident fund

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### Other long-term employee benefit obligations Leave encashment

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit or loss.

#### Phantom Shares

As a long-term incentive plan to employees, the Group has initiated Phantom Stock Option Plan which are cash settlement rights where the employees are entitled to get cash compensation based on agreed formulae. The employees are entitled to receive cash payment equivalent to appreciation in the value over the defined base price of the shares. The present value of the obligation under such plan is determined based on actuarial valuation.

### 2.36 Share-based payments

#### Employee Stock Option Scheme (ESOS)

The employees of the Company and its subsidiaries are entitled for grant of stock options (equity shares), based on the eligibility criteria set in the ESOS plan of the Company. The fair value of options granted under ESOS is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined reference to the fair value of the options granted excluding the impact of any service conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

**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.

**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 dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**2.40 Rounding of amounts**

All amounts disclosed in the Consolidated Financial Statements and notes have been rounded off to the nearest lakh as per the requirements of Schedule III, unless otherwise stated.

**3. Critical estimates and judgements**

As per the provisions of the IBC, the fair value and liquidation value of the assets of the Company as on the insolvency commencement date is required to be determined. In compliance with the same, the Administrator has appointed two registered valuers and the said exercise is currently underway. As per Ind AS 36- "Impairment of Assets", impairment testing of assets is to be conducted on an annual basis. On completion of the CIRP, the Company will consider carrying out a comprehensive review of all the assets including investments, other assets and intangible assets, liabilities and accordingly provide for impairment loss on assets and write back of liabilities, if any.

Subject to the above, 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 financial instruments**

The fair value of financial instruments is ascertained in accordance with IND AS 107 as per the fair value hierarchy described in note no. 60.

**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 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.

**3.4 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.

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**

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.

**3.5 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.

**3.6 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.

**3.7 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.

**3.8 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.

**3.9 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.

**3.10 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.

**3.11 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.

**3.12 Estimation of fair value of investments property**

The Group carries 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 Statements for the year ended March 31, 2023

4 Cash and cash equivalents

(₹ in lakh)

| Particulars          | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|----------------------|-------------------------|-------------------------|
| Cash on hand         | 1 602                   | 1 256                   |
| Cheques on hand      | 8 308                   | 6 367                   |
| Balances with banks: |                         |                         |
| In current accounts  | 40 039                  | 34 269                  |
| In fixed deposits    | 19 530                  | 76 909                  |
| <b>Total</b>         | <b>69 479</b>           | <b>1 18 801</b>         |

5 Bank balance other than cash and cash equivalents above

|                                   | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|-----------------------------------|-------------------------|-------------------------|
| Balances with banks:              |                         |                         |
| In earmarked accounts             |                         |                         |
| – unclaimed dividend              | 1 285                   | 1 287                   |
| – other bank balances#            | 1 266                   | 1 265                   |
| In fixed deposits                 | 1 543                   | 5 940                   |
| Others                            |                         |                         |
| – Held as lien (refer note below) | 8 800                   | 30 845                  |
| Less: Impairment loss allowance   | (2 207)                 | (1 163)                 |
| <b>Total</b>                      | <b>10 687</b>           | <b>38 174</b>           |

Notes:

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

- ₹ 4700 lakh (Previous year: ₹ 10,107 lakh) have been kept as margin requirement for equity trade settlement and market linked debentures
- Previous year: ₹ 15.518 lakh kept as credit enhancement towards securitisation transaction.
- ₹ 500 lakh (Previous year: ₹ 500 lakh) are liened against bank overdraft facility.
- ₹ 12 lakh (Previous year: ₹ 3,421 lakh) kept as deposit with bank for issuing of Bank Guarantee.
- Balances with banks include in ₹ 20 lakh (Previous year: ₹ 20 lakh) is kept as deposit with the Pension Fund Regulatory and Development Authority (PFRDA).
- Balances with banks include in ₹ 121 lakh (Previous year: ₹ 248 lakh) is kept as deposit with regulatory authorities.

#Out of above ₹ 1291 lakh (Previous year: ₹ 1289 lakh) are earmarked for specified purpose in a separate bank account.

6 Receivables (Considered good unless otherwise stated)

(₹ in lakh)

|                                         | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|-----------------------------------------|-------------------------|-------------------------|
| <b>6A Trade receivables</b>             |                         |                         |
| Receivables considered good – Secured   | 1 684                   | 2 323                   |
| Receivables considered good – Unsecured | 2 50 262                | 1 83 965                |
| Receivables – credit impaired           | 2 093                   | 5 750                   |
| Less: Allowance for impairment loss     | (2 093)                 | (5 749)                 |
| <b>Total</b>                            | <b>2 51 946</b>         | <b>1 86 289</b>         |

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

(₹ in lakh)

6B Other receivables

Receivables considered good – Unsecured

**Total**

| As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|-------------------------|-------------------------|
| <b>1 056</b>            | 907                     |
| <b>1 056</b>            | 907                     |

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner or a director or a member.

Ageing for Trade receivables as on March 31, 2023 is as follows:

(₹ in lakh)

| Particulars                                    | Less than<br>6 months | 6 months<br>-1 year | 1-2 years    | 2-3 years    | More than<br>3 years | Total           |
|------------------------------------------------|-----------------------|---------------------|--------------|--------------|----------------------|-----------------|
| Undisputed Trade receivables – considered good | 2 51 540              | 219                 | 145          | -            | 42                   | 2 51 946        |
| Undisputed Trade receivables – credit impaired | 187                   | 211                 | 436          | 208          | 1 017                | 2 059           |
| Disputed Trade receivables – considered good   | -                     | 1                   | 2            | -            | 32                   | 34              |
| <b>Total Receivable (Gross)</b>                | <b>2 51 727</b>       | <b>431</b>          | <b>583</b>   | <b>208</b>   | <b>1 091</b>         | <b>2 54 039</b> |
| <b>Less: Provision for impairment loss</b>     | <b>(187)</b>          | <b>(212)</b>        | <b>(438)</b> | <b>(208)</b> | <b>(1 049)</b>       | <b>(2 093)</b>  |
| <b>Trade Receivable</b>                        | <b>2 51 540</b>       | <b>219</b>          | <b>145</b>   | <b>-</b>     | <b>42</b>            | <b>2 51 946</b> |

Ageing for Trade receivables as on March 31, 2022 is as follows:

(₹ in lakh)

| Particulars                                    | Less than 6<br>months | 6 months<br>-1 year | 1-2 years      | 2-3 years    | More than<br>3 years | Total           |
|------------------------------------------------|-----------------------|---------------------|----------------|--------------|----------------------|-----------------|
| Undisputed Trade receivables – considered good | 185 318               | 282                 | 378            | -            | 310                  | 186 288         |
| Undisputed Trade receivables – credit impaired | 1 265                 | 187                 | 459            | 8            | 402                  | 2 321           |
| Disputed Trade receivables – considered good   | 354                   | 354                 | 727            | 872          | 1 121                | 3 429           |
| <b>Total Receivable (Gross)</b>                | <b>186 937</b>        | <b>823</b>          | <b>1 564</b>   | <b>880</b>   | <b>1 833</b>         | <b>192 038</b>  |
| <b>Less: Provision for impairment loss</b>     | <b>(1 618)</b>        | <b>(541)</b>        | <b>(1 186)</b> | <b>(880)</b> | <b>(1 522)</b>       | <b>(5 749)</b>  |
| <b>Trade Receivable</b>                        | <b>1 85 319</b>       | <b>282</b>          | <b>378</b>     | <b>-</b>     | <b>311</b>           | <b>1 86 289</b> |

7 Loans

(₹ in lakh)

| Particulars                                                     | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|-----------------------------------------------------------------|-------------------------|-------------------------|
| <b>At amortised cost</b>                                        |                         |                         |
| Term loans                                                      | <b>2 15 531</b>         | 16 24 363               |
| Loans repayable on demand                                       | <b>20 546</b>           | 20 329                  |
| Loans to related parties                                        | <b>4 93 942</b>         | 18 448                  |
| Others                                                          | <b>57 860</b>           | 58 401                  |
| <b>Total (A) – Gross</b>                                        | <b>7 87 879</b>         | 17 21 541               |
| (Less): Impairment loss allowance                               | <b>(7 26 592)</b>       | (15 08 072)             |
| <b>Total (A) – Net</b>                                          | <b>61 287</b>           | 2 13 469                |
| Secured by property plant and equipment's and other receivables | <b>6 16 611</b>         | 15 51 108               |
| Secured by intangible assets                                    | <b>12 532</b>           | 11 164                  |
| Unsecured                                                       | <b>1 58 736</b>         | 1 59 269                |
| <b>Total (B) – Gross</b>                                        | <b>7 87 879</b>         | 17 21 541               |
| (Less): Impairment loss allowance                               | <b>(7 26 592)</b>       | (15 08 072)             |
| <b>Total (B) – Net</b>                                          | <b>61 287</b>           | 2 13 469                |

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

| Particulars                       | (₹ in lakh)             |                         |
|-----------------------------------|-------------------------|-------------------------|
|                                   | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Loans in India</b>             |                         |                         |
| - Public sector                   | -                       | -                       |
| - Others                          | 7 87 879                | 17 21 541               |
| <b>Total (C) - Gross</b>          | <b>7 87 879</b>         | <b>17 21 541</b>        |
| (Less): Impairment loss allowance | (7 26 592)              | (15 08 072)             |
| <b>Total (C) - Net</b>            | <b>61 287</b>           | <b>2 13 469</b>         |

Summary of loans by stage distribution

| Particulars                     | As at March 31, 2023 |         |            |            | As at March 31, 2022 |         |             |             |
|---------------------------------|----------------------|---------|------------|------------|----------------------|---------|-------------|-------------|
|                                 | Stage 1              | Stage 2 | Stage 3    | Total      | Stage 1              | Stage 2 | Stage 3     | Total       |
| Gross Carrying Amount           | 22 493               | 269     | 7 65 117   | 7 87 879   | 59 774               | 8 200   | 16 53 567   | 17 21 541   |
| Less: Impairment loss allowance | (11 674)             | (209)   | (7 14 709) | (7 26 592) | (11 952)             | (209)   | (14 95 911) | (15 08 072) |
| Total                           | 10 819               | 60      | 50 408     | 61 287     | 47 822               | 7 991   | 1 57 656    | 2 13 469    |

Analysis of changes in the gross carrying amount by stages in relation to loans and its corresponding impairment loss allowance (ECL) is as follows

| Particulars                           | As at March 31, 2023 |                                 |                |                                 |                 |                                 |                 |                                 |
|---------------------------------------|----------------------|---------------------------------|----------------|---------------------------------|-----------------|---------------------------------|-----------------|---------------------------------|
|                                       | Stage 1              |                                 | Stage 2        |                                 | Stage 3         |                                 | Total           |                                 |
|                                       | Loans<br>Gross       | Impairment<br>loss<br>allowance | Loans<br>Gross | Impairment<br>loss<br>allowance | Loans<br>Gross  | Impairment<br>loss<br>allowance | Loans<br>Gross  | Impairment<br>loss<br>allowance |
| <b>As at April 1, 2022</b>            | 59 774               | 11 952                          | 8 200          | 209                             | 16 53 567       | 14 95 911                       | 17 21 541       | 15 08 072                       |
| Transfers during the year             | 2 838                | 886                             | -              | -                               | -               | -                               | 2 838           | 886                             |
| Transfer to stage 1                   | -                    | -                               | -              | -                               | -               | -                               | -               | -                               |
| Transfer to stage 2                   | -                    | -                               | -              | -                               | -               | -                               | -               | -                               |
| Transfer to stage 3                   | (1 206)              | (120)                           | -              | -                               | 1 206           | 120                             | -               | -                               |
| Impact due to cessation of subsidiary | -                    | -                               | -              | -                               | -               | -                               | -               | -                               |
| Amounts written off during the year   | (38 913)             | (1 044)                         | (7 931)        | -                               | (8 89 656)      | (7 81 322)                      | (9 36 500)      | (7 82 366)                      |
| <b>As at March 31, 2023</b>           | <b>22 493</b>        | <b>11 674</b>                   | <b>269</b>     | <b>209</b>                      | <b>7 65 117</b> | <b>7 14 709</b>                 | <b>7 87 879</b> | <b>7 26 592</b>                 |

| Particulars                                                    | As at March 31, 2022 |                                 |                |                                 |                  |                                 |                  |                                 |
|----------------------------------------------------------------|----------------------|---------------------------------|----------------|---------------------------------|------------------|---------------------------------|------------------|---------------------------------|
|                                                                | Stage 1              |                                 | Stage 2        |                                 | Stage 3          |                                 | Total            |                                 |
|                                                                | Loans<br>Gross       | Impairment<br>loss<br>allowance | Loans<br>Gross | Impairment<br>loss<br>allowance | Loans<br>Gross   | Impairment<br>loss<br>allowance | Loans<br>Gross   | Impairment<br>loss<br>allowance |
| <b>As at April 1, 2021</b>                                     | 1 91 066             | 11 539                          | 18 842         | 1 496                           | 14 89 037        | 9 14 972                        | 16 98 945        | 9 28 007                        |
| Transfers during the year                                      | 2 814                | 560                             | -              | -                               | -                | -                               | 2 814            | 560                             |
| Transfer to stage 1                                            | (1 01 517)           | (499)                           | 5 736          | 59                              | 1 89 350         | 2 683                           | 93 569           | 2 243                           |
| Transfer to stage 2                                            | 4 592                | 531                             | (10 940)       | (1 162)                         | 6 348            | 631                             | -                | -                               |
| Transfer to stage 3                                            | 830                  | 921                             | 364            | 133                             | (1 194)          | (1 054)                         | -                | -                               |
| Impact of changes in credit risk on account of stage movements | -                    | -                               | -              | -                               | -                | -                               | -                | -                               |
| Amounts written off during the year                            | (38 011)             | (1 100)                         | (5 802)        | (317)                           | (29 974)         | 5 78 679                        | (73 787)         | 5 77 262                        |
| <b>As at March 31, 2022</b>                                    | <b>59 774</b>        | <b>11 952</b>                   | <b>8 200</b>   | <b>209</b>                      | <b>16 53 567</b> | <b>14 95 911</b>                | <b>17 21 541</b> | <b>15 08 072</b>                |

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**
**8 Investments**

(₹ in lakh)

| Particulars                                                   | As at March 31, 2023                      |                  |                  |                  | As at March 31, 2022                                 |                  |                  |                  |
|---------------------------------------------------------------|-------------------------------------------|------------------|------------------|------------------|------------------------------------------------------|------------------|------------------|------------------|
|                                                               | AC                                        | FVTPL            | FVOCI            | Total            | AC                                                   | FVTPL            | FVOCI            | Total            |
| Investments in equity shares others                           |                                           |                  |                  |                  |                                                      |                  |                  |                  |
| - Quoted                                                      | -                                         | 6 73 808         | -                | 6 73 808         | -                                                    | 7 09 306         | -                | 7 09 306         |
| - Unquoted                                                    | -                                         | 6 163            | -                | 6 163            | -                                                    | 13 385           | -                | 13 385           |
|                                                               | -                                         | 6 79 971         | -                | 6 79 971         | -                                                    | 7 22 691         | -                | 7 22 691         |
| Less : Provision for impairment                               | -                                         | -                | -                | -                | -                                                    | -                | -                | -                |
|                                                               | -                                         | 6 79 971         | -                | 6 79 971         | -                                                    | 7 22 691         | -                | 7 22 691         |
| Investments in equity shares of Associates                    |                                           |                  |                  |                  |                                                      |                  |                  |                  |
| - Quoted                                                      | -                                         | -                | -                | -                | -                                                    | -                | -                | -                |
| - Unquoted                                                    | -                                         | 11 611           | -                | 11 611           | -                                                    | 11 264           | -                | 11 264           |
|                                                               | -                                         | 11 611           | -                | 11 611           | -                                                    | 11 264           | -                | 11 264           |
| Less : Provision for impairment                               | -                                         | -                | -                | -                | -                                                    | (218)            | -                | (218)            |
|                                                               | -                                         | 11 611           | -                | 11 611           | -                                                    | 11 046           | -                | 11 046           |
| Investments in preference shares                              |                                           |                  |                  |                  |                                                      |                  |                  |                  |
| - Unquoted                                                    | 172                                       | 11 633           | -                | 11 805           | 172                                                  | 12 031           | -                | 12 203           |
|                                                               | 172                                       | 11 633           | -                | 11 805           | 172                                                  | 12 031           | -                | 12 203           |
| Less : Provision for impairment                               | -                                         | (8 500)          | -                | (8 500)          | -                                                    | (8 500)          | -                | (8 500)          |
|                                                               | 172                                       | 3 133            | -                | 3 305            | 172                                                  | 3 531            | -                | 3 703            |
| Investment in government or trust securities                  |                                           |                  |                  |                  |                                                      |                  |                  |                  |
| - Quoted                                                      | 13 70 051                                 | 6 12 063         | 7 22 652         | 27 04 766        | 13 70 050                                            | 2 48 855         | 6 58 816         | 22 77 721        |
| Investment in Pass through certificates and security receipts |                                           |                  |                  |                  |                                                      |                  |                  |                  |
| - Unquoted                                                    | 414                                       | 36 751           | -                | 37 165           | 414                                                  | 28 853           | -                | 29 267           |
| Investment in debentures and bonds                            |                                           |                  |                  |                  |                                                      |                  |                  |                  |
| - Quoted                                                      | 3 47 532                                  | 2 02 631         | 6 21 287         | 11 71 450        | 3 47 532                                             | 8 366            | 6 40 427         | 9 96 325         |
| - Unquoted                                                    | 31 126                                    | 6 495            | -                | 37 621           | 31 126                                               | 13 946           | -                | 45 072           |
|                                                               | 3 78 658                                  | 2 09 126         | 6 21 287         | 12 09 071        | 3 78 658                                             | 22 312           | 6 40 427         | 10 41 397        |
| Less : Provision for impairment                               | (3 676)                                   | -                | -                | (3 676)          | (3 676)                                              | -                | -                | (3 676)          |
|                                                               | 3 74 982                                  | 2 09 126         | 6 21 287         | 12 05 395        | 3 74 982                                             | 22 312           | 6 40 427         | 10 37 721        |
| Investment in mutual fund                                     |                                           |                  |                  |                  |                                                      |                  |                  |                  |
| - Quoted                                                      | -                                         | 22 193           | 17 516           | 39 709           | -                                                    | 14 180           | -                | 14 180           |
| - Unquoted                                                    | -                                         | 41               | -                | 41               | -                                                    | 1 238            | -                | 1 238            |
| Others                                                        |                                           |                  |                  |                  |                                                      |                  |                  |                  |
| - Quoted                                                      | -                                         | 36 358           | -                | 36 358           | -                                                    | 25 175           | -                | 25 175           |
| - Unquoted                                                    | 73 662                                    | 60 039           | 393              | 1 34 094         | 54 682                                               | 2 23 562         | 393              | 2 78 637         |
| <b>Total</b>                                                  | <b>18 19 281</b>                          | <b>16 71 286</b> | <b>13 61 848</b> | <b>48 52 415</b> | <b>18 00 300</b>                                     | <b>13 01 443</b> | <b>12 99 636</b> | <b>44 01 379</b> |
| AC- Amortised cost                                            | FVTPL- Fair Value Through Profit and Loss |                  |                  |                  | FVOCI- Fair Value through other comprehensive Income |                  |                  | DC - Deemed Cost |

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**

Notes:

- (i) The equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value through OCI rather than Statement of profit and loss as these are strategic investments and the Group considers this to be more relevant.
- (ii) Includes Investment of 9,000 (Previous year: 9,000) equity shares of Reliance DigiTech Limited are carried at fair value i.e. at amount transferred under the Scheme of Amalgamation.
- (iii) The Group has sold FVOCI debt portfolio, instruments with a principal of ₹ 6,304 lakh (Previous year: ₹ 11,301 lakh). In relation to these, the Group transferred the loss of ₹ 2 lakh (Previous year: Profit ₹ 176 lakh) and unrealised gains / (loss) from OCI to the Statement of profit and loss.

**9 Other financial assets**

| Particulars                                      | As at           | As at           |
|--------------------------------------------------|-----------------|-----------------|
|                                                  | March 31, 2023  | March 31, 2022  |
| Interest accrued – loans (net of Provision)      | (3 107)         | 3 819           |
| Interest accrued – investments and Fixed Deposit | 86 840          | 79 020          |
| Advances to others                               | (2 771)         | (10 927)        |
| EIS receivables                                  | -               | 3 333           |
| Deposits                                         |                 |                 |
| – Considered good                                | 11 641          | 11 915          |
| – Considered doubtful                            | 368             | 251             |
| Less: provision for doubtful deposits            | (273)           | (1 195)         |
| Unclaimed amount of policyholders                | 27 849          | 31 606          |
| Reinsurance assets                               | 6 34 578        | 5 77 683        |
| Investment sale to be received                   | 1 491           | 8 315           |
| Others                                           | 24 843          | 56 991          |
| <b>Total</b>                                     | <b>7 81 459</b> | <b>7 60 811</b> |

**10 Inventories (Considered good unless otherwise stated)**

| Particulars        | As at          | As at          |
|--------------------|----------------|----------------|
|                    | March 31, 2023 | March 31, 2022 |
| Debt securities    | 3 038          | 3 356          |
| Equity instruments | -              | 532            |
| <b>Total</b>       | <b>3 038</b>   | <b>3 888</b>   |

**11 Current tax assets (net)**

| Particulars                | As at          | As at          |
|----------------------------|----------------|----------------|
|                            | March 31, 2023 | March 31, 2022 |
| Income tax paid in advance | 3 062          | 5 059          |
| <b>Total</b>               | <b>3 062</b>   | <b>5 059</b>   |

**12 Deferred tax assets (net)**

| Particulars                                  | As at          | As at          |
|----------------------------------------------|----------------|----------------|
|                                              | March 31, 2023 | March 31, 2022 |
| <b>Deferred tax assets</b>                   |                |                |
| Property, plant and equipment                | 135            | 275            |
| Defined benefit obligations                  | 501            | 472            |
| Expenses allowable for tax purpose when paid | 4 113          | -              |
| Impairment allowance for financial assets    | 2 312          | 4 527          |
| Tax losses and unabsorbed depreciation       | -              | 1              |
| Others, specify                              | 10 515         | (1 702)        |
|                                              | <b>17 576</b>  | <b>3 573</b>   |

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**

| Particulars                                    | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|------------------------------------------------|-------------------------|-------------------------|
| <b>Deferred tax liabilities</b>                |                         |                         |
| Property, plant and equipment                  | -                       | -                       |
| Unamortised expenditure                        | -                       | -                       |
| Fair value adjustments                         | -                       | -                       |
| Others, specify                                | 64                      | 67                      |
|                                                | <b>64</b>               | <b>67</b>               |
| <b>Net deferred tax assets / (liabilities)</b> | <b>17 512</b>           | <b>3 506</b>            |

**13 Investment property** (₹ in lakh)

| Particulars                             | As at<br>March 31, 2023 |               | As at<br>March 31, 2022 |               |
|-----------------------------------------|-------------------------|---------------|-------------------------|---------------|
|                                         | Land                    | Buildings     | Land                    | Buildings     |
| <b>Gross carrying amount</b>            |                         |               |                         |               |
| Deemed cost                             | 2 906                   | 12 601        | 2 906                   | 12 355        |
| Additions                               | -                       | -             | -                       | 246           |
| Disposals and transfers                 | -                       | -             | -                       | -             |
| <b>Closing gross carrying amount</b>    | <b>2 906</b>            | <b>12 601</b> | <b>2 906</b>            | <b>12 601</b> |
| <b>Accumulated depreciation</b>         | <b>2 600</b>            | <b>5 132</b>  | <b>2 600</b>            | <b>4 922</b>  |
| Depreciation during the year            | -                       | 316           | -                       | 108           |
| Impairment during the year              | -                       | -             | -                       | -             |
| Disposals and transfers                 | -                       | (104)         | -                       | 102           |
| <b>Closing accumulated depreciation</b> | <b>2 600</b>            | <b>5 344</b>  | <b>2 600</b>            | <b>5 132</b>  |
| <b>Net carrying amount</b>              | <b>306</b>              | <b>7 256</b>  | <b>306</b>              | <b>7 469</b>  |

Notes:

- Of the above, buildings of subsidiary Reliance Securities limited with carrying value ₹ 13 lakh (Previous year: ₹ 13 lakh) is kept as collateral security against the market linked debentures (MLDs).
- The Group has carried out the valuation activity to assess fair value of its Investment in land and property, for current year refer note 1. Accordingly, fair value estimates for investment in land and property is classified as level 3.

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

| Particulars                                                                                 | Year Ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|---------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| 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                                      | -                            | -                            |
| Impairment during the period                                                                | -                            | -                            |
| Depreciation for the period                                                                 | (316)                        | (108)                        |
| <b>(Loss)/Profit arising from investment property before indirect expenses</b>              | <b>(316)</b>                 | <b>(108)</b>                 |

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

## 14 Property, plant and equipment

(₹ in lakh)

| Particulars                              | Own assets    |           |                             |                        |          | Leased assets    |                       |                     |                             |          | Total  |
|------------------------------------------|---------------|-----------|-----------------------------|------------------------|----------|------------------|-----------------------|---------------------|-----------------------------|----------|--------|
|                                          | Freehold land | Buildings | Data processing machineries | Furniture and fixtures | Vehicles | Office Equipment | Leasehold improvement | Plant and equipment | Data processing machineries | Vehicles |        |
| Year ended March 31, 2022                |               |           |                             |                        |          |                  |                       |                     |                             |          |        |
| Gross carrying amount                    |               |           |                             |                        |          |                  |                       |                     |                             |          |        |
| Deemed cost as at April 1, 2021          | 8 442         | 11 394    | 13 896                      | 2 250                  | 1 008    | 4 762            | 5 611                 | 4 190               | 2 402                       | 28       | 9 014  |
| Additions                                | -             | -         | 1 792                       | 258                    | 8        | 705              | 1 168                 | -                   | -                           | -        | 528    |
| Disposals and transfers                  | -             | -         | (892)                       | (630)                  | (142)    | (1 047)          | -                     | (28)                | -                           | (28)     | -      |
| Closing gross carrying amount            | 8 442         | 11 394    | 14 796                      | 1 878                  | 875      | 4 420            | 6 779                 | 4 162               | 2 402                       | -        | 9 542  |
| Accumulated depreciation                 |               |           |                             |                        |          |                  |                       |                     |                             |          |        |
| Depreciation charge during the year      | -             | 2 288     | 12 947                      | 1 692                  | 661      | 3 610            | 3 605                 | 3 721               | 2 402                       | 28       | 2 102  |
| Disposals and transfers                  | -             | (1)       | (1 228)                     | (549)                  | (56)     | (1 034)          | -                     | (33)                | -                           | (28)     | -      |
| Closing accumulated depreciation         | -             | 2 702     | 12 713                      | 1 432                  | 672      | 3 135            | 4 937                 | 3 998               | 2 402                       | -        | 4 068  |
| Net carrying amount as at March 31, 2022 | 8 442         | 8 692     | 2 084                       | 446                    | 203      | 1 285            | 1 842                 | 163                 | -                           | -        | 5 474  |
| Year ended March 31, 2023                |               |           |                             |                        |          |                  |                       |                     |                             |          |        |
| Gross carrying amount                    |               |           |                             |                        |          |                  |                       |                     |                             |          |        |
| Deemed cost as at April 1, 2022          | 8 442         | 11 394    | 14 796                      | 1 878                  | 875      | 4 420            | 6 779                 | 4 162               | 2 402                       | -        | 9 542  |
| Additions                                | -             | -         | 915                         | 227                    | 102      | 875              | 969                   | -                   | -                           | -        | 1 824  |
| Disposals and transfers                  | (8 442)       | (6 411)   | (2 511)                     | (205)                  | (241)    | 99               | 23                    | (1 734)             | -86                         | -        | -      |
| Closing gross carrying amount            | -             | 4 983     | 13 200                      | 1 900                  | 736      | 5 394            | 7 771                 | 2 428               | 2 316                       | -        | 11 366 |
| Accumulated depreciation                 |               |           |                             |                        |          |                  |                       |                     |                             |          |        |
| Depreciation charge during the year      | -             | 2 702     | 12 713                      | 1 432                  | 672      | 3 135            | 4 937                 | 3 999               | 2 401                       | -        | 4 068  |
| Disposals and transfers                  | -             | 84        | 1 088                       | 280                    | 69       | 646              | 1 261                 | 72                  | 0.5                         | -        | 2 433  |
| Closing accumulated depreciation         | -             | (1 657)   | (2 503)                     | (113)                  | -        | 104              | 21                    | (1 643)             | (85.5)                      | -        | -      |
| Net carrying amount as at March 31, 2023 | -             | 1 129     | 11 298                      | 1 598                  | 560      | 3 885            | 6 219                 | 2 427               | 2 316                       | -        | 6 501  |
|                                          | -             | 3 854     | 1 903                       | 302                    | 175      | 1 509            | 1 552                 | -                   | -                           | -        | 4 865  |

Note : Buildings include ₹ 1 lakh (Previous year ₹ 1 lakh) which is provided as security for Non-convertible debentures.

(₹ in lakh)

As at

March 31, 2022

Particulars

As at

March 31, 2023

## 14A Capital Work In Progress (CWIP)

|                               |      |       |
|-------------------------------|------|-------|
| Opening gross carrying amount | 420  | 602   |
| Movement during the year      | (73) | (183) |
| Closing gross carrying amount | 347  | 420   |

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**
**Capital Work in Progress aging as on 31st March, 2023**

(₹ in lakh)

| Particulars                    | Amount in Capital Work in Progress for the period of |           |           |                   | TOTAL |
|--------------------------------|------------------------------------------------------|-----------|-----------|-------------------|-------|
|                                | Less than 1 year                                     | 1-2 years | 2-3 years | More than 3 years |       |
| Projects in progress           | 347                                                  | -         | -         | -                 | 347   |
| Projects temporarily suspended | -                                                    | -         | -         | -                 | -     |

**Capital Work in Progress aging as on 31st March, 2022**

(₹ in lakh)

| Particulars                    | Amount in Capital Work in Progress for the period of |           |           |                   | TOTAL |
|--------------------------------|------------------------------------------------------|-----------|-----------|-------------------|-------|
|                                | Less than 1 year                                     | 1-2 years | 2-3 years | More than 3 years |       |
| Projects in progress           | 314                                                  | 106       | -         | -                 | 420   |
| Projects temporarily suspended | -                                                    | -         | -         | -                 | -     |

**15 Intangible assets**
**A Goodwill**

(₹ in lakh)

| Particulars                      | Goodwill on business acquisition | Goodwill on consolidation | Total           |
|----------------------------------|----------------------------------|---------------------------|-----------------|
| <b>Year ended March 31, 2022</b> |                                  |                           |                 |
| Gross carrying amount            |                                  |                           |                 |
| Opening gross carrying amount    | 16 014                           | 4 95 044                  | 5 11 058        |
| Additions                        | -                                | -                         | -               |
| Disposals/Adjustment             | -                                | -                         | -               |
| <b>Year ended March 31, 2022</b> | <u>16 014</u>                    | <u>4 95 044</u>           | <u>5 11 058</u> |
| <b>Year ended March 31, 2023</b> |                                  |                           |                 |
| Gross carrying amount            |                                  |                           |                 |
| Opening gross carrying amount    | 16 014                           | 4 95 044                  | 5 11 058        |
| Additions                        | -                                | -                         | -               |
| Disposals/Adjustment             | (15 912)                         | -                         | (15 912)        |
| <b>Year ended March 31, 2023</b> | <u>102</u>                       | <u>4 95 044</u>           | <u>4 95 146</u> |

**B Other intangible assets**

(₹ in lakh)

| Particulars                              | Computer software/<br>Licensing cost | Membership rights / Asset management rights | Total         | Intangible assets under development | Total         |
|------------------------------------------|--------------------------------------|---------------------------------------------|---------------|-------------------------------------|---------------|
| <b>Year ended March 31, 2022</b>         |                                      |                                             |               |                                     |               |
| Gross carrying amount                    |                                      |                                             |               |                                     |               |
| Deemed cost as at April 1, 2021          | 36,357                               | 75                                          | 36,432        | 1,869                               | 38,301        |
| Additions                                | 6,897                                | -                                           | 6,897         | 718                                 | 7,615         |
| Disposals and transfers                  | (631)                                | -                                           | (631)         | (987)                               | (1,617)       |
| Closing gross carrying amount            | <u>42,623</u>                        | <u>75</u>                                   | <u>42,698</u> | <u>1,601</u>                        | <u>44,299</u> |
| Accumulated amortisation                 |                                      |                                             |               |                                     |               |
| Opening accumulated amortisation         | 27 382                               | 75                                          | 27 457        | 492                                 | 27 950        |
| Amortisation during the year             | 5 108                                | -                                           | 5 108         | -                                   | 5 108         |
| Disposals and transfers                  | (637)                                | -                                           | (637)         | -                                   | (637)         |
| Closing accumulated depreciation         | <u>31 853</u>                        | <u>75</u>                                   | <u>31 928</u> | <u>492</u>                          | <u>32 420</u> |
| Net carrying amount as at March 31, 2022 | <u>10 770</u>                        | <u>-</u>                                    | <u>10 770</u> | <u>1 109</u>                        | <u>11 879</u> |

(₹ in lakh)

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

| Particulars                              | Computer software/<br>Licensing cost | Membership rights / Asset management rights | Total   | Intangible assets under development | Total   |
|------------------------------------------|--------------------------------------|---------------------------------------------|---------|-------------------------------------|---------|
| <b>Year ended March 31, 2023</b>         |                                      |                                             |         |                                     |         |
| Gross carrying amount                    |                                      |                                             |         |                                     |         |
| Deemed cost as at April 1, 2022          | 42 623                               | 75                                          | 42 698  | 1 601                               | 44 299  |
| Additions                                | 4 306                                | -                                           | 4 306   | 865                                 | 5 171   |
| Disposals and transfers                  | (7 139)                              | -                                           | (7 139) | (1 202)                             | (8 341) |
| Closing gross carrying amount            | 39 790                               | 75                                          | 39 865  | 1 264                               | 41 129  |
| Accumulated amortisation                 | 31 853                               | 75                                          | 31 928  | 492                                 | 32 420  |
| Amortisation during the year             | 4 996                                | -                                           | 4 996   | -                                   | 4 996   |
| Disposals and transfers                  | (6 532)                              | -                                           | (6 532) | (492)                               | (7 024) |
| Closing accumulated depreciation         | 30 317                               | 75                                          | 30 392  | -                                   | 30 392  |
| Net carrying amount as at March 31, 2023 | 9 473                                | -                                           | 9 473   | 1 264                               | 10 737  |

**16 Other non-financial asset (Considered good unless otherwise stated)** (₹ in lakh)

| Particulars                                       | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|---------------------------------------------------|-------------------------|-------------------------|
| Capital advances                                  | 23 107                  | 29 996                  |
| Advance to vendors                                |                         |                         |
| - Considered good                                 | 7 421                   | 14 212                  |
| - Considered doubtful                             | 971                     | 961                     |
| Less: provision for doubtful advances             | 3 236                   | (961)                   |
| Prepaid expenses                                  | 1 175                   | 7 755                   |
| Balance with VAT, Service tax and GST authorities | 16 043                  | 24 621                  |
| Reposessed assets held for sale                   | 501                     | 1 139                   |
| Less : Provision for impairment                   | -                       | (832)                   |
| <b>Total</b>                                      | <b>52 454</b>           | <b>76 891</b>           |

**17 Trade Payable** (₹ in lakh)

| Particulars                                                                              | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| - Total outstanding dues of micro enterprises and small enterprises (Refer table below)  | -                       | -                       |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 1 87 583                | 1 00 482                |
| <b>Total</b>                                                                             | <b>1 87 583</b>         | <b>1 00 482</b>         |

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<br>March 31, 2023 | As at<br>March 31, 2022 |
|----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Outstanding principal amount and interest due to suppliers registered under MSMED Act and remaining unpaid at the year end:                  |                         |                         |
| - Principal amount                                                                                                                           | -                       | -                       |
| - 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 period. | -                       | -                       |
| Interest paid under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.            | -                       | -                       |
| Amount of interest due and payable (where the principal has already been paid but interest has not been paid).                               | -                       | -                       |

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

(₹ in lakh)

| Particulars                                                                                                                                                                                                                                                              | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| 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. | -                       | -                       |

Ageing for Trade payable as on March 31, 2023 is as follows:

| Particulars                | Less than<br>1 year | 1-2 years  | 2-3 years  | More than<br>3 years | Total          |
|----------------------------|---------------------|------------|------------|----------------------|----------------|
| MSME                       | -                   | -          | -          | -                    | -              |
| Others                     | 184 059             | 396        | 865        | 2 263                | 187 583        |
| Disputed dues - MSME       | -                   | -          | -          | -                    | -              |
| Disputed dues - Others     | -                   | -          | -          | -                    | -              |
| <b>Total Trade payable</b> | <b>184 059</b>      | <b>396</b> | <b>865</b> | <b>2 263</b>         | <b>187 583</b> |

Ageing for Trade payable as on March 31, 2022 is as follows:

| Particulars                | Less than<br>1 year | 1-2 years  | 2-3 years  | More than<br>3 years | Total          |
|----------------------------|---------------------|------------|------------|----------------------|----------------|
| MSME                       | -                   | -          | -          | -                    | -              |
| Others                     | 99 115              | 400        | 789        | 178                  | 100 482        |
| Disputed dues - MSME       | -                   | -          | -          | -                    | -              |
| Disputed dues - Others     | -                   | -          | -          | -                    | -              |
| <b>Total Trade payable</b> | <b>99 115</b>       | <b>400</b> | <b>789</b> | <b>178</b>           | <b>100 482</b> |

18 Other payable

(₹ in lakh)

| Particulars                                                                              | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| - Total outstanding dues of micro enterprises and small enterprises                      | -                       | 12                      |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 1,612                   | 37,533                  |
| <b>Total</b>                                                                             | <b>1 612</b>            | <b>37 545</b>           |

19 Debt securities

(₹ in lakh)

| Particulars                                  | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|----------------------------------------------|-------------------------|-------------------------|
| - Secured                                    | 14 22 100               | 15 77 150               |
| - Unsecured                                  | 1 63 370                | 1 63 339                |
| <b>At fair value through profit and loss</b> |                         |                         |
| - Debentures (secured)                       | 52 348                  | 68 623                  |
| <b>Total</b>                                 | <b>16 37 818</b>        | <b>18 09 112</b>        |
| Debt securities in India                     | 16 37 818               | 18 09 112               |
| Debt securities outside India                | -                       | -                       |
| <b>Total</b>                                 | <b>16 37 818</b>        | <b>18 09 112</b>        |

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**
**Security clause in respect to debentures**

- a) The Secured Non-Convertible Debentures of the Parent company aggregating to ₹ 14 85 456 lakh (Previous year: ₹ 14 85 456 lakh) are secured by way of first pari-passu mortgage/charge on the Parent Company's immovable property and on present and future book debts/business receivables of the Parent Company as specifically mentioned in the respective Trust Deeds and the asset cover has fallen below 100% of the principal amount of the said Debentures. Since the CIRP has commenced all steps are taken as provided under the code.
- b) The Secured Non-Convertible Debentures (Market Linked Debenture) of the Reliance Securities Limited (RSL) aggregating to ₹ 702 lakh (Previous year: ₹ 4649 lakh) 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.
- c) The Secured Non-Convertible Market Linked Debentures (MLD) of the subsidiary viz. Reliance Financial Limited (RFL) ₹ 2091 lakh (Previous year: ₹ 6541 lakh) are secured by way of first ranking mortgage and charge over subsidiary Reliance Financial Limited's (RFL) Immovable property situated at 4th Floor, Tower C, Siddhi Vinayak Towers, Makarba, Ahmedabad, Gujarat and on the movable assets of Reliance Financial Limited as specifically mentioned in the respective Trust deeds and the asset cover thereof exceeds hundred per cent of the principal amount of the said debentures.
- d) Unsecured NCDs amounting to ₹ 1 63 370 lakh (Previous year: ₹ 1 63339 lakh) are in respect to Tier II subordinate debts.

The Parent Company is currently undergoing Corporate Insolvency Resolution Process under the provisions of the Insolvency and Bankruptcy Code, 2016 and is under moratorium under Section 14 of the Code since December 06, 2021.

Accordingly, all its liabilities towards the NCD holders are crystallised as at as on December 06, 2021 and will be dealt in accordance with the provisions of the Code.

Further, the trustee of parent Company have recalled all the NCDs and have submitted claim to the Administrator in terms of the Code and therefore the entire amount of NCDs of parent Company are considered as overdue as on March 31, 2022, irrespective of the original maturity dates.

Maturity profile and Rate of interest of Non-Convertible Debentures other than Parent Company are on the basis of original scheduled maturity payment dates are set out below

| (₹ in lakh)      |         |         |         |         |         |         |  |
|------------------|---------|---------|---------|---------|---------|---------|--|
| Rate of Interest | Overdue | 2023-24 | 2024-25 | 2025-26 | 2026-27 | Total   |  |
| #                | 45,000  | -       | -       | -       | -       | 45,000  |  |
| 8.20%            | 7,500   | -       | -       | -       | -       | 7,500   |  |
| 8.25%            | 37,000  | -       | -       | -       | -       | 37,000  |  |
| 8.28%            | 21,500  | -       | -       | -       | -       | 21,500  |  |
| 8.32%            | 40,000  | -       | -       | -       | -       | 40,000  |  |
| 8.42%            | 1,400   | -       | -       | -       | -       | 1,400   |  |
| 8.47%            | 2,500   | -       | -       | -       | -       | 2,500   |  |
| 8.50%            | 48,000  | -       | -       | -       | -       | 48,000  |  |
| 8.65%            | 2,000   | -       | -       | -       | -       | 2,000   |  |
| 8.75%            | 62 100  | -       | -       | -       | -       | 62 100  |  |
| 8.80%            | 29 600  | -       | -       | -       | -       | 29 600  |  |
| 8.83%            | 100 000 | -       | -       | -       | -       | 100 000 |  |
| 8.85%            | 170 000 | -       | -       | -       | -       | 170 000 |  |
| 8.90%            | 50 000  | -       | -       | -       | -       | 50 000  |  |
| 8.93%            | 90 000  | -       | -       | -       | -       | 90 000  |  |
| 9.00%            | 150 000 | -       | -       | -       | -       | 150 000 |  |
| 9.05%            | 150 000 | -       | -       | -       | -       | 150 000 |  |
| 9.12%            | 1 500   | -       | -       | -       | -       | 1 500   |  |
| 9.25%            | 15 600  | -       | -       | -       | -       | 15 600  |  |
| 9.32%            | 2 000   | -       | -       | -       | -       | 2 000   |  |
| 9.40%            | 150 000 | -       | -       | -       | -       | 150 000 |  |
| 9.42%            | 4 000   | -       | -       | -       | -       | 4 000   |  |
| 9.50%            | 500     | -       | -       | -       | -       | 500     |  |
| 9.65%            | 22 500  | -       | -       | -       | -       | 22 500  |  |
| 9.70%            | 1 500   | -       | -       | -       | -       | 1 500   |  |
| 9.80%            | 50 000  | -       | -       | -       | -       | 50 000  |  |

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**

|                  |                  |              |            |            |               |                  | (₹ in lakh) |
|------------------|------------------|--------------|------------|------------|---------------|------------------|-------------|
| Rate of Interest | Overdue          | 2023-24      | 2024-25    | 2025-26    | 2026-27       | Total            |             |
| 9.85%            | 4 500            | -            | -          | -          | -             | 4 500            |             |
| 9.90%            | 57 500           | -            | -          | -          | -             | 57 500           |             |
| 9.95%            | 8 500            | -            | -          | -          | -             | 8 500            |             |
| 10.00%           | 1 000            | -            | -          | -          | -             | 1 000            |             |
| 10.05%           | 700              | -            | -          | -          | -             | 700              |             |
| 10.10%           | 105 500          | -            | -          | -          | -             | 105 500          |             |
| 10.15%           | 800              | -            | -          | -          | -             | 800              |             |
| 10.19%           | 15 500           | -            | -          | -          | -             | 15 500           |             |
| 10.20%           | 5 700            | -            | -          | -          | -             | 5 700            |             |
| 10.25%           | 4 000            | -            | -          | -          | -             | 4 000            |             |
| 10.28%           | 1 500            | -            | -          | -          | -             | 1 500            |             |
| 10.35%           | 16 000           | -            | -          | -          | -             | 16 000           |             |
| 10.40%           | 35 000           | -            | -          | -          | -             | 35 000           |             |
| 10.50%           | 6 000            | -            | -          | -          | -             | 6 000            |             |
| 10.60%           | 13 400           | -            | -          | -          | -             | 13 400           |             |
| 10.75%           | 34 200           | -            | -          | -          | -             | 34 200           |             |
| MLD              | 48 155           | 1 983        | 591        | 219        | 22 870        | 73 818           |             |
| <b>Total</b>     | <b>1 612 155</b> | <b>1 983</b> | <b>591</b> | <b>219</b> | <b>22 870</b> | <b>1 637 818</b> |             |

# Zero coupon deep discount non convertible debentures.

**20 Borrowings (other than debt securities)**

(₹ in lakh)

| Particulars                                       | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|---------------------------------------------------|-------------------------|-------------------------|
| <b>At amortised cost</b>                          |                         |                         |
| Loan from banks / financial institution (secured) | <b>62 458</b>           | 5 90 124                |
| Cash credit (secured)                             | -                       | 1 20 500                |
| Overdrafts from banks (secured)                   | -                       | -                       |
| Inter corporate deposits (secured)                | <b>7 295</b>            | 7 295                   |
| Inter corporate deposits (unsecured)              | <b>48 890</b>           | 85 208                  |
| Commercial Paper (unsecured)                      | -                       | 55 415                  |
| Other loan (pass through certificates)            | -                       | -                       |
| <b>Total (A)</b>                                  | <b>1 18 643</b>         | 8 58 542                |
| Borrowings in India                               | <b>1 18 643</b>         | 8 58 542                |
| Borrowings outside India                          | -                       | -                       |
| <b>Total (B)</b>                                  | <b>1 18 643</b>         | 8 58 542                |

**Maturity profile basis of original scheduled maturity payment dates are set out below (Refer Note 60)**

The Parent Company is currently undergoing Corporate Insolvency Resolution Process under the provisions of the Insolvency and Bankruptcy Code, 2016 and is under moratorium under Section 14 of the Code since December 06, 2021.

Accordingly, all parents Company liabilities towards banks/financial institutions are crystallised as at as on December 06, 2021 and will be dealt in accordance with the provisions of the Code.

Further, the banks/financial institutions have recalled all the term loan and have submitted claim to the Administrator in terms of the Code and therefore the entire amount of banks/financial institutions are considered as overdue as on March 31, 2023, irrespective of the original maturity dates.

Maturity profile of the group other than the Parent Company basis of original scheduled maturity payment dates are set out below

|                                         |  | (₹ in lakh)   |
|-----------------------------------------|--|---------------|
| Nature                                  |  | Over Due      |
| Loan from banks / financial institution |  | <b>62 458</b> |
| Cash Credit                             |  | -             |
| <b>Total</b>                            |  | <b>62 458</b> |

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

**Securities for borrowings from banks:**

- a) The term loans from bank and financial institution aggregating to ₹ 62 458 lakh (Previous year: ₹ 62 458 lakh) are secured by 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) Inter Corporate Deposit aggregating to ₹ 7 295 lakh (Previous year: ₹ 7 295 lakh) are secured by pari passu first charge on all present and future book debts, investment, and business receivables of the Parent Company.

**21 Deposits** (₹ in lakh)

| Particulars              | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|--------------------------|-------------------------|-------------------------|
| <b>At amortised cost</b> |                         |                         |
| Security deposits lease  | 884                     | 384                     |
| <b>Total</b>             | <b>884</b>              | <b>384</b>              |

The Group has not accepted any deposit from directors / key management personnel's. The deposits have not been guaranteed by directors or others. Also, the Group has not defaulted in repayment of deposits and interest thereon.

**22 Subordinated liabilities** (₹ in lakh)

| Particulars                                            | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|--------------------------------------------------------|-------------------------|-------------------------|
| Preference shares other than those qualified as Equity | 7 705                   | 15 820                  |
| <b>Total</b>                                           | <b>7 705</b>            | <b>15 820</b>           |
| <b>In India</b>                                        | <b>7 705</b>            | <b>15 820</b>           |
| <b>Outside India</b>                                   | <b>-</b>                | <b>-</b>                |

**23 Other financial liabilities** (₹ in lakh)

| Particulars                                                                 | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|-----------------------------------------------------------------------------|-------------------------|-------------------------|
| Interest accrued but not due on borrowings                                  | 12 108                  | 16 419                  |
| Interest accrued but due on borrowings                                      | 4 34 778                | 6 29 730                |
| Other payables                                                              | 1 05 181                | 96 863                  |
| Unclaimed dividend                                                          | 1 285                   | 1 287                   |
| Book overdraft                                                              | 41 132                  | 61 485                  |
| Security deposit Lease                                                      | 3 426                   | 4 229                   |
| Unclaimed amount of policy holders (including interest on unclaimed amount) | 22 252                  | 26 452                  |
| Insurance contract liabilities                                              | 48 65 677               | 43 71 835               |
| Provision for linked liabilities                                            | 2 561                   | 1                       |
| Funds for future appropriation                                              | 46 318                  | -                       |
| Claim outstanding                                                           | 7 993                   | 9 110                   |
| <b>Total</b>                                                                | <b>55 42 711</b>        | <b>52 17 410</b>        |

**24 Provisions** (₹ in lakh)

| Particulars                                  | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|----------------------------------------------|-------------------------|-------------------------|
| Employee benefits                            | 15 786                  | 6 822                   |
| Provision for financial guarantee obligation | 74 158                  | 53 807                  |
| Other reserves and provisions                | 7 147                   | 2 070                   |
| <b>Total</b>                                 | <b>97 091</b>           | <b>62 699</b>           |

a) **Summary of ECL on Financial Guarantee Obligation by stage distribution** (₹ in lakh)

| Particulars           | Stage 1       | Stage 2  | Stage 3      | Total         |
|-----------------------|---------------|----------|--------------|---------------|
| <b>March 31, 2023</b> | <b>72 731</b> | <b>-</b> | <b>1 427</b> | <b>74 158</b> |
| March 31, 2022        | 52 407        | -        | 1 400        | 53 807        |

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**
**25 Other non-financial liabilities** (₹ in lakh)

| Particulars                                  | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|----------------------------------------------|-------------------------|-------------------------|
| Income and other amounts received in advance | 93 473                  | 83 565                  |
| Provision for expenses                       | 2 074                   | 12 749                  |
| Advance receipts from customers              | 1 563                   | 2 011                   |
| Payable for employee benefits                | 251                     | 439                     |
| Unallocated Premium                          | 48 881                  | 49 274                  |
| Statutory dues                               | 13 393                  | 17 210                  |
| Others                                       | 3 118                   | 4 102                   |
| <b>Total</b>                                 | <b>1 62 753</b>         | <b>1 69 350</b>         |

**26 Equity share capital** (₹ in lakh)

| Particulars                                                                                                       | As at March 31, 2023 |               | As at March 31, 2022 |               |
|-------------------------------------------------------------------------------------------------------------------|----------------------|---------------|----------------------|---------------|
|                                                                                                                   | Number               | ₹             | Number               | ₹             |
| <b>Authorised shares</b>                                                                                          |                      |               |                      |               |
| Equity shares of ₹10 each                                                                                         | 30 00 00 000         | 30 000        | 30 00 00 000         | 30 000        |
| Preference shares of ₹10 each                                                                                     | 10 00 00 000         | 10 000        | 10 00 00 000         | 10 000        |
| <b>Issued and subscribed</b>                                                                                      |                      |               |                      |               |
| Equity shares of ₹10 each                                                                                         | 25 40 53 108         | 25 405        | 25 40 53 108         | 25 405        |
| <b>Paid-up</b>                                                                                                    |                      |               |                      |               |
| Equity shares of ₹10 each                                                                                         | 25 27 08 902         | 25 271        | 25 27 08 902         | 25 271        |
| Add: Forfeited shares (amount originally paid up on 13,44,206 (previous year 13,44,206) equity shares of ₹10 each | 13 44 206            | 53            | 13 44 206            | 53            |
| <b>Total</b>                                                                                                      |                      | <b>25 324</b> |                      | <b>25 324</b> |

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

| Particulars                               | As at March 31, 2023 |               | As at March 31, 2022 |               |
|-------------------------------------------|----------------------|---------------|----------------------|---------------|
|                                           | Number               | ₹             | Number               | ₹             |
| Outstanding at the beginning of the year  | 25 27 08 902         | 25 324        | 25 27 08 902         | 25 324        |
| Stock options exercised under the ESOS    | -                    | -             | -                    | -             |
| <b>Outstanding at the end of the year</b> | <b>25 27 08 902</b>  | <b>25 324</b> | <b>25 27 08 902</b>  | <b>25 324</b> |

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

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

**c) Shares reserved for issue under options**

Information relating to the Reliance Capital Limited Employee Stock Option Scheme (ESOS), including details regarding options issued, exercised and lapsed during the year and options outstanding at the end of the reporting period is set out in note 40

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

| Particulars | As at March 31, 2023 |           | As at March 31, 2022 |           |
|-------------|----------------------|-----------|----------------------|-----------|
|             | Number               | % holding | Number               | % holding |
| Nil         | -                    | 0.00%     | -                    | 0.00%     |

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**

e) As on March 31, 2023, 10,96,763 equity shares (Previous year 10,96,763 equity shares) are held by custodian against which depository receipts have been issued. Depository receipts were delisted on March 17, 2023 and settled on April 25, 2023.

f) Shareholding of promoter is as under:

**Shares held by promoters at the end of the year**

| Sr. no. | Promoter name                                                  | No. of shares | % of total shares | % change during the year |
|---------|----------------------------------------------------------------|---------------|-------------------|--------------------------|
| 1       | Reliance Inceptum Private Limited                              | 153 964       | 0.06              | -                        |
| 2       | Reliance Infrastructure Consulting & Engineers Private Limited | 1 775 991     | 0.70              | -                        |
| 3       | Reliance Infrastructure Management Private Limited             | -             | 0.00              | (100)                    |
| 4       | Reliance Innoventures Private Limited                          | 4 450         | 0.00              | -                        |
| 5       | Smt. Kokila D. Ambani                                          | -             | 0.00              | (100)                    |
| 6       | Ms. Tina A. Ambani                                             | 263 474       | 0.10              | -                        |
| 7       | Mr. Jai Anmol A. Ambani                                        | 28 487        | 0.01              | (84)                     |
| 8       | Mr. Jai Anshul A. Ambani                                       | -             | 0.00              | (100)                    |

**27 Other equity** (₹ in lakh)

| Particulars                                                     | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|-----------------------------------------------------------------|-------------------------|-------------------------|
| a) <b>Capital reserve</b>                                       | <b>9 879</b>            | 9 879                   |
| b) <b>Capital redemption reserve</b>                            | <b>883</b>              | 883                     |
| c) <b>Debenture redemption reserve</b>                          | <b>2 076</b>            | 2 076                   |
| d) <b>Securities premium account</b>                            | <b>3 42 104</b>         | 3 42 104                |
| e) <b>General reserve</b>                                       | <b>5 49 721</b>         | 5 49 721                |
| f) <b>Special reserve</b>                                       |                         |                         |
| g) <b>Statutory reserve fund</b>                                | <b>1 98 648</b>         | 1 98 648                |
| Opening balance                                                 | <b>1 98 648</b>         | 1 98 648                |
| Add: Amount transferred from Statement of Profit and loss       | -                       | -                       |
| Closing balance                                                 | <b>1 98 648</b>         | 1 98 648                |
| h) <b>Surplus/(deficit) in the statement of profit and loss</b> |                         |                         |
| Opening balance                                                 | <b>(30 84 387)</b>      | (22 73 568)             |
| Add: Additions transferred from statement of Profit and loss    | <b>(1 77 856)</b>       | (8 11 565)              |
| Less: Transfer to statutory reserve fund                        | -                       | -                       |
| Less: Transfer to debenture reserve fund                        | -                       | -                       |
| Add/(Less) : Changes during the year                            | <b>9 81 231</b>         | 746                     |
| Closing balance                                                 | <b>(22 81 012)</b>      | (30 84 387)             |
| i) <b>Treasury shares</b>                                       | <b>160</b>              | 160                     |
| j) <b>Rcap ESOP trust reserve</b>                               |                         |                         |
| Opening balance                                                 | <b>722</b>              | 660                     |
| Add: Additions/(transfers) during the year                      | -                       | 62                      |
| Closing balance                                                 | <b>722</b>              | 722                     |
| k) <b>Other Comprehensive Income</b>                            |                         |                         |
| Opening balance                                                 | <b>(27 115)</b>         | (9 710)                 |
| Add: Additions/(transfers) during the year                      | <b>(27 919)</b>         | (17 405)                |
| Closing balance                                                 | <b>(55 034)</b>         | (27 115)                |
| <b>Total</b>                                                    | <b>(12 31 853)</b>      | (20 07 309)             |

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**
**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 ₹ 9 237 lakh (Previous year: ₹ 9 237 lakh) 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) 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.

**d) 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 ₹ 383 744 lakh (Previous year: ₹ 383 744 lakh) created pursuant to Schemes of Amalgamation approved by High Court.

**e) Statutory reserve fund**

Statutory reserve fund is created by transferring 20% of the profit for the year as per reserve bank of India guidelines for NBFC Companies. The Group yet to obtain RBI approval to release statutory reserve fund to retained earnings. Created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934.

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

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

**g) FVOCI equity investments**
**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.

**28 Interest income**

(₹ in lakh)

| Particulars                                             | Year Ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|---------------------------------------------------------|------------------------------|------------------------------|
| <b>On financial assets measured at amortised costs:</b> |                              |                              |
| Loans                                                   | 5 490                        | 16 120                       |
| Investments                                             | 2 74 002                     | 2 43 861                     |
| Fixed Deposits and others                               | 5 939                        | 6 553                        |
| <b>Total</b>                                            | <b>2 85 431</b>              | <b>2 66 534</b>              |

**29 Dividend income**

(₹ in lakh)

| Particulars  | Year Ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|--------------|------------------------------|------------------------------|
| Investments  | 9 989                        | 8 684                        |
| <b>Total</b> | <b>9 989</b>                 | <b>8 684</b>                 |

**30 Fees and commission income**

(₹ in lakh)

| Particulars                    | Year Ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|--------------------------------|------------------------------|------------------------------|
| Processing fees                | 10                           | 200                          |
| Brokerage, commission and fees | 85 956                       | 78 115                       |
| <b>Total</b>                   | <b>85 966</b>                | <b>78 315</b>                |

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

|           |                                                                                  |                                      |                                      |
|-----------|----------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>31</b> | <b>Net gain on fair value changes</b>                                            | (₹ in lakh)                          |                                      |
|           | <b>Particulars</b>                                                               | <b>Year Ended<br/>March 31, 2023</b> | <b>Year ended<br/>March 31, 2022</b> |
|           | Realised                                                                         | 2 70 113                             | 95 373                               |
|           | Unrealised                                                                       | (3 06 306)                           | 30 186                               |
|           | <b>Total</b>                                                                     | <b>(36 193)</b>                      | <b>1 25 559</b>                      |
| <b>32</b> | <b>Other operating income</b>                                                    | (₹ in lakh)                          |                                      |
|           | <b>Particulars</b>                                                               | <b>Year Ended<br/>March 31, 2023</b> | <b>Year ended<br/>March 31, 2022</b> |
|           | Profit on trading of shares and securities (net)                                 | -                                    | 13 979                               |
|           | Net gain on derecognition of financial instruments under amortised cost category | 147                                  | 996                                  |
|           | Rent                                                                             | 2 347                                | 546                                  |
|           | Bad Debts recovered                                                              | -                                    | 542                                  |
|           | Other                                                                            | 2 516                                | 2                                    |
|           | <b>Total</b>                                                                     | <b>5 010</b>                         | <b>16 065</b>                        |
| <b>33</b> | <b>Other income</b>                                                              | (₹ in lakh)                          |                                      |
|           | <b>Particulars</b>                                                               | <b>Year Ended<br/>March 31, 2023</b> | <b>Year ended<br/>March 31, 2022</b> |
|           | Management Fee                                                                   | (955)                                | (1 790)                              |
|           | Sundry Credit Balance written off                                                | 3 004                                | 584                                  |
|           | Miscellaneous income                                                             | 25 555                               | 4 165                                |
|           | <b>Total</b>                                                                     | <b>27 604</b>                        | <b>2 959</b>                         |
| <b>34</b> | <b>Finance cost</b>                                                              | (₹ in lakh)                          |                                      |
|           | <b>Particulars</b>                                                               | <b>Year Ended<br/>March 31, 2023</b> | <b>Year ended<br/>March 31, 2022</b> |
|           | <b>On financial liabilities measured at amortised cost:</b>                      |                                      |                                      |
|           | Inter corporate deposits                                                         | 6 114                                | 13 142                               |
|           | Bank overdrafts                                                                  | -                                    | 2                                    |
|           | Bank loans-long term and short term                                              | 8 698                                | 74 728                               |
|           | Debentures                                                                       | 13 697                               | 1 23 649                             |
|           | Preference shares                                                                | (25)                                 | (285)                                |
|           | Discount on commercial papers                                                    | 1 451                                | 5 819                                |
|           | Amortised brokerage                                                              | -                                    | (1)                                  |
|           | Others                                                                           | 690                                  | 1 378                                |
|           | <b>On financial liabilities measured at FVTPL:</b>                               |                                      |                                      |
|           | Debentures                                                                       | (683)                                | 549                                  |
|           | <b>Total</b>                                                                     | <b>29 942</b>                        | <b>2 18 981</b>                      |
| <b>35</b> | <b>Fees and commission expense</b>                                               | (₹ in lakh)                          |                                      |
|           | <b>Particulars</b>                                                               | <b>Year Ended<br/>March 31, 2023</b> | <b>Year ended<br/>March 31, 2022</b> |
|           | Commission expenses                                                              | 76 076                               | 69 509                               |
|           | Other fees                                                                       | 546                                  | 1 498                                |
|           | <b>Total</b>                                                                     | <b>76 622</b>                        | <b>71 007</b>                        |

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**
**36 Impairment on financial instruments** (₹ in lakh)

| Particulars                                                 | Year Ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|-------------------------------------------------------------|------------------------------|------------------------------|
| <b>On financial instruments measured at amortised cost:</b> |                              |                              |
| Loans                                                       | 44 425                       | 6 00 879                     |
| Investments                                                 | 19                           | (1 471)                      |
| Others                                                      | 1 07 088                     | 12 852                       |
| <b>Total</b>                                                | <b>1 51 532</b>              | <b>6 12 260</b>              |

**37 Employee benefits expenses** (₹ in lakh)

| Particulars                               | Year Ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|-------------------------------------------|------------------------------|------------------------------|
| Salaries and wages                        | 1 44 983                     | 1 36 007                     |
| Contribution to provident and other funds | 7 185                        | 6 947                        |
| Share based payments to employees         | 288                          | 249                          |
| Staff welfare expenses                    | 2 511                        | 1 897                        |
| Others                                    | 1 788                        | 1 821                        |
| <b>Total</b>                              | <b>1 56 755</b>              | <b>1 46 921</b>              |

**38 Other expenses** (₹ in lakh)

| Particulars                                                                   | Year Ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|-------------------------------------------------------------------------------|------------------------------|------------------------------|
| Change in Reserve for unexpired risk                                          | 25 579                       | 34 587                       |
| Bank charges                                                                  | 3 457                        | 2 865                        |
| Rent                                                                          | 5 967                        | 4 726                        |
| Rates and taxes                                                               | 296                          | 2 844                        |
| Repairs and maintenance                                                       | 9 250                        | 8 982                        |
| Electricity                                                                   | 1 056                        | 1 074                        |
| Insurance                                                                     | 229                          | 305                          |
| Travelling and conveyance                                                     | 5 654                        | 3 197                        |
| Communication costs                                                           | 2 599                        | 2 271                        |
| Legal and professional fees                                                   | 10 739                       | 7 665                        |
| Auditors' remuneration                                                        | 258                          | 221                          |
| Sales and marketing expenses                                                  | 1 44 961                     | 1 16 180                     |
| Directors' sitting fees                                                       | 137                          | 158                          |
| Loss on sale of fixed asset/repossessed assets                                | 51                           | 2                            |
| Corporate social responsibility                                               | 669                          | 566                          |
| Coinsurance expenses (net)                                                    | 381                          | -                            |
| Profit attributable to Participating Policyholders of Life Insurance business | -                            | -                            |
| Miscellaneous expenses                                                        | 38 191                       | 40 993                       |
| <b>Total</b>                                                                  | <b>2 49 474</b>              | <b>2 26 636</b>              |

**a) Breakup of Auditors' remuneration** (₹ in lakh)

| Particulars                                   | Year Ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|-----------------------------------------------|------------------------------|------------------------------|
| Audit fees                                    | 224                          | 186                          |
| Certification charges and other reimbursement | 34                           | 35                           |
| <b>Total</b>                                  | <b>258</b>                   | <b>221</b>                   |

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

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

As per Section 135 of the Companies Act, 2013 (the "Act"), the Subsidiaries are under obligation to incur ₹ 669 lakh (Previous year ₹ 566 lakh) 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 2022-23, the Parent Company was not required to spend on CSR activities.

**40 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 Parent Company upon payment of the exercise price during the exercise period.

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

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

\*In terms of the provisions of the ESOS, exercise price of ₹ 396 has been adjusted to ₹ 296, on account of corporate action for demerger of Real Estate Lending Business of The Parent Company, in line with the difference in the volume weighted average price of the Equity Shares of The Parent Company on the National Stock Exchange of India Limited on pre and post demerger date.

The fair value of the options granted was estimated on the date of grant using the Black Scholes Model with the following assumptions:

|                                 |                  |
|---------------------------------|------------------|
| Risk Free Interest Rate         | 7.51%– 7.56%     |
| Expected Dividend Yield         | 2.28%            |
| Expected Life (years)           | 4.51 to 6.51     |
| Expected Volatility             | 44.61% to 46.39% |
| Weighted Average Fair Value (₹) | 565              |

The information covering stock options granted, exercised, forfeited and outstanding at the year end is as follows: (As certified by the management)

| Particulars                                  | Year Ended<br>March 31, 2023 |                     | Year ended<br>March 31, 2022 |                     |
|----------------------------------------------|------------------------------|---------------------|------------------------------|---------------------|
|                                              | Average<br>exercise prices   | Number of<br>option | Average<br>exercise prices   | Number of<br>option |
| Outstanding at the beginning of the year     | 296                          | 69 530              | 296                          | 72 970              |
| Granted during the year                      | -                            | -                   | -                            | -                   |
| Exercised during the year                    | -                            | -                   | -                            | -                   |
| Forfeited / Lapsed / Expired during the year | -                            | 8 440               | -                            | 3 440               |
| <b>Outstanding at the end of the year</b>    | <b>296</b>                   | <b>61 090</b>       | 296                          | 69 530              |
| Vested and exercisable                       | 296                          | 61 090              | 296                          | 69 530              |

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2023 was ₹ 296 (Previous year: ₹ 296).

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**

Share options outstanding at the end of the year have the following expiry date and exercise price:

| Grant date       | Expiry date      | Exercise price | Outstanding<br>as at<br>March 31, 2023 | Outstanding<br>as at<br>March 31, 2022 |
|------------------|------------------|----------------|----------------------------------------|----------------------------------------|
| October 15, 2015 | October 15, 2023 | 296            | 61 090                                 | 69 530                                 |
| <b>Total</b>     |                  |                | <b>61 090</b>                          | <b>69 530</b>                          |

**b) 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.

**41 Leases**
**As a lessor**

Details of Future Minimum Lease Receivables are as under : (₹ in lakh)

| Particulars                                       | 2022-23 | 2021-22 |
|---------------------------------------------------|---------|---------|
| Not later than one year                           | -       | -       |
| Later than one year and not later than five years | -       | -       |
| later than five years                             | -       | -       |

**As a lessee**

Changes in carrying value of right of use assets for the period ended March 31, 2023 : (₹ in lakh)

| Particulars                  | 2022-23 | 2021-22 |
|------------------------------|---------|---------|
| Opening Balance              | 5 452   | 6 912   |
| Additions                    | 1 855   | 576     |
| Interest expense             | -       | -       |
| Payment of lease liabilities | (2 414) | (2 035) |
| Closing Balance              | 4 893   | 5 452   |

Interest Expense on lease liability and movement in lease liabilities for the period ended March 31, 2023

| Particulars                  | 2022-23 | 2021-22 |
|------------------------------|---------|---------|
| Opening Balance              | 6 132   | 7 235   |
| Additions                    | 1 775   | 475     |
| Interest expense             | 569     | 625     |
| Payment of lease liabilities | (2 591) | (2 203) |
| Closing Balance              | 5 885   | 6 132   |

Maturity Analysis of Lease Liabilities as on March 31, 2023 (₹ in lakh)

| Particulars                                       | 2022-23 | 2021-22 |
|---------------------------------------------------|---------|---------|
| Not later than one month                          | 1 513   | 841     |
| Later than one year and not later than five years | 3 114   | 5 386   |
| Later than five year                              | 1 336   | 100     |

Total Cash outflow on account of lease liabilities for the period ended March 31, 2023 amounts to ₹ 1491 lakh

Expense pertaining to short term leases (i.e having lease period of less than 12 months) amounts to ₹ 2437 lakh

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**

**42 Basic and diluted earnings per share**

The computation of earnings per share is set out below:

(₹ in lakh)

| Particulars                                               | 2022-23      | 2021-22      |
|-----------------------------------------------------------|--------------|--------------|
| a) Amounts used as the numerators                         |              |              |
| Net loss after tax                                        | (1 75 941)   | (8 05 474)   |
| 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 (₹)   | (70.07)      | (320.80)     |
| d) Diluted earnings per share of face value ₹ 10 each (₹) | (70.07)      | (320.80)     |

**43 Income tax**

a) **The components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:** (₹ in lakh)

| Particulars                                                | 2022-23       | 2021-22       |
|------------------------------------------------------------|---------------|---------------|
| Current tax                                                | 10 512        | 5 243         |
| Adjustment in respect of current income tax of prior years | -             | -             |
| Deferred tax                                               | 2             | 9 451         |
| <b>Total</b>                                               | <b>10 514</b> | <b>14 694</b> |

b) **Reconciliation of the total tax charge** (₹ in lakh)

| Particulars                                                          | 2022-23       | 2021-22       |
|----------------------------------------------------------------------|---------------|---------------|
| Profit / (Loss) before tax to taxable profit or loss                 | (1 65 427)    | (7 90 780)    |
| Income Tax on above                                                  | (57 807)      | (2 76 330)    |
| Effect of expenses that are deductible in determining taxable profit | 67 862        | 2 82 064      |
| Tax losses on which no deferred tax has been recognised              | 409           | 3 559         |
| Effect of expenses that are deductible in determining taxable profit | -             | -             |
| Effect of Income which are exempt from tax                           | -             | -             |
| Other adjustments                                                    | 50            | 5 401         |
| <b>Income Tax expense charged to Statement of Profit and Loss</b>    | <b>10 514</b> | <b>14 694</b> |

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

c) **Tax Losses and Credits** (₹ in lakh)

| Particulars                                                                           | 2022-23  | 2021-22   |
|---------------------------------------------------------------------------------------|----------|-----------|
| Unutilised brought forward losses on which no deferred tax asset has been recognised* | 9 61 996 | 13 71 070 |
| Unutilised MAT Credit Entitlement on which no deferred tax asset has been recognised  | 29 157   | 34 237    |

**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

**44 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 lakh)

| Particulars                                                                              | 2022-23  | 2021-22  |
|------------------------------------------------------------------------------------------|----------|----------|
| <b>Contingent liabilities</b>                                                            |          |          |
| i) Guarantees to Banks and Financial Institutions                                        | 2 86 099 | 2 86 164 |
| ii) Claims against the Group not acknowledge as debt                                     | -        | 26 704   |
| iii) Dividend on Preference Shares                                                       | -        | -        |
| iv) Others                                                                               | 1 10 546 | 67 992   |
| <b>Commitments</b>                                                                       |          |          |
| i) Estimated amount of contracts remaining executed on capital account (net of advances) | 9 008    | 10 559   |
| ii) Commitments made and outstanding for investments                                     | 1 660    | 2 145    |

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**

- a) Claims against the Parent Company not acknowledge as debt include income tax claims for the AY 2017-18 of ₹ 1 200 lakh. The Parent 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 Parent Company does not expect any liability against the same.
- b) Pursuant to the admission and commencement of CIRP of the Parent Company under Insolvency and Bankruptcy Code, 2016 (IBC) with effect from December 06, 2021, there are various claims submitted by the operational creditors, the financial creditors, employees and other creditors. The overall obligations and liabilities including obligation for interest on loans and the principal rupee amount in respect of loans shall be determined during the CIRP.

Share of Company in contingent liabilities and capital commitments of an associate are as follow: (₹ in lakh)

| Particulars                                                                              | 2022-23 | 2021-22 |
|------------------------------------------------------------------------------------------|---------|---------|
| <b>Contingent liabilities</b>                                                            |         |         |
| i) Guarantees to Banks and Financial Institutions                                        | 25      | 25      |
| ii) Claims against the associates not acknowledge as debt                                | 514     | 514     |
| <b>Commitments</b>                                                                       |         |         |
| i) Estimated amount of contracts remaining executed on capital account (net of advances) | 832     | 832     |
| ii) Undrawn Committed Credit lines                                                       | 8 377   | 8 377   |

**45 Additional reconciliation required under Ind AS 104**
**A Related to General Insurance Business**

**Reinsurance assets** (₹ in lakh)

| Particulars                               | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|-------------------------------------------|-------------------------|-------------------------|
| Recoverable at the beginning of the year  | 5 77 683                | 5 45 817                |
| <b>Recoveries for the year</b>            |                         |                         |
| Outstanding claims reserve                | (1 078)                 | 10 232                  |
| IBNR                                      | 33 947                  | 19 746                  |
| Unearned premium                          | 24 026                  | 1 888                   |
| Premium deficiency reserve                | -                       | -                       |
| Others (to be specified)                  | -                       | -                       |
| <b>Recoverable at the end of the year</b> | <b>6 34 578</b>         | <b>5 77 683</b>         |

**Insurance contract liabilities** (₹ in lakh)

| Particulars                                   | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|-----------------------------------------------|-------------------------|-------------------------|
| Gross Liability at the beginning of the year  | 17 26 659               | 14 98 607               |
| Add/(Less)                                    |                         |                         |
| Change in outstanding claims reserve          | 13 708                  | 20 357                  |
| Change in IBNR                                | 1 82 444                | 1 71 220                |
| Change in unearned premium                    | 49 605                  | 36 475                  |
| Unwinding of the discount / Interest credited | -                       | -                       |
| Change in provision for premium deficiency    | -                       | -                       |
| Others (to be specified)                      | -                       | -                       |
| <b>Recoverable at the end of the year</b>     | <b>19 72 416</b>        | <b>17 26 659</b>        |

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

B Related to Life Insurance Business

Investment Contract Liabilities

(₹ in lakh)

| Particulars                                   | 2022-23      |                 |          |               | 2021-22      |                 |          |               |
|-----------------------------------------------|--------------|-----------------|----------|---------------|--------------|-----------------|----------|---------------|
|                                               | With DPF     | Linked Business | Others   | Total         | With DPF     | Linked Business | Others   | Total         |
| At the beginning of the year                  | 5 842        | 42 165          | -        | 48 007        | 7 282        | 40 805          | -        | 48 087        |
| <b>Additions</b>                              |              |                 |          |               |              |                 |          |               |
| Premium                                       | 258          | 3 008           | -        | 3 266         | 61           | 20 300          | -        | 20 361        |
| Interest and bonus credited to policy holders | 288          | 1 503           | -        | 1 792         | 298          | 4 967           | -        | 5 265         |
| Others – Unrealised gain & loss               | (62)         | -               | -        | (62)          | (46)         | -               | -        | (46)          |
| <b>Deductions</b>                             |              |                 |          |               |              |                 |          |               |
| Withdrawals / Claims                          | 480          | 6 448           | -        | 6 929         | 430          | 23 347          | -        | 23 777        |
| Fee Income and Other Expenses                 | 45           | 536             | -        | 581           | 69           | 560             | -        | 629           |
| Others                                        | (825)        | -               | -        | (825)         | 1 254        | -               | -        | 1 254         |
| <b>At the end of the year</b>                 | <b>6 626</b> | <b>39 692</b>   | <b>-</b> | <b>46 318</b> | <b>5 842</b> | <b>42 165</b>   | <b>-</b> | <b>48 007</b> |

Insurance contracts liabilities

2022-23

(₹ in lakh)

| 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                | 37 010   | -      | 598 918    | 635 928  | 0                     | 652 485  | 1 297 858  | 1 950 343 | 2 586 271 |
| Add/(Less)                                                  |          |        |            |          |                       |          |            |           |           |
| Methodology/ Modelling Change                               | (0)      | -      | 50         | 50       | -                     | (0)      | (94)       | (94)      | (44)      |
| Expected Change in existing business liabilities            | -        | -      | -          | -        | -                     | -        | -          | -         | -         |
| Premium                                                     | 2 054    | -      | 85 917     | 87 971   | -                     | 78 410   | 232 917    | 311 328   | 399 298   |
| Insurance Liabilities released                              | -        | -      | -          | -        | -                     | -        | -          | -         | -         |
| On completion of the insurance contracts                    | (1)      | -      | (30 175)   | (30 177) | -                     | (12 615) | (8 544)    | (21 158)  | (51 335)  |
| On surrender of the insurance contracts                     | (957)    | -      | (7 257)    | (8 214)  | -                     | (49 791) | (27 960)   | (77 751)  | (85 964)  |
| On lapsation of the insurance contracts                     | (616)    | -      | (535)      | (1 151)  | -                     | 1 453    | (5 465)    | (4 012)   | (5 163)   |
| Others                                                      | (157)    | -      | (1 791)    | (1 949)  | -                     | (1 815)  | (2 293)    | (4 107)   | (6 056)   |
| Unwinding of discount rate                                  | 4        | -      | 34 175     | 34 179   | 0                     | 4 400    | 70 938     | 75 338    | 109 517   |
| Release of zeroisation/surrender value floor                | (322)    | -      | (15)       | (337)    | (0)                   | 10 508   | 10         | 10 518    | 10 180    |
| Impact due to assumption changes                            | -        | -      | -          | -        | -                     | -        | -          | -         | -         |
| Economic assumptions                                        | (10)     | -      | (965)      | (975)    | -                     | (6)      | (2 351)    | (2 357)   | (3 332)   |
| Operating assumptions                                       | 8        | -      | 13 571     | 13 579   | 0                     | (11)     | 8 745      | 8 734     | 22 313    |
| Variance between actual and expected experience             | -        | -      | -          | -        | -                     | -        | -          | -         | -         |
| Economic assumptions                                        | -        | -      | -          | -        | -                     | -        | -          | -         | -         |
| Operating assumptions                                       | -        | -      | -          | -        | -                     | -        | -          | -         | -         |
| Change in Undistributed Participating Policyholders surplus | -        | -      | -          | -        | -                     | -        | -          | -         | -         |
| Opening Balance                                             | -        | -      | 39 313     | 39 313   | -                     | -        | -          | -         | 39 313    |
| Amount utilised during the year                             | -        | -      | (25 567)   | (25 567) | -                     | -        | -          | -         | (25 567)  |

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**
**2022-23**

(₹ in lakh)

| Particulars                                   | With DPF      |          |                |                | Without DPF (Non-Par) |                |                  |                  | Total            |
|-----------------------------------------------|---------------|----------|----------------|----------------|-----------------------|----------------|------------------|------------------|------------------|
|                                               | VIP           | Linked   | Non-Linked     | Total          | VIP                   | Linked         | Non-Linked       | Total            |                  |
| Amount Credited during the year               | -             | -        | 26 920         | 26 920         | -                     | -              | -                | -                | 26 920           |
| Closing Balance                               | -             | -        | 40 666         | 40 666         | -                     | -              | -                | -                | 40 666           |
| Provisions in respect of new business         | 1 933         | -        | 2 409          | 4 342          | -                     | 35 605         | 35 027           | 70 632           | 74 974           |
| Other Movements                               | -             | -        | -              | -              | -                     | -              | -                | -                | -                |
| Change in any global reserves                 | (736)         | -        | (476)          | (1 212)        | -                     | 238            | (2 062)          | (1 824)          | (3 036)          |
| Change in benefit on account of bonus changes | -             | -        | -              | -              | -                     | -              | -                | -                | -                |
| Change due to policy alterations              | -             | -        | -              | -              | -                     | -              | -                | -                | -                |
| Others                                        | (1 229)       | -        | (50 831)       | (52 060)       | (0)                   | (56 842)       | (52 118)         | (108 960)        | (161 020)        |
| Gross Liability at the end of the year        | 36 980        | -        | 724 327        | 761 306        | (0)                   | 662 020        | 1 544 609        | 2 206 629        | 2 967 935        |
| Reinsurance Asset at the end of the year      | -             | -        | -              | -              | -                     | -              | -                | -                | -                |
| <b>Net Liability</b>                          | <b>36 980</b> | <b>-</b> | <b>724 327</b> | <b>761 306</b> | <b>(0)</b>            | <b>662 020</b> | <b>1 544 609</b> | <b>2 206 629</b> | <b>2 967 935</b> |

**2021-22**

(₹ in lakh)

| 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                | 38 100   | -      | 587 395    | 625 495  | -                     | 572 341  | 1 085 338  | 1 657 679 | 2 283 174 |
| Add/(Less)                                                  | -        | -      | -          | -        | -                     | 0        | -          | 0         | 0         |
| Methodology/ Modelling Change                               | -        | -      | -          | -        | -                     | 0        | -          | 0         | 0         |
| Expected Change in existing business liabilities            | -        | -      | -          | -        | -                     | -        | -          | -         | -         |
| Premium                                                     | 2 144    | -      | 88 550     | 90 694   | -                     | 75 717   | 208 548    | 284 265   | 374 959   |
| Insurance Liabilities released                              | -        | -      | -          | -        | -                     | -        | -          | -         | -         |
| On completion of the insurance contracts                    | -        | -      | (51 879)   | (51 879) | -                     | (11 021) | (19 460)   | (30 481)  | (82 360)  |
| On surrender of the insurance contracts                     | (1 630)  | -      | (8 210)    | (9 840)  | -                     | (53 217) | (24 920)   | (78 137)  | (87 977)  |
| On lapsation of the insurance contracts                     | (1 011)  | -      | (745)      | (1 756)  | -                     | 3 236    | (8 399)    | (5 163)   | (6 919)   |
| Others                                                      | (225)    | -      | (2 716)    | (2 941)  | -                     | (3 249)  | (3 050)    | (6 299)   | (9 240)   |
| Unwinding of discount rate                                  | -        | -      | 32 647     | 32 647   | 0                     | 65 395   | 58 442     | 123 837   | 156 484   |
| Release of zeroisation/surrender value floor                | (436)    | -      | (467)      | (903)    | (0)                   | 8 600    | 858        | 9 458     | 8 555     |
| Impact due to assumption changes                            | -        | -      | -          | -        | -                     | -        | -          | -         | -         |
| Economic assumptions                                        | -        | -      | (1 145)    | (1 145)  | 0                     | (4)      | (2 155)    | (2 159)   | (3 304)   |
| Operating assumptions                                       | -        | -      | 10 061     | 10 061   | -                     | 17       | 19 161     | 19 178    | 29 239    |
| Variance between actual and expected experience             | -        | -      | -          | -        | -                     | -        | -          | -         | -         |
| Economic assumptions                                        | -        | -      | -          | -        | -                     | -        | -          | -         | -         |
| Operating assumptions                                       | -        | -      | -          | -        | -                     | -        | -          | -         | -         |
| Change in Undistributed Participating Policyholders surplus | -        | -      | -          | -        | -                     | -        | -          | -         | -         |
| Opening Balance                                             | -        | -      | 36 629     | 36 629   | -                     | -        | -          | -         | 36 629    |
| Amount utilised during the year                             | -        | -      | (25 414)   | (25 414) | -                     | -        | -          | -         | (25 414)  |
| Amount Credited during the year                             | -        | -      | 28 897     | 28 897   | -                     | -        | -          | -         | 28 897    |

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**
**2021-22**

(₹ in lakh)

| Particulars                                   | With DPF      |          |                |                | Without DPF (Non-Par) |                |                  |                  | Total            |
|-----------------------------------------------|---------------|----------|----------------|----------------|-----------------------|----------------|------------------|------------------|------------------|
|                                               | VIP           | Linked   | Non-Linked     | Total          | VIP                   | Linked         | Non-Linked       | Total            |                  |
| Closing Balance                               | -             | -        | 39 313         | 39 313         | -                     | -              | -                | -                | 39 313           |
| Provisions in respect of new business         | 2 567         | -        | 2 650          | 5 217          | -                     | 43 692         | 30 284           | 73 976           | 79 193           |
| Other Movements                               |               |          |                | -              |                       |                |                  | -                | -                |
| Change in any global reserves                 | (795)         | -        | (1 284)        | (2 079)        | -                     | (803)          | (11 637)         | (12 440)         | (14 519)         |
| Change in benefit on account of bonus changes | -             | -        | -              | -              | -                     | -              | -                | -                | -                |
| Change due to policy alterations              | -             | -        | -              | -              | -                     | -              | -                | -                | -                |
| Others                                        | (1 704)       | -        | (58 623)       | (60 327)       | 0                     | (48 219)       | (35 152)         | (83 371)         | (143 698)        |
| Gross Liability at the end of the year        | 37 010        | -        | 598 918        | 635 928        | 0                     | 652 485        | 1 297 858        | 1 950 343        | 2 586 271        |
| Reinsurance Asset at the end of the year      | -             | -        | -              | -              | -                     | -              | -                | -                | -                |
| <b>Net Liability</b>                          | <b>37 010</b> | <b>-</b> | <b>598 918</b> | <b>635 928</b> | <b>0</b>              | <b>652 485</b> | <b>1 297 858</b> | <b>1 950 343</b> | <b>2 586 271</b> |

**46 Going Concern**

- (a) The Reserve Bank of India (RBI) vide Press Release dated November 29, 2021 in exercise of the power conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934, superseded the Board of Directors of Reliance Capital Limited ("RCL"). Thereafter RBI vide press release dated November 30, 2021 in exercise of the power conferred under Section 45-IE (5A) of the Reserve Bank of India Act, 1934 constituted a three-member advisory committee to assist the Administrator in the discharge of his duties. On December 02, 2021 the RBI filed the Petition before the NCLT under sub-Clause (I) of clause (a) of Rule 5 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 (FSP Rules) to initiate Corporate Insolvency Resolution Process ("CIRP") against RCL read with Section 227 of Insolvency and Bankruptcy Code, 2016, read with the rules and regulations framed there under and amended from time to time (the "Code"). Further CIRP was initiated against the Company under Section 227 read with clause (zk) of sub section (2) of section 239 of the Code and read with rules 5 and 6 of the FSP Rules by an order dated December 06, 2021 of the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT/Adjudicating Authority). The Adjudicating Authority vide the above order, appointed the Administrator to perform all the functions of a resolution professional to complete the CIRP of the Company as required under the provisions of the Code and a moratorium was declared by the NCLT. It is also incumbent upon the Administrator (exercising same powers as Resolution Professional under the Code), under section 20 of the Code, to manage the operations of the Company as a going concern. Accordingly, the financial results for the year ended March 31, 2023 has been prepared on going concern assumptions.

In accordance with section 14 of the Code read with the FSP Insolvency Rules, a moratorium has been effective on and from December 06, 2021, i.e. the date of admission of the parent Company in the CIRP process for prohibiting institution of suits or continuation of pending suits or proceedings against the parent Company including execution of any judgement, decree or order in any court of law, tribunal, arbitration panel or other authority. The Administrator has taken steps for seeking confirmations from various forums where litigations have been levied on the parent Company for disposal of assets, that such injunctions will not be applicable during CIRP.

- (b) Reliance Money Precious Metals Private Limited (RMPML), the accumulated losses as at March 31, 2023 exceed paid up capital resulting in an erosion of its capital. The accounts have been prepared on 'Going Concern' basis on the understanding that finance will continue to be available to the RMPML for Working Capital requirements.
- (c) Reliance Money Services Private Limited, the accumulated losses as at March 31, 2023 exceed paid up capital resulting in an erosion of its capital. The accounts have been prepared on 'Going Concern' basis on the understanding that finance will continue from the Associate Company i.e. Reliance Securities Limited.
- (d) 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) Reliance Wealth Management Limited (RWML), the entire net worth has been eroded due to losses incurred. RWML's ability to meet its obligations is significantly dependent on material uncertain events including retaining and growing its current Portfolio of PMS business and distribution of Mutual fund business. RWML is confident that such cash flows would enable it to service its debt and discharge its liabilities, Also RWML got confirmation from one of fellow subsidiary

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

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.

- (f) Reliance Corporate Advisory Services Limited (RCASL), the entire net worth has been eroded due to losses incurred. RCASL with its holding company has initiated for monetising its assets. Accordingly, the financial statement of RCASL has been prepared on a going concern basis.
  - (g) Reliance Exchangenext Limited (RNEXT), the entire net worth has been eroded due to losses incurred. RNEXT with its holding Company has initiated for monetising its assets. Accordingly, the financial statement of RNEXT has been prepared on a going concern basis.
  - (h) The subsidiaries companies of Quant Capital Private Limited (QCPL), i.e Quant Securities Private Limited and Quant Investment Services Private Limited, Company's are having negative net worth. However having regard to continued financial support from the promoters, the financial statements have been prepared on going concern basis without any adjustment to the carrying value of assets and liabilities.
  - (i) From the above, there are material uncertainties that may cast significant doubt on the Group's ability to continue as a Going Concern. However, the Parent Company is in the Corporate Insolvency Resolution Process ("CIRP") and Administrator has been appointed. Administrator, (exercising same powers as Resolution Professional under the Code), under section 20 of the Code, to manage the operations of the Parent Company as a going concern. Accordingly, the Statement of the Group for the year ended March 31, 2023 have been prepared on going concern assumptions.
- 47**
- a) The Administrator and the Advisory Committee members along with the management team and the employees of the Parent Company, upon their taking charge are taking various efforts to improve the operational, financial, and managerial efficiency of the Parent Company.
  - b) The Administrator has taken charge with effect from November 29, 2021, and has relied on information, data, and clarification provided by the existing Key Management Personnel (KMP's) of the Parent Company for the purpose of the financial results. With respect to the financial statements for the year ended March 31, 2023, the Administrator has signed the same solely for the purpose of ensuring compliance by the Parent Company with applicable law, and subject to the following:
    - i) The Administrator has taken charge with effect from November 29, 2021 and therefore was not in control of the operations or the management of the Company prior to November 29, 2021;
    - ii) The Administrator has furnished and signed the report in good faith and accordingly, no suit, prosecution or other legal proceeding shall lie against the Administrator in terms of Section 233 of the Code;
    - iii) The Administrator, while signing this statement of financial results, has relied solely upon the assistance provided by the existing staff and present key management personnel (KMPs) of the Parent Company in review of the financial results as well as the certifications, representations and statements made by the KMPs of the Parent Company, in relation to these financial results. The statement of financial results of the Parent Company for the year ended March 31, 2023 have been taken on record by the Administrator solely on the basis of and on relying on the aforesaid certifications, representations and statements of the aforesaid existing staff and present key management personnel (KMPs). For all such information and data, the Administrator has assumed, without any further assessment, that such information and data are in the conformity with the Companies Act, 2013 and other applicable laws with respect to the preparation of the financial statements and that they give true and fair view of the position of the Parent Company as of the dates and period indicated therein.
  - c) Pursuant to the admission and commencement of CIRP of the Parent Company under Insolvency and Bankruptcy Code, 2016 (IBC) with effect from December 06, 2021, there are various claims submitted by the operational creditors, the financial creditors, employees and other creditors. The overall obligations and liabilities including obligation for interest on loans and the principal rupee amount in respect of loans shall be determined during the CIRP. The above audited financial results are drawn on the basis of March 31, 2023 figures as per the books of accounts of the Parent Company.
  - d) In view of ongoing CIRP, the Parent Company has provided for the interest expense which may be applicable on the financial debts upto the Insolvency Commencement Date i.e. December 06, 2021 and accordingly interest expense of ₹ 2 09 949 lakh for the post CIRP period from December 07, 2021 to March 31, 2023 have not been provided.
  - e) The Parent Company is undergoing Corporate Insolvency Resolution Process ("CIRP") under the provisions of the Insolvency & Bankruptcy Code 2016 ("IBC"). As per the provisions of the IBC, the fair value and liquidation value of the assets of the parent company as on the insolvency commencement date is required to be determined. In compliance with the same, the Administrator has appointed 2 registered valuers and the said exercise is currently underway. As per Ind AS 36- "Impairment of Assets", impairment testing of assets is to be conducted on an annual basis. On completion of the CIRP, the Parent Company will carry out a comprehensive review of all the assets including investments, other assets and intangible assets, liabilities and accordingly provide for Impairment loss on assets and write back of liabilities, if any.
  - f) The Administrator of Parent company, duly appointed by the Hon'ble National Company Law Tribunal, Mumbai ("NCLT Mumbai Bench"), is obligated to file application for avoidance transactions in accordance with section 25(2)(j) of the Insolvency and Bankruptcy Code, 2016 ("the Code") read with Regulation 35A of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("CIRP Regulations"). In furtherance

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**

of the aforesaid, the Administrator has appointed a transaction auditor, BDO India LLP (BDO or Transaction Auditor), to determine if Parent Company has been subjected to transactions under sections 43, 45, 50 and 66 of the Code and submit a report on the same ("BDO Report"). Estimated impact on the Parent Company is INR 219200 lakh as per the BDO report. On a review and in consideration of the findings of the Transaction Auditor, the Administrator has filed 8 applications before the NCLT Mumbai Bench under Section 60(5) and Section 66(2) of the Code read with the relevant CIRP Regulations in October 2022 seeking appropriate relief. The Company has made requisite disclosures of the same under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The applications are pending before NCLT Mumbai Bench.

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

- 48 a) One of the previous auditor of the Parent Company after resigning from the office in June 2019 submitted a report under Section 143(12) of the Act 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 Act. The matter is under consideration with the Ministry of Corporate Affairs..
- b) The Parent Company had pledged its entire equity holding in Reliance General Insurance Company Limited (RGICL) in favour of IDBI Trusteeship Services Limited (Trustee) against dues guaranteed by the Company. The Trustee, on November 19, 2019, invoked the pledge and presently holds the shares of RGICL in their custody. Vide orders dated December 4, 2019 and December 27, 2019, Insurance Regulatory and Development Authority of India (IRDAI), has informed the parent Company that the transfer of shares was void ab initio. The said order was challenged in Securities Appellate Tribunal, Mumbai (SAT) and SAT vide its order dated February 27, 2020 held that the Trustee is holding shares as Trustee / custodian and will not exercise any control over RGICL and cannot exercise any voting rights on shares of RGICL. Accordingly, RGICL continues to be a subsidiary of the parent Company. The Administrator on behalf of the parent Company has filed an application before the National Companies Law Tribunal, Mumbai on April 27, 2022, against the Trustee inter alia seeking direction against the Trustee to return the custody and control of the RGICL shares owned by the parent Company. Hon'ble National Company Law Tribunal bench at Mumbai ("NCLT") by its Order dated May 4, 2023 has directed IDBI Trusteeship Services Limited to handover the possession of 25,15,49,920 shares (100% equity shares) of RGICL to the Administrator 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 Hon'ble High Court of Bombay has referred the matter to the arbitration, the Sole Arbitrator who upon hearing the Interim Applications filed by the parent Company passed an interim order on April 23, 2020 wherein it stated that a status quo (as ordered by Bombay High Court vide Order dated December 11, 2019) will continue and the NLIAML shares, whose pledge was invoked by IndusInd Bank, will remain in a separate demat account, where they are lying currently. Accordingly, the parent Company continues to consider its rights on the above referred shares.

**49 In case of Reliance Commercial Finance Limited (RCFL):**

The Parent Company, pursuant to approval granted by the Committee of Creditors in terms of Regulation 29 of the CIRP Regulation and in pursuance of the implementation of the resolution plan of Reliance Commercial Finance Limited (RCFL) in terms of the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019, has for a consideration of ₹ 100 lakh disposed off its holding of Equity shares, 12% Non-Convertible Cumulative Compulsory Redeemable Preference Shares and Inter Corporate Deposits in its wholly owned subsidiary RCFL to Authum Investment and Infrastructure Limited on October 14, 2022.

Consequently, RCFL and Gulfoss Enterprises Private Limited a subsidiary of RCFL, have ceased to be subsidiaries of the Parent Company w.e.f. October 14, 2022 and Global Wind Power Limited and Reinplast Advanced Composites Private Limited, have ceased to be associates of the Parent Company w.e.f. October 14, 2022.

**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, 2023**

The liability for IBNR and IBNER as at March 31, 2023 has been estimated by Appointed Actuary as per the IRDA circular no. 11/IRDA/ACTL/IBNR/2005-06 dated 08th June, 2005 and Insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016 and any subsequent amendments there of.

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**

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 ₹ 150000 lakh. 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 ₹ 150000 lakh of the INIP the capacity provided by the Company is ₹ 20 Lakh.

In accordance with the terms of the agreement, GIC Re retrocede to the company to the extent of the company's share in the risk which is recorded as reinsurance accepted based on the half yearly statements received from GIC Re.

**d) Contribution to Environment Relief Fund**

For the year ended March 2023, the Company had collected ₹ 18 Lakh (Previous year ₹ 19 Lakh) towards Environment Relief Fund (ERF) for public liability policies and an amount of ₹ 18 Lakh (Previous year ₹ 20 Lakh) transferred to "United India Insurance Company Limited, Environment Fund Account" as per Notification of ERF scheme under the public liability Insurance Act, 1991 as amended, balance amount of ₹ 1 Lakh (Previous year ₹ 1 Lakh) 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 or 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 and Ind AS 113, which is the amount for which the liability could be transferred in an orderly transaction between market participants at the measurement date. For unit-linked contracts, the fair value liability is equal to the current unit fund value, including any unfunded units.

**52 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**

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**

under Statutory Liability. The aggregate amount outstanding is ₹ 1221 lakh (previous year: ₹ 1221 lakh).

- 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 ₹ 933 lakh. 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 17.03.2018 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.

**53 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 ₹ 4735 lakh 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 Ltd., which now becomes co-anchor investor, exercises its right to stake a claim to 14% in the Exchange from IBFSL in pursuance to its right to first refusal, IBFSL will be bound to transfer its remaining 14% to MMTC Ltd. at the same price at which it has been offered to the Company.

On October 21, 2011, MMTC Ltd. submitted a petition before the Company Law Board (CLB), New Delhi, in terms of Sections 397, 398, 402 and 403 of the Companies Act, 1956, seeking declaration of the aforesaid transfer of shares as void, injunction and investigation into the affairs of the ICEX and appointment of Administrative Special Officer, Auditor, etc.

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

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

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**
**54 Segment Reporting**

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

| Particulars                                  | Year    | Finance & Investments | General Insurance | Life Insurance | Commercial Finance | Others | Elimination | Total      |
|----------------------------------------------|---------|-----------------------|-------------------|----------------|--------------------|--------|-------------|------------|
| <b>Revenue</b>                               |         |                       |                   |                |                    |        |             |            |
| <b>External</b>                              | 2022-23 | (42 874)              | 12 34 637         | 6 78 377       | 34 639             | 26 516 | -           | 19 31 295  |
|                                              | 2021-22 | 7 015                 | 11 31 585         | 7 40 460       | 19 620             | 31 452 |             | 19 30 132  |
| <b>Internal</b>                              | 2022-23 | 1 589                 | 1 018             | 209            |                    | 549    | (3 365)     | -          |
|                                              | 2021-22 | 2 371                 | 1 617             | 461            |                    | 2 745  | (7 194)     | -          |
| <b>Total Revenue</b>                         | 2022-23 | (41 285)              | 12 35 655         | 6 78 586       | 34 639             | 27 065 | (3 365)     | 19 31 295  |
|                                              | 2021-22 | 9 386                 | 11 33 202         | 7 40 921       | 19 620             | 34 197 | (7 194)     | 19 30 132  |
| <b>Results</b>                               |         |                       |                   |                |                    |        |             |            |
| Segment Results - Profit / (Loss) before tax | 2022-23 | (2 00 629)            | 31 217            | 4 369          | (1 825)            | 1 441  |             | (1 65 427) |
|                                              | 2021-22 | (1 41 238)            | 45 899            | 12 308         | (7 10 319)         | 2 570  | -           | (7 90 780) |
| Unallocated Expenses                         | 2022-23 | -                     | -                 | -              | -                  | -      | -           | -          |
|                                              | 2021-22 | -                     | -                 | -              | -                  | -      | -           | -          |
| Profit / (Loss) before tax                   | 2022-23 | (2 00 629)            | 31 217            | 4 369          | (1 825)            | 1 441  | -           | (1 65 427) |
|                                              | 2021-22 | (1 41 238)            | 45 899            | 12 308         | (7 10 319)         | 2 570  | -           | (7 90 780) |
| <b>Other Information</b>                     |         |                       |                   |                |                    |        |             |            |
| Segment Assets                               | 2022-23 | 7 57 411              | 26 53 324         | 32 01 297      | -                  | 70 458 | (48 372)    | 66 34 118  |
|                                              | 2021-22 | 9 47 218              | 23 10 285         | 29 08 284      | 2 00 056           | 89 186 | (86 081)    | 63 68 948  |
| Unallocated Assets                           | 2022-23 | -                     | -                 | -              | -                  | -      | -           | -          |
|                                              | 2021-22 | -                     | -                 | -              | -                  | -      | -           | -          |
| Total Assets                                 | 2022-23 | 7 57 411              | 26 53 324         | 32 01 297      | -                  | 70 458 | (48 372)    | 66 34 118  |
|                                              | 2021-22 | 9 47 218              | 23 10 285         | 29 08 284      | 2 00 056           | 89 186 | (86 081)    | 63 68 948  |
| Segment Liabilities                          | 2022-23 | 24 13 447             | 24 23 196         | 30 33 675      | -                  | 61 732 | (1 75 045)  | 77 57 005  |
|                                              | 2021-22 | 24 00 442             | 20 76 645         | 27 49 376      | 12 78 042          | 81 655 | (3 14 804)  | 82 71 356  |
| Unallocated Liabilities                      | 2022-23 | -                     | -                 | -              | -                  | -      | -           | -          |
|                                              | 2021-22 | -                     | -                 | -              | -                  | -      | -           | -          |
| Total Liabilities                            | 2022-23 | 24 13 447             | 24 23 196         | 30 33 675      | -                  | 61 732 | (1 75 045)  | 77 57 005  |
|                                              | 2021-22 | 24 00 442             | 20 76 645         | 27 49 376      | 12 78 042          | 81 655 | (3 14 804)  | 82 71 356  |
| Capital Expenditure                          | 2022-23 | -                     | 6 232             | 2 994          | -                  | 356    | -           | 9 582      |
|                                              | 2021-22 | -                     | 7 561             | 3 639          | -                  | 169    | -           | 11 369     |
| Depreciation                                 | 2022-23 | 438                   | 5 491             | 4 800          | 437                | 427    | -           | 11 593     |
|                                              | 2021-22 | 615                   | 4 386             | 4 605          | 1 210              | 420    | -           | 11 236     |
| Noncash Expenses other than Depreciation     | 2022-23 | 1 45 868              | 1 038             | -              | 4 288              | 975    | -           | 1 52 169   |
|                                              | 2021-22 | 5 180                 | (8 641)           | (1 471)        | 6 08 551           | -      | -           | 6 03 619   |

**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 Reliance Capital Group are further described below
  - a) Finance & Investments – This includes the corporate lending and investment activities.
  - b) General Insurance – This includes the general and health insurance business.

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**

- 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.

**55 Related party transactions**

**A List of Related Parties and their relationship:**

**i) Entity having significant influence on the Company**

Reliance Innoventures Private Limited (ceased to be related party w.e.f. November 29, 2021)

**ii) Individual Promoter**

Shri Anil D. Ambani (ceased to be related party w.e.f. November 29, 2021)

**iii) Associates**

Ammolite Holdings Limited (AHL)

Reliance Asset Reconstruction Company Limited (RARCL)

Global Wind Power Limited (GWPL) (ceased to be related party w.e.f. October 14, 2022)

Reinplast Advanced Composites Private Limited (RACPL) (ceased to be related party w.e.f. October 14, 2022)

Reliance Home Finance Limited (RHFL)

**iv) Key management personnel**

Mr. Dhananjay Tiwari (Director & Chief Executive Officer) (ceased w.e.f. March 15, 2022)

Mr. Atul Tandon Company Secretary & Compliance Officer

Mr. Aman Gudral (Chief Financial Officer) (appointed w.e.f. April 12, 2022)

Mr. Vijesh B. Thota (Chief Financial Officer) (ceased w.e.f. April 11, 2022)

**v) Resolution Professional**

Mr. Nageswara Rao Y (Administrator) (Appointed w.e.f. December 06, 2021)

**B Transactions during the year with related parties:**

| Particulars                               | 2022-23    |        |        | 2021-22    |        |         |
|-------------------------------------------|------------|--------|--------|------------|--------|---------|
|                                           | Associates | Others | Total  | Associates | Others | Total   |
| <b>Investments</b>                        |            |        |        |            |        |         |
| a) Subscribed / Purchased during the year | 566        | -      | 566    | 1 053      | -      | 1 053   |
| b) Closing Balances                       | 11 611     | -      | 11 611 | 11 045     | -      | 11 045  |
| <b>Loans given</b>                        |            |        |        |            |        |         |
| a) Given during the year                  | -          | -      | -      | 1 500      | -      | 1 500   |
| b) Returned /Adjusted during the year     | (600)      | -      | (600)  | (2 400)    | -      | (2 400) |
| c) Assignment of loan                     | -          | -      | -      | -          | -      | -       |
| d) Closing Balances                       | 2 275      | -      | 2 275  | 2 875      | -      | 2 875   |
| e) ECL provision on loan outstanding      | -          | -      | -      | (20)       | -      | (20)    |
| f) Interest accrued on Loans              | -          | -      | -      | -          | -      | -       |
| g) ECL provision on interest outstanding  | -          | -      | -      | -          | -      | -       |

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**

(₹ in lakh)

| Particulars                                                                | 2022-23    |        |        | 2021-22    |        |        |
|----------------------------------------------------------------------------|------------|--------|--------|------------|--------|--------|
|                                                                            | Associates | Others | Total  | Associates | Others | Total  |
| <b>Loans taken</b>                                                         |            |        |        |            |        |        |
| a) Taken during the year                                                   | -          | -      | -      | -          | -      | -      |
| b) Closing Balances                                                        | -          | -      | -      | -          | -      | -      |
| c) Interest accrued                                                        | -          | -      | -      | -          | -      | -      |
| <b>Income</b>                                                              |            |        |        |            |        |        |
| a) Interest & Finance Income                                               | 348        | -      | 348    | 401        | -      | 401    |
| b) Dividend Income                                                         | 147        | -      | 147    | 147        | -      | 147    |
| c) Premium Received                                                        | 185        | -      | 185    | 179        | 5 614  | 5 793  |
| d) Management Fees                                                         | 41         | -      | 41     | -          | -      | -      |
| e) Other operating income                                                  | 2          | -      | 2      | 434        | -      | 434    |
| f) Reimbursement of Expenditure                                            | 32         | -      | 32     | 158        | -      | 158    |
| <b>Expenses</b>                                                            |            |        |        |            |        |        |
| a) Finance cost                                                            | -          | -      | -      | -          | 1 788  | 1 788  |
| b) Employee Benefits expenses                                              | -          | 312    | 312    | -          | 598    | 598    |
| c) Professional Fees                                                       | -          | -      | -      | -          | -      | -      |
| d) Reimbursement of Expenditure                                            | -          | -      | -      | -          | -      | -      |
| e) ECL provision on loan and interest (net)                                | (20)       | -      | (20)   | -          | -      | -      |
| f) ECL on Guarantee issued                                                 | -          | -      | -      | -          | -      | -      |
| g) Fair value changes                                                      | -          | -      | -      | -          | -      | -      |
| <b>Trade Receivables</b>                                                   | -          | -      | -      | -          | -      | -      |
| <b>Advances Receivables</b>                                                | 757        | -      | 757    | 711        | -      | 711    |
| <b>Trade Payables</b>                                                      | -          | -      | -      | 5          | -      | 5      |
| <b>Deposits received</b>                                                   | -          | -      | -      | -          | -      | -      |
| <b>ECL provision on corporate guarantees given</b>                         | -          | -      | -      | 26 200     | -      | 26 200 |
| <b>Contingent liability</b>                                                |            |        |        |            |        |        |
| Guarantees to banks and financial institutions on behalf of third parties. | 40 000     | -      | 40 000 | 40 000     | -      | 40 000 |
| Guarantees from third parties.                                             | -          | -      | -      | -          | -      | -      |

**C The nature and volume of material transactions for the year with above related parties are as follows:**
**i) Investments**
**2022-23**

Investment Subscribed/Purchased during the year include ₹ 566 lakh of RARCL. Investment closing balance include ₹ 11611 lakh in RARCL.

**2021-22**

Investment Subscribed/Purchased during the year include ₹ 1053 lakh of RARCL. Investment closing balance include ₹ 11045 lakh in RARCL.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

ii) **Loans given**

**2022-23**

Loans returned during the year includes ₹ 600 lakh from RARCL. Loans given closing balance includes ₹2275 lakh to RARCL.

**2021-22**

Loan given during the year includes ₹ 1500 lakh to RARCL. Loans returned during the year includes ₹ 2400 lakh from RARCL. Loans given closing balance includes ₹2875 lakh to RARCL.ECL Provision on loan outstanding 20 lakh from RARCL.

iii) **Income**

**2022-23**

Interest and Finance Income includes ₹ 348 lakh from RARCL.Dividend income includes ₹ 147 lakh from RARCL. Premium Income includes ₹ 154 lakh from RHFL ₹ 31lakh from RARCL. Management fees includes ₹ 41 lakh from RHFL. Other operating incomes includes ₹ 2 from RHFL. Reimbursement of Expenditure include ₹ 6 lakh from RARCL ₹ 26lakh from RHFL.

**2021-22**

Interest and Finance Income includes ₹ 401 lakh from RARCL.Dividend income includes ₹ 147 lakh from RARCL. Other operating incomes includes ₹ 99 lakh from RARCL, ₹ 335 lakh from RHFL.Premium Income includes ₹ 119 lakh from RHFL ₹ 60 lakh from RARCL, ₹ 6 lakh from BSES KERALA, ₹ 475 lakh from BSES Rajdhani, ₹ 305 lakh from BSES Yamuna, ₹ 44 lakh from DSTOLL, ₹ 153 lakh from DRAL, ₹ 5 lakh from DSPPL, ₹ 1 lakh from GFToll, ₹ 31 lakh from JRTOLL, ₹ 364 lakh from MMOPL, ₹ 35 lakh from NKTOLL, ₹ 58 lakh from RINFRA, ₹ 70 lakh from SUTOLL, ₹ 3 lakh from TRDSL, ₹ 1 lakh from PSTOLL, ₹ 1 lakh from RSTEPL, ₹ 30 lakh from RCOM, ₹ 26 lakh from RIPL, ₹ 27 lakh from RPOWER, ₹ 538 lakh from ROSAPOWER, ₹ 3405 lakh from SASANPOWER, ₹ 2 lakh from VIPL, ₹ 34 lakh from RBNL. Other operating incomes includes ₹ 3 from RHFL.Reimbursement of Expenditure include ₹ 27 lakh from RARCL ₹ 131 lakh from RHFL.

v) **Expenses**

**2022-23**

Employee benefit expenses includes ₹ 225 lakh to Shri Atul Tandon , ₹ 87 lakh to Shri Aman Gudral.

**2021-22**

Finance cost include ₹ 1788 lakh to GCLLP. Employee benefit expenses includes ₹ 202 lakh to Shri Atul Tandon, ₹ 288 lakh to Shri Dhananjay Tiwari, ₹ 100 lakh to Shri Vijesh B. Thota and ₹ 9 lakh to Shri Aman Gudral.

vii) **Advances Receivables**

**2022-23**

Advances receivables includes ₹ 757 lakh from RHFL.

**2021-22**

Advances receivables includes ₹ 711 lakh from RHFL.

viii) **Trade Payables**

**2021-22**

Trade payables includes ₹ 5 lakh from RHFL.

x) **ECL provision on corporate guarantees given**

**2021-22**

ECL on guarantees issued includes ₹ 26200 lakh for RHFL.

xi) **Contingent Liabilities**

**2022-23**

Guarantees to Banks and Financial Institutions on behalf of third parties includes ₹ 40000 lakh for RHFL

**2021-22**

Guarantees to Banks and Financial Institutions on behalf of third parties includes ₹ 40000 lakh for RHFL

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**
**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 occurred 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.
- iii) BSES Kerala Power Limited (BSES KERALA), BSES Rajdhani Power Limited(BSES Rajdhani), BSES Yamuna Power Limited(BSES Yamuna), DS Toll Road Limited(DSTOLL), Dassault Reliance Aerospace Limited(DRAL), Dhursar Solar Power Private Limited(DSPPL), GF Toll Road Private Limited(GFTOLL), JR Toll Road Private Limited(JRTOLL), Mumbai Metro One Private Limited(MMOPL), NK Toll Road Limited(NKTOLL), Reliance Infrastructure Limited(RINFRA), SU Toll Road Private Limited(SUTOLL), Thales reliance defence Systems Limited(TRDSL), PS Toll Road Private Limited(PSTOLL), Rajasthan Sun Technique Energy Private Limited(RSTEPL), Reliance Innoventures Private Limited (RIPL)(RSTEPL), Reliance Power Limited(RPOWER), Rosa Power Supply Company Limited(ROSAPOWER), Sasan Power Limited(SASANPOWER), Vidarbha Industries Power Limited(VIPL), Reliance Broadcast Network LLC(RBNL), Reliance Communications Limited(RCOM), and Guruvas Commercials LLP(GCLLP) have been included for previous year transactions.

**56 The Parent company has defaulted on principal and/or interest to certain lenders including lenders who have issued recall notices, the details of which are as under:**

| Nature of borrowings                                        | Nature of default | Amount of default<br>(₹ in lakh) | Period of default (days) |      |
|-------------------------------------------------------------|-------------------|----------------------------------|--------------------------|------|
|                                                             |                   |                                  | From                     | to   |
| <b>Debentures and bonds</b>                                 |                   |                                  |                          |      |
| Debentures and bonds                                        | Principal         | 16 25 956                        | 365                      | 1278 |
| Debentures and bonds                                        | Interest          | 4 17 631                         | 365                      | 1278 |
| <b>Loans from Banks / Financial Institutions</b>            |                   |                                  |                          |      |
| Assets Care & Reconstruction Enterprise Limited -108- Trust | Principal         | 52 398                           | 365                      | 1186 |
| Assets Care & Reconstruction Enterprise Limited -108- Trust | Interest          | 11 792                           | 487                      | 1217 |
| Assets Care & Reconstruction Enterprise Limited -116- Trust | Principal         | 10 060                           | 493                      | 1223 |
| Assets Care & Reconstruction Enterprise Limited -116- Trust | Interest          | 1 823                            | 517                      | 1247 |

- i Interest amount has been considered till December 06, 2021.
- ii The Parent Company has also defaulted on repayment of Inter incorporated deposits taken from various parties aggregating to ₹ 56181 lakh and interest ₹ 17351 lakh for which maximum days of default ranges from 510 days to 1297 days.

**57 Interests in other entities**
**A Subsidiaries**

The Group's subsidiaries at March 31, 2023 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 /<br>Country of incorporation | Controlling interest held by the group |                | Non-controlling interest |                |
|------------------------------------------------|-----------------------|-------------------------------------------------|----------------------------------------|----------------|--------------------------|----------------|
|                                                |                       |                                                 | March 31, 2023                         | March 31, 2022 | March 31, 2023           | March 31, 2022 |
|                                                |                       |                                                 | %                                      | %              | %                        | %              |
| Reliance General Insurance Company Limited     | General Insurance     | India                                           | 99.82%                                 | 99.90%         | 0.18%                    | 0.10%          |
| Reliance Nippon Life Insurance Company Limited | Life Insurance        | India                                           | 51.00%                                 | 51.00%         | 49.00%                   | 49.00%         |
| Reliance Health Insurance Limited*             | Health Insurance      | India                                           | 100.00%                                | 100.00%        | 0.00%                    | 0.00%          |
| Reliance Financial Limited                     | NBFC                  | India                                           | 100.00%                                | 100.00%        | 0.00%                    | 0.00%          |
| Reliance Capital Pension Fund Limited          | Pension Fund          | India                                           | 51.00%                                 | 51.00%         | 49.00%                   | 49.00%         |
| Reliance Money Precious Metals Private Limited | Finance & Investments | India                                           | 100.00%                                | 100.00%        | 0.00%                    | 0.00%          |
| Reliance Securities Limited                    | Finance & Investments | India                                           | 100.00%                                | 100.00%        | 0.00%                    | 0.00%          |
| Reliance Commodities Limited                   | Finance & Investments | India                                           | 100.00%                                | 100.00%        | 0.00%                    | 0.00%          |
| Reliance Wealth Management Limited             | Finance & Investments | India                                           | 100.00%                                | 100.00%        | 0.00%                    | 0.00%          |
| Reliance Money Services Private Limited        | Finance & Investments | India                                           | 100.00%                                | 100.00%        | 0.00%                    | 0.00%          |
| Reliance Exchangetext Limited                  | Finance & Investments | India                                           | 100.00%                                | 100.00%        | 0.00%                    | 0.00%          |

# Notes to the Consolidated Financial Statements for the year ended March 31, 2023

| Name of the entity                           | Principal Activities  | Place of business / Country of incorporation | Controlling interest held by the group |                | Non-controlling interest |                |
|----------------------------------------------|-----------------------|----------------------------------------------|----------------------------------------|----------------|--------------------------|----------------|
|                                              |                       |                                              | March 31, 2023                         | March 31, 2022 | March 31, 2023           | March 31, 2022 |
|                                              |                       |                                              | %                                      | %              | %                        | %              |
| Reliance Corporate Advisory Services Limited | Finance & Investments | India                                        | 100.00%                                | 100.00%        | 0.00%                    | 0.00%          |
| Quant Capital Private Limited                | Finance & Investments | India                                        | 74.00%                                 | 74.00%         | 26.00%                   | 26.00%         |
| Quant Broking Private Limited                | Finance & Investments | India                                        | 74.00%                                 | 74.00%         | 26.00%                   | 26.00%         |
| Quant Securities Private Limited             | Finance & Investments | India                                        | 74.00%                                 | 74.00%         | 26.00%                   | 26.00%         |
| Quant Investment Services Private Limited    | Finance & Investments | India                                        | 74.00%                                 | 74.00%         | 26.00%                   | 26.00%         |
| Reliance ARC - SBI Maan Sarovar Trust        | Trust                 | India                                        | 90.00%                                 | 90.00%         | 10.00%                   | 10.00%         |
| Gulfoss Enterprises Private Limited*         | Others                | India                                        | 0.00%                                  | 100.00%        | 100.00%                  | 0.00%          |
| Reliance Underwater Systems Private Limited* | Others                | India                                        | 49.00%                                 | 49.00%         | 51.00%                   | 51.00%         |

\* The unaudited financial statement for March 31, 2023, 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 lakh)                                           |                  |                      |                       |                           |            |                                     |
|-------------------------------------------------------|------------------|----------------------|-----------------------|---------------------------|------------|-------------------------------------|
| Entities                                              | Financial Assets | Non-financial Assets | Financial Liabilities | Non-financial Liabilities | Net Assets | Accumulated NCI (after elimination) |
| <b>Reliance General Insurance Company Limited</b>     |                  |                      |                       |                           |            |                                     |
| March 31, 2023                                        | 2 597 766        | 52 940               | 1 940 146             | 134 229                   | 576 332    | 191                                 |
| March 31, 2022                                        | 2 256 708        | 50 180               | 1 940 146             | 134 229                   | 232 514    | 122                                 |
| <b>Reliance Nippon Life Insurance Company Limited</b> |                  |                      |                       |                           |            |                                     |
| March 31, 2023                                        | 3 190 830        | 2 377                | 3 011 723             | 21 952                    | 159 532    | 82 102                              |
| March 31, 2022                                        | 2 895 698        | 2 404                | 2 729 574             | 19 802                    | 148 726    | 77 836                              |
| <b>Reliance Capital Pension Fund Limited</b>          |                  |                      |                       |                           |            |                                     |
| March 31, 2023                                        | 3,192            | 63                   | 10                    | 9                         | 3,236      | 1,524                               |
| March 31, 2022                                        | 3,118            | 66                   | 2                     | 21                        | 3,162      | 1,485                               |
| <b>Quant Capital Private Limited</b>                  |                  |                      |                       |                           |            |                                     |
| March 31, 2023                                        | 172              | 233                  | -                     | 1,003                     | (598)      | (155)                               |
| March 31, 2022                                        | 305              | 610                  | -                     | 1,004                     | (89)       | (23)                                |
| <b>Quant Broking Private Limited</b>                  |                  |                      |                       |                           |            |                                     |
| March 31, 2023                                        | 608              | 207                  | 885                   | 583                       | (653)      | (170)                               |
| March 31, 2022                                        | 1,382            | 221                  | 885                   | 585                       | 133        | 35                                  |
| <b>Quant Securities Private Limited</b>               |                  |                      |                       |                           |            |                                     |
| March 31, 2023                                        | 331              | 20                   | 5                     | 655                       | (309)      | (80)                                |
| March 31, 2022                                        | 399              | 163                  | 5                     | 655                       | (98)       | (26)                                |
| <b>Quant Investment Services Private Limited</b>      |                  |                      |                       |                           |            |                                     |
| March 31, 2023                                        | -                | 18                   | 153                   | 11                        | (146)      | (38)                                |
| March 31, 2022                                        | -                | 19                   | 152                   | 12                        | (145)      | (38)                                |
| <b>Reliance ARC - SBI Maan Sarovar Trust</b>          |                  |                      |                       |                           |            |                                     |
| March 31, 2023                                        | 0                | 11                   | 460                   | 3                         | (452)      | (0)                                 |
| March 31, 2022                                        | 141              | 1                    | 460                   | 2                         | (321)      | 14                                  |

### ii) Summarised statement of profit and loss

| (₹ in lakh)                                           |           |                              |                            |                            |                                  |                       |
|-------------------------------------------------------|-----------|------------------------------|----------------------------|----------------------------|----------------------------------|-----------------------|
| Entities                                              | Revenue   | Profit / (Loss) for the year | Other Comprehensive Income | Total Comprehensive Income | Profit / (Loss) allocated to NCI | Dividends paid to NCI |
| <b>Reliance General Insurance Company Limited</b>     |           |                              |                            |                            |                                  |                       |
| March 31, 2023                                        | 1 232 703 | 21 884                       | (14 955)                   | 6 930                      | 39                               | -                     |
| March 31, 2022                                        | 1 130 218 | 31 014                       | (14 955)                   | 16 059                     | 31                               | -                     |
| <b>Reliance Nippon Life Insurance Company Limited</b> |           |                              |                            |                            |                                  |                       |

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**

(₹ in lakh)

| Entities                                         | Revenue        | Profit /<br>(Loss) for the<br>year | Other<br>Comprehensive<br>Income | Total<br>Comprehensive<br>Income | Profit /<br>(Loss)<br>allocated to<br>NCI | Dividends<br>paid to NCI |
|--------------------------------------------------|----------------|------------------------------------|----------------------------------|----------------------------------|-------------------------------------------|--------------------------|
| <b>March 31, 2023</b>                            | <b>678 369</b> | <b>4 369</b>                       | <b>4 336</b>                     | <b>8 705</b>                     | <b>2 141</b>                              |                          |
| March 31, 2022                                   | 739 368        | 12 308                             | (495)                            | 11 813                           | 6 031                                     | -                        |
| <b>Reliance Capital Pension Fund Limited</b>     |                |                                    |                                  |                                  |                                           |                          |
| <b>March 31, 2023</b>                            | <b>134</b>     | <b>81</b>                          | <b>(0)</b>                       | <b>81</b>                        | <b>40</b>                                 | <b>-</b>                 |
| March 31, 2022                                   | 210            | 161                                | (1)                              | 160                              | 79                                        | -                        |
| <b>Quant Capital Private Limited</b>             |                |                                    |                                  |                                  |                                           |                          |
| <b>March 31, 2023</b>                            | <b>24</b>      | <b>(494)</b>                       | <b>-</b>                         | <b>(494)</b>                     | <b>(128)</b>                              |                          |
| March 31, 2022                                   | 22             | (160)                              | -                                | (160)                            | (42)                                      | -                        |
| <b>Quant Broking Private Limited</b>             |                |                                    |                                  |                                  |                                           |                          |
| <b>March 31, 2023</b>                            | <b>5</b>       | <b>(786)</b>                       | <b>-</b>                         | <b>(786)</b>                     | <b>(204)</b>                              |                          |
| March 31, 2022                                   | 5              | (178)                              | -                                | (178)                            | (46)                                      | -                        |
| <b>Quant Securities Private Limited</b>          |                |                                    |                                  |                                  |                                           |                          |
| <b>March 31, 2023</b>                            | <b>5</b>       | <b>(68)</b>                        | <b>-</b>                         | <b>(68)</b>                      | <b>(18)</b>                               |                          |
| March 31, 2022                                   | 10             | 8                                  | -                                | 8                                | 2                                         | -                        |
| <b>Quant Investment Services Private Limited</b> |                |                                    |                                  |                                  |                                           |                          |
| <b>March 31, 2023</b>                            | <b>1</b>       | <b>(2)</b>                         | <b>-</b>                         | <b>(2)</b>                       | <b>(1)</b>                                |                          |
| March 31, 2022                                   | -              | (2)                                | -                                | (2)                              | (1)                                       | -                        |
| <b>Reliance ARC - SBI Maan Sarovar Trust</b>     |                |                                    |                                  |                                  |                                           |                          |
| <b>March 31, 2023</b>                            | <b>-</b>       | <b>(141)</b>                       | <b>(14)</b>                      | <b>(156)</b>                     | <b>(141)</b>                              |                          |
| March 31, 2022                                   | -              | (39)                               | (4)                              | (43)                             | (39)                                      | -                        |

**iii) Summarised statement of Cash flows**

(₹ in lakh)

| Entities                                              | Cash flow from /<br>(Used) Operating<br>activities | Cash flow from /<br>(Used) Investing<br>activities | Cash flow from /<br>(Used) financing<br>activities | Net Increase/<br>(decrease) in cash and<br>cash equivalents |
|-------------------------------------------------------|----------------------------------------------------|----------------------------------------------------|----------------------------------------------------|-------------------------------------------------------------|
| <b>Reliance General Insurance Company Limited</b>     |                                                    |                                                    |                                                    |                                                             |
| <b>March 31, 2023</b>                                 | <b>181 469</b>                                     | <b>(150 987)</b>                                   | <b>(1 664)</b>                                     | <b>28 818</b>                                               |
| March 31, 2022                                        | 11 552                                             | (34 463)                                           | (1 802)                                            | (24 713)                                                    |
| <b>Reliance Nippon Life Insurance Company Limited</b> |                                                    |                                                    |                                                    |                                                             |
| <b>March 31, 2023</b>                                 | <b>129 610</b>                                     | <b>(127 246)</b>                                   | <b>-</b>                                           | <b>2 364</b>                                                |
| March 31, 2022                                        | 59 931                                             | (68 724)                                           | 27 301                                             | 18 509                                                      |
| <b>Reliance Capital Pension Fund Limited</b>          |                                                    |                                                    |                                                    |                                                             |
| <b>March 31, 2023</b>                                 | <b>(127)</b>                                       | <b>126</b>                                         | <b>-</b>                                           | <b>(2)</b>                                                  |
| March 31, 2022                                        | (44)                                               | 43                                                 | -                                                  | (1)                                                         |
| <b>Quant Capital Private Limited</b>                  |                                                    |                                                    |                                                    |                                                             |
| <b>March 31, 2023</b>                                 | <b>(9)</b>                                         | <b>(7)</b>                                         | <b>22</b>                                          | <b>5</b>                                                    |
| March 31, 2022                                        | (7)                                                | (5)                                                | 33                                                 | 22                                                          |
| <b>Quant Broking Private Limited</b>                  |                                                    |                                                    |                                                    |                                                             |
| <b>March 31, 2023</b>                                 | <b>(8)</b>                                         | <b>(1)</b>                                         | <b>-</b>                                           | <b>(9)</b>                                                  |
| March 31, 2022                                        | 284                                                | (228)                                              | (17)                                               | 39                                                          |
| <b>Quant Securities Private Limited</b>               |                                                    |                                                    |                                                    |                                                             |
| <b>March 31, 2023</b>                                 | <b>(2)</b>                                         | <b>4</b>                                           | <b>-</b>                                           | <b>2</b>                                                    |
| March 31, 2022                                        | (3)                                                | 16                                                 | -                                                  | 13                                                          |
| <b>Quant Investment Services Private Limited</b>      |                                                    |                                                    |                                                    |                                                             |
| <b>March 31, 2023</b>                                 | <b>(1)</b>                                         | <b>-</b>                                           | <b>1</b>                                           | <b>(0)</b>                                                  |
| March 31, 2022                                        | (2)                                                | -                                                  | 2                                                  | (0)                                                         |
| <b>Reliance ARC - SBI Maan Sarovar Trust</b>          |                                                    |                                                    |                                                    |                                                             |
| <b>March 31, 2023</b>                                 | <b>-</b>                                           | <b>-</b>                                           | <b>-</b>                                           | <b>-</b>                                                    |
| March 31, 2022                                        | -                                                  | -                                                  | -                                                  | -                                                           |

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

C Associates

i) Details of carrying value of Associates

|                                               |                      |                                              |                               |                   |                 | (₹ in lakh) |
|-----------------------------------------------|----------------------|----------------------------------------------|-------------------------------|-------------------|-----------------|-------------|
| 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                                        | <b>March 31, 2023</b> 48.24%  | 5 832             | -               |             |
|                                               |                      |                                              | March 31, 2022 48.24%         | 9 008             | -               |             |
| Reliance Asset Reconstruction Company Limited | Asset Reconstruction | India                                        | <b>March 31, 2023</b> 49.00%  | *                 | 11 611          |             |
|                                               |                      |                                              | March 31, 2022 49.00%         | *                 | 11 045          |             |
| Ammolite Holdings Limited**                   |                      | Jersey                                       | <b>March 31, 2023</b> 50.00%  | *                 | -               |             |
|                                               |                      |                                              | March 31, 2022 50.00%         | *                 | -               |             |

\*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 lakh) |
|------------------------------------------------------|------------------|----------------------|-----------------------|---------------------------|---------------|-------------|
| Entities                                             | Financial Assets | Non-financial Assets | Financial Liabilities | Non-financial Liabilities | Net Assets    |             |
| <b>Reliance Asset Reconstruction Company Limited</b> |                  |                      |                       |                           |               |             |
| <b>March 31, 2023</b>                                | <b>34 560</b>    | <b>523</b>           | <b>8 946</b>          | <b>2 437</b>              | <b>26 137</b> |             |
| March 31, 2022                                       | 39 332           | 397                  | 11 784                | 3 100                     | 27 945        |             |

Reconciliation to carrying amounts

|                               |                                               |                | (₹ in lakh) |
|-------------------------------|-----------------------------------------------|----------------|-------------|
| Particulars                   | Reliance Asset Reconstruction Company Limited |                |             |
|                               | March 31, 2023                                | March 31, 2022 |             |
| Opening carrying value        | <b>11 045</b>                                 | 9 992          |             |
| Profit / (Loss) for the year  | <b>565</b>                                    | 1 057          |             |
| Other comprehensive income    | <b>1</b>                                      | (3)            |             |
| Carrying cost adjustments     | -                                             | -              |             |
| Impairment provision          | -                                             | -              |             |
| <b>Closing carrying value</b> | <b>11 611</b>                                 | 11 045         |             |
| Group's share in %            | <b>49.00</b>                                  | 49.00          |             |
| Group's share                 | <b>11 611</b>                                 | 11 045         |             |
| Includes Goodwill             | -                                             | -              |             |
| <b>Carrying value</b>         | <b>11 611</b>                                 | 11 045         |             |

# Reliance Capital Limited

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### b) Summarised statement of profit and loss (Material Associates)

(₹ in lakh)

| Entities                                             | Revenue | Profit / (Loss) for the year | Other Comprehensive Income | Total Comprehensive Income | Dividends received |
|------------------------------------------------------|---------|------------------------------|----------------------------|----------------------------|--------------------|
| <b>Reliance Asset Reconstruction Company Limited</b> |         |                              |                            |                            |                    |
| March 31, 2023                                       | 7 625   | 1 119                        | 2                          | 1 121                      | -                  |
| March 31, 2022                                       | 6 201   | 2 213                        | (6)                        | 2 207                      | -                  |

### c) Summarised Balance Sheet (Immaterial Associates)

(₹ in lakh)

| Entities                             | Financial Assets | Non-financial Assets | Financial Liabilities | Non-financial Liabilities | Net Assets |
|--------------------------------------|------------------|----------------------|-----------------------|---------------------------|------------|
| <b>Reliance Home Finance Limited</b> |                  |                      |                       |                           |            |
| March 31, 2023                       | 1 754            | 1 731                | 10 644                | 225                       | (7 384)    |
| March 31, 2022                       | 378 108          | 636 329              | 1 556 571             | 7 101                     | (549 235)  |
| <b>Ammolite Holdings Limited</b>     |                  |                      |                       |                           |            |
| March 31, 2023                       | 2 114            | -                    | 878                   | 14 161                    | (12 925)   |
| March 31, 2022                       | 2 114            | -                    | 878                   | 14 161                    | (12 925)   |

### d) Summarised statement of profit and loss (Immaterial Associates)

(₹ in lakh)

| Entities                             | Revenue | Profit / (Loss) for the year | Other Comprehensive Income | Total Comprehensive Income | Dividends received |
|--------------------------------------|---------|------------------------------|----------------------------|----------------------------|--------------------|
| <b>Reliance Home Finance Limited</b> |         |                              |                            |                            |                    |
| March 31, 2023                       | 39 137  | 541 857                      | -                          | 541 857                    | -                  |
| March 31, 2022                       | 29 350  | (543 960)                    | 15                         | (543 944)                  | -                  |
| <b>Ammolite Holdings Limited</b>     |         |                              |                            |                            |                    |
| March 31, 2023                       | -       | -                            | -                          | -                          | -                  |
| March 31, 2022                       | -       | 6 380                        | -                          | (6 380)                    | -                  |

### 58 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, 2023

| Sr No | Name                                           | As % of Consolidated net assets | Net Amount         | As % of Consolidated net profit or loss | Profit or loss after tax |
|-------|------------------------------------------------|---------------------------------|--------------------|-----------------------------------------|--------------------------|
| A     | <b>Parent</b>                                  |                                 |                    |                                         |                          |
| 1     | Reliance Capital Limited                       | 136.75                          | (15 35 600)        | 82.57                                   | (1 45 280)               |
| B     | <b>Subsidiaries</b>                            |                                 |                    |                                         |                          |
| (i)   | <b>Indian</b>                                  |                                 |                    |                                         |                          |
| 1     | Reliance Capital Pension Fund Limited          | (0.27)                          | 3 030              | (0.05)                                  | 81                       |
| 2     | Reliance General Insurance Company Limited     | (20.70)                         | 2 32 493           | 4.26                                    | (7 495)                  |
| 3     | Reliance Money Precious Metals Private Limited | 0.16                            | (1 778)            | 0.01                                    | (23)                     |
| 4     | Reliance Securities Limited                    | (1.11)                          | 12 428             | (1.14)                                  | 2 013                    |
| 5     | Reliance Commodities Limited                   | (0.05)                          | 524                | (0.06)                                  | 104                      |
| 6     | Reliance Financial Limited                     | (0.85)                          | 9 494              | (0.18)                                  | 309                      |
| 7     | Reliance Wealth Management Limited             | 0.10                            | (1 126)            | (0.09)                                  | 161                      |
| 8     | Reliance Money Services Private Limited        | 0.55                            | (6 155)            | (0.08)                                  | 140                      |
| 9     | Reliance Exchangenext Limited                  | (0.63)                          | 7 100              | 4.11                                    | (7 223)                  |
| 10    | Reliance Corporate Advisory Services Limited   | 0.11                            | (1 198)            | 14.21                                   | (25 009)                 |
| 11    | Reliance Nippon Life Insurance Company Limited | (14.15)                         | 1 58 908           | (4.95)                                  | 8 705                    |
| 12    | Reliance Health Insurance Limited              | (0.10)                          | 1 147              | 0.53                                    | (931)                    |
| 13    | Quant Capital Private Limited                  | 0.05                            | (598)              | 0.28                                    | (494)                    |
| 14    | Quant Broking Private Limited                  | 0.06                            | (653)              | 0.45                                    | (786)                    |
| 15    | Quant Securities Private Limited               | 0.03                            | (309)              | 0.04                                    | (68)                     |
| 16    | Quant Investment Services Private Limited      | 0.01                            | (146)              | 0.00                                    | (2)                      |
| 17    | Reliance ARC – SBI Maan Sarovar Trust          | 0.04                            | (452)              | 0.08                                    | (141)                    |
| 18    | Reliance Underwater Systems Private Limited    | (0.00)                          | 5                  | 0.00                                    | (0)                      |
|       | <b>Total</b>                                   | <b>100</b>                      | <b>(11 22 887)</b> | <b>100</b>                              | <b>(175 941)</b>         |

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

| Sr No | Name                                           | As % of Consolidated net assets | Net Amount    | As % of Consolidated net profit or loss | Profit or loss after tax |
|-------|------------------------------------------------|---------------------------------|---------------|-----------------------------------------|--------------------------|
| C     | <b>Minority interest</b>                       |                                 |               |                                         |                          |
|       | Reliance Capital Pension Fund Limited          |                                 | 1 524         |                                         | 40                       |
|       | Reliance General Insurance Company Limited     |                                 | 191           |                                         | 39                       |
|       | Reliance Nippon Life Insurance Company Limited |                                 | 82 102        |                                         | 2,146                    |
|       | Reliance ARC – SBI Maan Sarovar Trust          |                                 | (0)           |                                         | (14)                     |
|       | Quant Capital Private Limited                  |                                 | (174)         |                                         | (295)                    |
|       | <b>Total Minority Interest</b>                 |                                 | <b>83 642</b> |                                         | <b>1,915</b>             |
| D     | <b>Associates</b>                              |                                 |               |                                         |                          |
|       | <b>Indian</b>                                  |                                 |               |                                         |                          |
|       | Reliance Asset Reconstruction Company Limited  |                                 |               |                                         | 566                      |
|       | Reliance Home Finance Limited                  |                                 |               |                                         | -                        |
|       | <b>Foreign</b>                                 |                                 |               |                                         |                          |
|       | Ammolite Holdings Limited                      |                                 |               |                                         | -                        |
|       | <b>Total Associates</b>                        |                                 |               |                                         | <b>566</b>               |

B For the year ended March 31, 2022

| Sr No | Name                                           | As % of Consolidated net assets | Net Amount         | As % of Consolidated net profit or loss | Profit or loss after tax |
|-------|------------------------------------------------|---------------------------------|--------------------|-----------------------------------------|--------------------------|
| A     | <b>Parent</b>                                  |                                 |                    |                                         |                          |
| 1     | Reliance Capital Limited                       | 65.12                           | (12 38 769)        | 17.12                                   | (1 37 891)               |
| B     | <b>Subsidiaries</b>                            |                                 |                    |                                         |                          |
| (i)   | <b>Indian</b>                                  |                                 |                    |                                         |                          |
| 1     | Reliance Capital Pension Fund Limited          | (0.16)                          | 3 030              | (0.02)                                  | 161                      |
| 2     | Reliance General Insurance Company Limited     | (12.22)                         | 2 32 493           | (3.85)                                  | 31 014                   |
| 3     | Reliance Commercial Finance Limited            | 56.66                           | (10 77 986)        | 87.89                                   | (7 07 931)               |
| 4     | Reliance Money Precious Metals Private Limited | 0.09                            | (1 778)            | 0.00                                    | 6                        |
| 5     | Reliance Securities Limited                    | (0.65)                          | 12 428             | (0.23)                                  | 1 818                    |
| 6     | Reliance Commodities Limited                   | (0.03)                          | 524                | 0.01                                    | (70)                     |
| 7     | Reliance Financial Limited                     | (0.50)                          | 9 494              | 0.13                                    | (1 024)                  |
| 8     | Reliance Wealth Management Limited             | 0.06                            | (1 126)            | (0.01)                                  | 59                       |
| 9     | Reliance Money Services Private Limited        | 0.32                            | (6 155)            | 0.00                                    | 1                        |
| 10    | Reliance Exchangenext Limited                  | (0.37)                          | 7 100              | 0.00                                    | (3)                      |
| 11    | Reliance Corporate Advisory Services Limited   | 0.06                            | (1 198)            | 0.26                                    | (2 065)                  |
| 12    | Reliance Nippon Life Insurance Company Limited | (8.35)                          | 1 58 908           | (1.53)                                  | 12 308                   |
| 13    | Reliance Health Insurance Limited              | (0.06)                          | 1 147              | 0.18                                    | (1 479)                  |
| 14    | Quant Capital Private Limited                  | 0.00                            | (89)               | 0.02                                    | (160)                    |
| 15    | Quant Broking Private Limited                  | (0.01)                          | 133                | 0.02                                    | (178)                    |
| 16    | Quant Securities Private Limited               | 0.01                            | (98)               | 0.00                                    | 8.02                     |
| 17    | Quant Investment Services Private Limited      | 0.01                            | (145)              | 0.00                                    | (2.19)                   |
| 18    | Reliance ARC – SBI Maan Sarovar Trust          | 0.02                            | (321)              | 0.00                                    | (39)                     |
| 19    | Gulfoss Enterprises Private Limited            | 0.00                            | (3.42)             | 0.00                                    | (4)                      |
| 20    | Reliance Underwater Systems Private Limited    | 0.00                            | 5                  | 0.00                                    | (0)                      |
|       | <b>Total</b>                                   | <b>100</b>                      | <b>(19 02 408)</b> | <b>100</b>                              | <b>(8 05 474)</b>        |
| C     | <b>Minority interest</b>                       |                                 |                    |                                         |                          |
|       | Reliance Capital Pension Fund Limited          |                                 | 1 485              |                                         | 79                       |
|       | Reliance General Insurance Company Limited     |                                 | 122                |                                         | 31                       |

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**

| Sr No    | Name                                           | As % of Consolidated net assets | Net Amount    | As % of Consolidated net profit or loss | Profit or loss after tax |
|----------|------------------------------------------------|---------------------------------|---------------|-----------------------------------------|--------------------------|
|          | Reliance Nippon Life Insurance Company Limited |                                 | 77 836        |                                         | 6 025                    |
|          | Reliance ARC – SBI Maan Sarovar Trust          |                                 | 14            |                                         | (4)                      |
|          | Quant Capital Private Limited                  |                                 | 121           |                                         | (40)                     |
|          | <b>Total Minority Interest</b>                 |                                 | <u>79 577</u> |                                         | <u>6 091</u>             |
| <b>D</b> | <b>Associates</b>                              |                                 |               |                                         |                          |
|          | <b>Indian</b>                                  |                                 |               |                                         |                          |
|          | Reliance Asset Reconstruction Company Limited  |                                 |               |                                         | 1 157                    |
|          | Reliance Home Finance Limited                  |                                 |               |                                         | (33 933)                 |
|          | <b>Foreign</b>                                 |                                 |               |                                         |                          |
|          | Ammolite Holdings Limited                      |                                 |               |                                         | -                        |
|          | <b>Total Associates</b>                        |                                 |               |                                         | <u>(32 776)</u>          |

**59** 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.

**60 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.

An explanation of each level follows underneath the table

**As at March 31, 2023**

|                                  | (₹ in lakh) |          |         |                |           |
|----------------------------------|-------------|----------|---------|----------------|-----------|
| Particulars                      | Level 1     | Level 2  | Level 3 | Amortised Cost | Total     |
| <b>Financial assets</b>          |             |          |         |                |           |
| <b>At FVTPL</b>                  |             |          |         |                |           |
| Investments                      | 15 47 053   | 72 150   | 52 083  | -              | 16 71 286 |
| Derivative Financial Instruments | 1 771       |          |         |                | 1 771     |
| <b>At FVOCI</b>                  |             |          |         |                |           |
| Investments                      | 6 03 363    | 7 58 485 | -       | -              | 13 61 848 |
| <b>At Amortised Cost</b>         |             |          |         |                |           |
| Investments                      | 17 17 583   |          |         | 1 01 698       | 18 19 281 |
| Cash and cash equivalents        | -           | -        | -       | 69 479         | 69 479    |

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

|                                                   | (₹ in lakh)      |                 |               |                  |                  |
|---------------------------------------------------|------------------|-----------------|---------------|------------------|------------------|
| Particulars                                       | Level 1          | Level 2         | Level 3       | Amortised Cost   | Total            |
| Bank balance other than cash and cash equivalent  | -                | -               | -             | 10 687           | 10 687           |
| Receivables                                       | -                | -               | -             | 2 53 002         | 2 53 002         |
| Loans                                             | -                | -               | -             | 61 287           | 61 287           |
| Other financial assets and derivative instruments | -                | -               | -             | 7 81 459         | 7 81 459         |
| <b>Total Financial Assets</b>                     | <b>38 69 769</b> | <b>8 30 635</b> | <b>52 083</b> | <b>12 77 612</b> | <b>60 30 100</b> |
| <b>Financial Liabilities</b>                      |                  |                 |               |                  |                  |
| <b>At FVTPL</b>                                   |                  |                 |               |                  |                  |
| Derivative Financial Instruments                  | 205              | -               | -             | -                | 205              |
| Debt Securities                                   | -                | -               | 52 348        | -                | 52 348           |
| <b>At Amortised Cost</b>                          |                  |                 |               |                  |                  |
| Debt Securities                                   | -                | -               | -             | 15 85 470        | 15 85 470        |
| Borrowings                                        | -                | -               | -             | 1 18 643         | 1 18 643         |
| Subordinated liabilities                          | -                | -               | -             | 7 705            | 7 705            |
| Trade and other payables                          | -                | -               | -             | 1 89 195         | 1 89 195         |
| Other financial liabilities & Deposits            | -                | -               | 13 895        | 55 29 700        | 55 43 595        |
| <b>Total Financial Liabilities</b>                | <b>205</b>       | <b>-</b>        | <b>66 243</b> | <b>74 30 713</b> | <b>74 97 161</b> |

As at March 31, 2022

|                                                   | (₹ in lakh)      |                  |                 |                  |                  |
|---------------------------------------------------|------------------|------------------|-----------------|------------------|------------------|
| Particulars                                       | Level 1          | Level 2          | Level 3         | Amortised Cost   | Total            |
| <b>Financial assets</b>                           |                  |                  |                 |                  |                  |
| <b>At FVTPL</b>                                   |                  |                  |                 |                  |                  |
| Investments                                       | 10 05 882        | 64 000           | 2 31 561        | -                | 13 01 443        |
| Derivative Financial Instruments                  | 11               | -                | -               | -                | 11               |
| <b>At FVOCI</b>                                   |                  |                  |                 |                  |                  |
| Investments                                       | 6 70 743         | 6 28 893         | -               | -                | 12 99 636        |
| <b>At Amortised Cost</b>                          |                  |                  |                 |                  |                  |
| Investments                                       | 13 56 421        | 3 60 600         | 561             | 82 718           | 18 00 300        |
| Cash and cash equivalents                         | -                | -                | -               | 1 18 801         | 1 18 801         |
| Bank balance other than cash and cash equivalent  | -                | -                | -               | 38 174           | 38 174           |
| Receivables                                       | -                | -                | -               | 1 87 196         | 1 87 196         |
| Loans                                             | -                | -                | -               | 2 13 469         | 2 13 469         |
| Other financial assets and derivative instruments | -                | -                | -               | 7 60 811         | 7 60 811         |
| <b>Total Financial Assets</b>                     | <b>30 33 056</b> | <b>10 53 493</b> | <b>2 32 122</b> | <b>14 01 169</b> | <b>57 19 841</b> |
| <b>Financial Liabilities</b>                      |                  |                  |                 |                  |                  |
| <b>At FVTPL</b>                                   |                  |                  |                 |                  |                  |
| Derivative Financial Instruments                  | 12               | -                | -               | -                | 12               |
| Debt Securities                                   | -                | 22 800           | 45 823          | -                | 68 623           |
| <b>At Amortised Cost</b>                          |                  |                  |                 |                  |                  |
| Debt Securities                                   | -                | -                | -               | 17 40 489        | 17 40 489        |
| Borrowings                                        | -                | -                | -               | 8 58 542         | 8 58 542         |
| Subordinated liabilities                          | -                | -                | -               | 15 820           | 15 820           |
| Trade and other payables                          | -                | -                | -               | 1 38 027         | 1 38 027         |
| Other financial liabilities                       | 835              | -                | 13 900          | 52 03 059        | 52 17 794        |
| <b>Total Financial Liabilities</b>                | <b>847</b>       | <b>22 800</b>    | <b>59 723</b>   | <b>79 55 937</b> | <b>80 39 307</b> |

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

**61 Financial Risk Management**

The Parent Company is 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. In view of the ongoing CIRP in parent Company, Risk Management of parent Company is being overseen by the Administrator. 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 and/or administrator that the group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the group's policies and risk objectives. The major risks are summarised below:

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The group has quoted investments which are exposed to fluctuations in stock prices. Similarly, the group has also raised funds through issue of Market Linked Debentures, whose returns are linked to relevant underlying market instruments or indices. The group continuously monitors market exposure for both equity and debt and, in appropriate cases, also uses various derivative instruments as a hedging mechanism to limit volatility. The unquoted Compulsorily Convertible Preference Shares and Compulsory Convertible debentures of group companies are measured at fair value through profit or loss. The fair values of these investments are regularly monitored.

**Credit risk management**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises mainly from loans and advances, and loan commitments arising from such lending activities, but can also arise from credit enhancement provided, such as financial guarantees, letters of credit, endorsements and acceptances. The Parent Company is a Core Investment Company (CIC) with its lending restricted to and within the Group companies.

The Group has assessed 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 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.

| Particulars                                       | (₹ in lakh)            |                        |          |                        |                        |          |
|---------------------------------------------------|------------------------|------------------------|----------|------------------------|------------------------|----------|
|                                                   | As at March 31, 2023   |                        |          | As at March 31, 2022   |                        |          |
|                                                   | Less than<br>12 Months | More than<br>12 Months | Total    | Less than<br>12 Months | More than<br>12 Months | Total    |
| <b>ASSETS</b>                                     |                        |                        |          |                        |                        |          |
| <b>Financial assets</b>                           |                        |                        |          |                        |                        |          |
| Cash and cash equivalents                         | 69 479                 | -                      | 69 479   | 1 18 801               | -                      | 1 18 801 |
| Bank balance other than cash and cash equivalents | 8 716                  | 1 971                  | 10 687   | 36 170                 | 2 004                  | 38 174   |
| Derivative financial instruments                  | 42                     | 1 729                  | 1 771    | 11                     | -                      | 11       |
| Receivables                                       |                        |                        |          | -                      |                        |          |
| (I) Trade receivables                             | 2 10 830               | 41 116                 | 2 51 946 | 1 86 189               | 100                    | 1 86 289 |
| (II) Other receivables                            | 898                    | 158                    | 1 056    | 907                    | -                      | 907      |
| Loans                                             | 34 975                 | 26 312                 | 61 287   | 1 19 355               | 94 114                 | 2 13 469 |

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

(₹ in lakh)

| Particulars                                                                                 | As at March 31, 2023   |                        |                  | As at March 31, 2022   |                        |                  |
|---------------------------------------------------------------------------------------------|------------------------|------------------------|------------------|------------------------|------------------------|------------------|
|                                                                                             | Less than<br>12 Months | More than<br>12 Months | Total            | Less than<br>12 Months | More than<br>12 Months | Total            |
| Investments                                                                                 | 4 89 137               | 43 63 278              | 48 52 415        | 14 17 108              | 29 84 271              | 44 01 379        |
| Other financial assets                                                                      | 7 77 267               | 4 192                  | 7 81 459         | 7 53 220               | 7 591                  | 7 60 811         |
| <b>Total assets</b>                                                                         | <b>15 91 344</b>       | <b>44 38 756</b>       | <b>60 30 100</b> | <b>26 31 761</b>       | <b>30 88 080</b>       | <b>57 19 841</b> |
| <b>Financial liabilities</b>                                                                |                        |                        |                  |                        |                        |                  |
| Derivative financial instruments                                                            | 205                    | -                      | 205              | 12                     | -                      | 12               |
| 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 | 1 86 918               | 665                    | 1 87 583         | 99 882                 | 600                    | 1 00 482         |
| (II) Other payables                                                                         |                        |                        |                  | -                      |                        |                  |
| (i) total outstanding dues of micro enterprises and small enterprises                       | -                      | -                      | -                | 12                     | -                      | 12               |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 1 612                  | -                      | 1 612            | 5 786                  | 31 747                 | 37 533           |
| Debt securities                                                                             | 16 14 138              | 23 680                 | 16 37 818        | 16 08 728              | 2 00 384               | 18 09 112        |
| Borrowings (Other than debt securities)                                                     | 1 18 159               | 484                    | 1 18 643         | 7 16 427               | 1 42 115               | 8 58 542         |
| Deposits                                                                                    | 884                    | -                      | 884              | 384                    | -                      | 384              |
| Subordinated liabilities                                                                    | 4                      | 7 701                  | 7 705            | 7 719                  | 8 101                  | 15 820           |
| Other financial liabilities                                                                 | 27 62 436              | 27 80 275              | 55 42 711        | 27 02 579              | 25 14 831              | 52 17 410        |
| <b>Total Financial Liabilities</b>                                                          | <b>46 84 356</b>       | <b>28 12 805</b>       | <b>74 97 161</b> | <b>51 41 529</b>       | <b>28 97 778</b>       | <b>80 39 307</b> |

**Note:** Eliminations have been adjusted as per the estimate of management.

**Capital Management Risk**

The Reserve Bank of India (RBI) sets and monitors capital adequacy requirements for the Parent Company from time to time. The Core Investment Companies (Reserve Bank) Directions, 2016, stipulate that the Adjusted Net Worth of a CIC-ND-SI shall at no point in time be less than 30% its risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items as on date of the last audited balance as at the end of the financial year. The Core Investment Companies (Reserve Bank) Directions, 2016, further stipulate that the outside liabilities of a CIC-ND-SI shall at no point of time exceed 2.5 times its Adjusted Net Worth as on date of the last audited balance as at the end of the financial year.

**Expected credit loss measurement**

Ind AS 109 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below. The objective of the impairment requirements is to recognise lifetime expected credit losses for all financial instruments for which there have been significant increases in credit risk since initial recognition – whether assessed on an individual or collective basis – considering all reasonable and supportable information, including that which is forward-looking.

A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the group.

If significant increases in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

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  $(1 - \text{recovery rate})$  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:

- Quantitative test: Accounts that are 30 calendar days or more past due move to Stage 2 automatically. Accounts that are 90 calendar days or more past due move to Stage 3 automatically.
- Qualitative test: Accounts that meet the portfolio's 'high risk' criteria and are subject to closer credit monitoring. High risk customers may not be in arrears but either through an event or an observed behaviour exhibit credit distress.
- Reversal in Stages: Exposures will move back to Stage 2 or Stage 1 respectively, once they no longer meet the quantitative criteria set out above. For exposures classified using the qualitative test, when they no longer meet the criteria for a significant increase in credit risk

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).

As per the provisions of the IBC, the fair value and liquidation value of the assets of the Parent Company as on the insolvency commencement date is required to be determined in accordance with Regulation 27 read with Regulation 35 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("CIRP Regulations"). The Administrator of Parent Company duly appointed by the Hon'ble National Company Law Tribunal, Mumbai ("NCLT Mumbai Bench"), is obligated to appoint 2 registered valuers to determine such valuation and submit the report ("Valuation Report"). In furtherance thereof, the Administrator had appointed 2 registered valuers who have submitted their report. As per Ind AS 36- "Impairment of Assets", impairment testing of assets is to be conducted on an annual basis. On completion of the CIRP, the Parent Company will consider carrying out a comprehensive review of all the assets including investments, other assets and intangible assets, liabilities and accordingly provide for impairment loss on assets and write back of liabilities, if any.

Subject to the above, 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.

The Group has adopted the Ind AS while identifying and providing for the Expected Credit Losses (ECL). The Group measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). This is similar to the

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**

approach used for the purposes of measuring Expected Credit Loss (ECL) under Ind AS 109 "Financial Instruments". Group has put in place monitoring mechanisms commensurate with nature and volume of activities

**Collateral and other credit enhancements**

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

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

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

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

The group closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the 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 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.

- 62** a) The Group has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The Group has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

**63** Previous year figures have been regrouped and rearranged wherever necessary.

**64 Events after the reporting period**

There were no events that occurred after the reporting period i.e. March 31, 2023 up to the date of approval of financial statements that require any adjustment to the carrying value of assets and Liabilities.

**65 Approval of financial statements**

The above results were reviewed and approved by the Administrator on May 29, 2023 and has approved its release while discharging the powers of the Board of Directors of the Company which were conferred upon him by the RBI Order dated November 29, 2021 and subsequently, powers conferred upon him in accordance with the NCLT Order dated December 06, 2021.

As per our report of even date attached  
**For Gokhale & Sathe**

Chartered Accountants

Firm Registration No.: 103264W

**Rahul Joglekar**

Partner

Membership Number : 129389

Mumbai,

Dated: May 29, 2023

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

Administrator appointed under IBC

Chief Financial Officer

Company Secretary & Compliance Officer

Mumbai,

Dated: May 29, 2023

**Nageswara Rao Y**

**Aman Gudral**

**Atul Tandon**

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023**  
**[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]**

(₹ in lakh)

| i. | Sl. No. | Particulars                                                         | Audited Figures<br>(as reported before<br>adjusting for<br>qualifications) | Adjusted Figures<br>(audited figures<br>after adjusting for<br>qualifications) |
|----|---------|---------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------------|
|    | 1.      | Turnover / Total income                                             | 19 31 295                                                                  | 19 31 295                                                                      |
|    | 2.      | Total Expenditure                                                   | 20 97 288                                                                  | 22 58 147                                                                      |
|    | 3.      | Net Profit/(Loss) after tax                                         | (1 65 427)                                                                 | (3 26 286)                                                                     |
|    | 4.      | Earnings Per Share                                                  | (70.07)                                                                    | (134.13)                                                                       |
|    | 5.      | Total Assets                                                        | 66 34 118                                                                  | 66 34 118                                                                      |
|    | 6.      | Total Liabilities                                                   | 77 57 005                                                                  | 79 66 954                                                                      |
|    | 7.      | Net Worth                                                           | (11 22 887)                                                                | (13 32 836)                                                                    |
|    | 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 viz. Reliance Capital Limited (RCL):**

- Financial Statement's Note no. 1 which explains that the Parent Company is undergoing CIRP under the provisions of IBC. As per the provisions of IBC, the fair value and liquidation value of the assets of the Parent Company as on the insolvency commencement date is required to be determined. As stated in Note no. 1, the valuation reports have been received. The Management and the Administrator have represented that the liquidation value of the assets is higher than the book values and therefore no impairment is called for as at March 31, 2023. However, on completion of the CIRP, the Parent Company will consider carrying out a comprehensive review of all the assets including investments, other assets and intangible assets, liabilities and accordingly provide for impairment loss on assets and write back of liabilities, if any.
- Financial Statement's Note no. 1 which explains that the amount of the claims including claims on account of corporate guarantees invoked, admitted or to be admitted by the Administrator may differ from the amount reflecting in the books of account of the Parent Company. The NCLT by its order dated April 12, 2023 has granted extension for completion of CIRP till July 16, 2023 and therefore pending final outcome of the CIRP, no adjustments have been made in the books for the differential amounts, if any, in the claims admitted as on the date of the financial results as compared to the liabilities reflected in the books of account of the Parent Company.
- Financial Statement's Note no. 1 which explains that in view of the ongoing CIRP, the Parent Company has provided for interest expense which may be applicable on the financial debt only upto December 06, 2021. Accordingly, interest expense pertaining to the year ended March 31, 2023 amounting to ₹ 1 60 859 lakh has not been recognized. Had such interest been recognized, the loss before tax for the year ended March 31, 2023 would have been higher by ₹ 1 60 859 lakh. Further, the aggregate interest expense not recognized by the Parent Company post December 6, 2021 is ₹ 2 09 949 lakh. And had such interest been recognized, the net worth of the Group as at March 31, 2023 would have been lower by ₹ 2 09 949 lakh.
- We have been informed that certain information including the minutes of meetings of the Committee of Creditors are confidential in nature and accordingly has not been shared with us. The Administrator and the management has confirmed that the CoC discussions held during the year do not have any implications on the financial statements since resolution plan is yet to be approved by CoC.
- Uncertainty related to Going Concern: Financial Statement's Note no. 1 which explains that the Parent Company has been admitted under the CIRP process effective December 06, 2021 and as stipulated under Section 20 of the IBC, it is incumbent upon the Administrator to manage the operations of the Company as a going concern. Accordingly, the financial results for the year ended March 31, 2023 have been prepared on going concern basis. The last date for completion of CIRP process has been extended by the NCLT to July 16, 2023. However, the Parent Company has defaulted in repayment of the obligations to the lenders and debenture holders which is outstanding, has incurred losses during the period as well as during the previous periods, has reported negative net worth as at March 31, 2023 and previous periods and as described in Note no. 19 of the Statement, the asset cover for Secured Non-Convertible Debentures of the Parent Company has fallen below one hundred percent and other matters as described to the Statement, which indicates that material uncertainty exists, that may cast significant doubt on the Parent Company's ability to continue as a Going Concern.

**b. Type of Audit Qualification** Qualified Opinion

**c. Frequency of qualification:** Whether appeared first time / Repetitive since March 31, 2022  
 repetitive / since how long continuing

**d. Audit Qualification(s) where the impact is quantified by the auditor, Management's Views**

Quantified for Point No. 3, had such interest been recognised from April 01, 2022 to March 31, 2023, the loss before tax for the year ended March 31, 2023 would have been higher by ₹ 1 60 859 Lakh.

Not quantified for point 1,2,4 and 5, hence not applicable.

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Consolidated Audited Financial Results**

- 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**  
The parent company is under CIRP and all the claims and repayment obligations to the lenders and debenture holders shall be dealt as per CIRP.
- (iii) **Auditors' Comments on (i) or (ii) above:** Refer section ii (a) above.
- iii. a. **Details of Audit Qualifications of Parent Company's Subsidiary viz. Reliance Corporate Advisory Services Limited (RCASL):**  
The financial statements for the year ended March 31, 2023 regarding non provision of interest amounting to ₹ 27 534 lakh for the year on borrowings from parent company. Had such interest been provided, the reported loss for the year would have been higher by ₹ 27 534 lakh. Non provision of interest is not compliance with Ind AS 23 "Borrowing Costs".
- b. **Type of Audit Qualification** Qualified Opinion
- c. **Frequency of qualification:** Whether appeared first time / First time in March 31, 2023  
repetitive / since how long continuing
- d. **Audit Qualification(s) where the impact is quantified by the auditor, Management's Views**  
Quantified. Impact on consolidated financial will be Nil due to elimination.
- e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**
- (i) **Management's estimation on the impact of audit qualification:** N.A.
- (ii) **If management is unable to estimate the impact, reasons for the same:** N.A.
- iv. a. **Details of Audit Qualifications of Parent Company's Subsidiary viz. Reliance Exchangenext Limited (RNEXT):**  
The financial statements for the year ended March 31, 2023 regarding non provision of interest amounting to ₹ 58 lakh for the year on borrowings from holding company. Had such interest been provided, the reported loss for the year would have been higher by ₹ 58 lakh. Non provision of interest is not compliance with Ind AS 23 "Borrowing Costs".
- b. **Type of Audit Qualification** Qualified Opinion
- c. **Frequency of qualification:** Whether appeared first time/ First Time in March 31, 2023  
repetitive / since how long continuing
- d. **Audit Qualification(s) where the impact is quantified by the auditor, Management's Views**  
Quantified. Impact on consolidated financial will be Nil due to elimination.
- e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**
- (i) **Management's estimation on the impact of audit qualification:** N.A.
- (ii) **If management is unable to estimate the impact, reasons for the same:** N.A.

v Signatories:

**Nageswara Rao Y**  
**Administrator**

**Aman Gudral**  
**Chief Financial Officer**

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

For **Gokhale & Sathe**  
Chartered Accountants  
Firm Regn. No.10326W

**Rahul Joglekar**  
**Partner**  
Membership No.:129389  
UDIN: 23129389BGUYGA2974

Place: Mumbai  
Date: May 29, 2023

**Statement containing salient features of the financial statement of subsidiaries / associate companies**

(Pursuant to first proviso to sub section (3) of Section 129 of the Act read with rule 5 of the Companies (Accounts) Rules, 2014)

**Part "A": Subsidiaries**

| Sl. No | Name                                           | The date since when subsidiary was acquired | Share Capital | Reserves and Surplus | Total Assets | Total Liabilities | Investments | Turnover  | Profit before taxation | Provision for taxation | Profit after taxation | Proposed Dividend (Excluding Dividend Tax) | Extent of shareholding (in %) |
|--------|------------------------------------------------|---------------------------------------------|---------------|----------------------|--------------|-------------------|-------------|-----------|------------------------|------------------------|-----------------------|--------------------------------------------|-------------------------------|
| 1      | Reliance General Insurance Company Ltd.        | 15-Jan-02                                   | 25 207        | 229 928              | 2 650 706    | 2 420 778         | 1 657 527   | 1 243 792 | 32 148                 | 10 264                 | 21 884                | -                                          | 100%                          |
| 2      | Reliance Money Precious Metals Pvt. Ltd.       | 20-Feb-07                                   | 800           | (2 602)              | 103          | 1 906             | -           | 0         | (23)                   | 0                      | (23)                  | -                                          | 100%                          |
| 3      | Reliance Health Insurance Limited              | 04-May-17                                   | 19 390        | (19 190)             | 2 617        | 2 418             | -           | 0         | (931)                  | -                      | (931)                 | -                                          | 100%                          |
| 4      | Reliance Money Services Private Limited        | 02-Dec-13                                   | 1             | (6 014)              | 57           | 6 071             | -           | 171       | 144                    | (0)                    | 144                   | -                                          | 100%                          |
| 5      | Reliance Capital Pension Fund Limited          | 31-Mar-09                                   | 2 500         | 610                  | 3 192        | 81                | 3 105       | 134       | 78                     | (3)                    | 81                    | -                                          | 51%                           |
| 6      | Reliance Securities Limited                    | 28-Aug-08                                   | 21 000        | (9 060)              | 64 463       | 50 023            | 23 287      | 26 062    | 2 054                  | 26                     | 2 028                 | -                                          | 100%                          |
| 7      | Reliance Commodities Limited                   | 28-Aug-08                                   | 300           | 323                  | 640          | 11                | 411         | 202       | 101                    | -                      | 101                   | -                                          | 100%                          |
| 8      | Reliance Financial Limited                     | 28-Aug-08                                   | 2 416         | 7 388                | 15 307       | 5 525             | 7 826       | 3 123     | 333                    | 13                     | 320                   | -                                          | 100%                          |
| 9      | Reliance Wealth Management Limited             | 15-Dec-10                                   | 4 275         | (5 240)              | 468          | 1 434             | 410         | 456       | 161                    | 1                      | 160                   | -                                          | 100%                          |
| 10     | Reliance Exchangenext Limited                  | 31-May-10                                   | 4 226         | (4 349)              | 2 404        | 2 527             | 2 387       | -         | (7 223)                | -                      | (7 223)               | -                                          | 100%                          |
| 11     | Reliance Corporate Advisory Services Limited   | 31-May-10                                   | 123 565       | (149 772)            | 121 843      | 148 050           | 55 559      | 352       | (25 009)               | -                      | (25 009)              | -                                          | 100%                          |
| 12     | Reliance Nippon Life Insurance Company Limited | 30-Mar-16                                   | 1 196         | 47 989               | 3 201 297    | 3 033 675         | 3 058 739   | 678 600   | 4 369                  | -                      | 4 369                 | -                                          | 51%                           |
| 13     | Quant Capital Private Limited                  | 01-Jul-10                                   | 1 000         | (1 598)              | 405          | 1 003             | 172         | 24        | (494)                  | 15                     | (509)                 | -                                          | 74%                           |
| 14     | Quant Broking Private Limited                  | 01-Jul-10                                   | 1 800         | (2 453)              | 816          | 1 468             | -           | 5         | (778)                  | 7                      | (786)                 | -                                          | 74%                           |
| 15     | Quant Securities Private Limited               | 01-Jul-10                                   | 154           | (463)                | 351          | 655               | -           | 5         | (68)                   | 143                    | (211)                 | -                                          | 74%                           |
| 16     | Quant Investment Services Private Limited      | 18-Mar-11                                   | 74            | (220)                | 18           | 164               | -           | 1         | (1)                    | -                      | (1)                   | -                                          | 74%                           |
| 17     | Reliance Underwater Systems Private Limited    | 16-Aug-19                                   | 28            | (27)                 | 12           | 10                | -           | -         | (4)                    | -                      | (4)                   | -                                          | 49%                           |

Notes:

- 1 The Financial Year of the Subsidiaries is for 12 months i.e. from April 1, 2022 to March 31, 2023.
- 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 lakh)

| 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 | Networth attributable to shareholding as per latest | Profit / (loss) for the year   |                                    |
|---------|-----------------------------------------------|-----------------------------------|---------------------------------------------------------|---------------------------------------------------|---------------------|---------------------------------------------------|--------------------------|-----------------------------------------------------|--------------------------------|------------------------------------|
|         |                                               |                                   | No.                                                     | Amount of Investment in Associate / Joint Venture | Extend of Holding % |                                                   |                          |                                                     | i. Considered in Consolidation | i. Not Considered in Consolidation |
| 1       | Reliance Home Finance Limited                 | 31.03.2023                        | 233 969 188                                             | 89 584                                            | 0.48                | -                                                 | -                        | (7 384)                                             | -                              | -                                  |
| 2       | Reliance Asset Reconstruction Company Limited | 31.03.2023                        | 49 000 000                                              | 7 950                                             | 0.49                | -                                                 | -                        | 26 137                                              | 566                            | -                                  |
| 3       | Ammolite Holdings Limited*                    | 31.03.2019                        | 1 000                                                   | 2 900                                             | 0.50                | -                                                 | -                        | -                                                   | -                              | -                                  |

\* The unaudited Financial Statement as on March 31, 2023, 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.

[illegible]



